

Alcohol Research UK

(Operating as Alcohol Change UK)

Annual Report 2019/20

ALCOHOL
CHANGE^{UK}

Millions of people suffer
as a result of serious
alcohol harm.

But **change** is possible.

Let's **create that change.**

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Alcohol Change UK is the operating name of Alcohol Research UK.
Registered office 27 Swinton Street, London WC1X 9NW
Registered charity number 1140287
Company limited by guarantee in England and Wales number 07462605



We are Alcohol Change UK

We work for a world free from the serious harm caused by alcohol.

We're not anti-alcohol. We are against the suffering that it causes. Serious alcohol harm affects millions of families, damaging and ending lives. It impacts all of us, whether through a loved one's suffering, damaged communities or avoidable costs to frontline services.

But alcohol harm is not inevitable.

We work across the UK to reduce alcohol harm.

We do this with compassion, with ambition, and by seeking and telling the truth about alcohol harm and how to end it.

Change is possible.

Let's create that change.



Annual report and financial statements of the trustees of Alcohol Change UK^{*} **Year ending 31 March 2020**

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suffering that it causes.

^{*}Alcohol Change UK is the operating name of Alcohol Research UK, charity registration number 1140287 (England and Wales).



Welcome from the Chair

I am passionate about reducing alcohol harm. I know from personal experience how easy it is for alcohol to take hold of you and how wonderful it feels to be free of an unhealthy drinking habit.

It is therefore a huge privilege to be the chair of the board of trustees of Alcohol Change UK. It is an incredible organisation: creative, innovative, dynamic, professional, but also warm, friendly, compassionate and deeply committed to improving the lives of millions of people and families across the UK. Following my appointment in April 2020 I have been welcomed so warmly by my fellow trustees and the staff team.

I want to thank Prof John Underwood, who was interim chair for the past year and who, by all accounts, did a fabulous job steering the board through the first year

of the charity's five-year strategy. John, Prof Derek Heim, Jane Appleton and Helen Boaden all stood down from the board in March 2020, with over 20 years' incredible service to the charity between them. We are forever grateful to them. We were also absolutely delighted to welcome Vivienne Evans and Ranjeet Kaile to the board in March 2020.

Ever since my appointment, we have been working under the shadow of COVID-19. Our top priority as a charity is always reducing alcohol harm, so our first reaction when lockdown was announced was to

focus on the pandemic's potential impact on alcohol harm and the people we exist to serve. We also, of course, ensured our team was able to continue working and managed a challenging financial situation. We've outlined our COVID-19 response in more detail in the Challenges section of this report (p24).

2019-20 was the year that we began our journey to becoming a fundraising charity, giving people across the UK the opportunity to put their passion for ending alcohol harm into action, whether through joyous, energetic or creative fundraising efforts, through quiet, determined giving, or through heartfelt gifts in memory of a loved one who died too young because of alcohol. Our new fundraising team has been putting in place solid foundations and has already discovered hundreds of people who care as much about alcohol harm as we do. While we were dealt something of a blow because of a poor source of contact data that we had hoped would accelerate our fundraising (see Challenges, p24) we are nevertheless confident that there are tens of thousands of people out there, if not more, who support our cause and want to join our mission to end alcohol harm.

Most importantly, of course, this report is about the difference we make. The board approved a very ambitious annual plan for 2019-20. This had a twin focus: making even more of a difference to alcohol harm; and initiating a major internal change programme to become the charity we need to be to deliver the five-year strategy.

As set out below, we achieved 23 of the 26 primary objectives we set ourselves, many of them exceeding targets. Particular mention must go to the team behind our website, which has seen truly impressive growth in traffic.

Our top priority as a charity is always reducing alcohol harm.

My huge thanks to our staff team for achieving such progress, to my fellow trustees for their insight and good governance and to all our supporters who share our belief that alcohol harm is completely avoidable and who put their beliefs into action by supporting our work. As you will see in this report, our 2020-21 plan stays true to our strategy and will see us making important further developments across all of our work programmes. With your continued support, we can and will make change happen faster, saving and improving more lives than ever before.

Fiyaz Mughal

Fiyaz Mughal, OBE
Chair of the Board of Trustees



Welcome from the Chief Executive

At Alcohol Change UK, we're a small friendly team of 16 people, and we all help out with everyday tasks. One of the hardest tasks I face is opening the post and finding a letter from a heartbroken family who have lost a loved one through alcohol harm, and who are enclosing a donation.

This is usually a collective donation from family and friends in memory of the person they have lost at far too young an age.

I always feel a mix of emotions. Sympathy for the friends and family of course, some of whom will be affected not just by grief but by longer-term material hardship. Grief for the lost, unliveable future of the person who died too young. Anger that these avoidable deaths are still continuing: an average of 20 each day. And determination to make

change happen faster, to keep going until we end the serious harm caused by alcohol.

But the feeling that stays with me the longest is my knowledge that the people who clubbed together to send us this donation were acting out of hope. They believe that Alcohol Change UK can stop this happening to other people. That, for me, is the essence of Alcohol Change UK: the place where all of us who believe that alcohol harm can – and must – end come

together to make permanent change happen; saving lives, improving lives. Whether we want to contribute financially or be politically active, whether we are taking control of our own drinking or researching the solutions to alcohol harm, whether we are working day-to-day to help people break free of dependency or are in positions of influence, Alcohol Change UK is where our personal passion combines with that of others, greater than the sum of our parts, to make a lasting change.

It has been so exciting to watch the energy and creativity of our staff team unleashed by the board's approval of our brilliant new five-year strategy. 2019-20 was the strategy's first year and we've made a huge number of changes and improvements to shift our operating model to that envisioned by the strategy, with the following being just a small selection:

- Established the theme for our major New Horizons research grants programme: 'Groups, communities and alcohol harm'.
- Recruited thousands of activist supporters and established our new Expert Advisory Panel, including academics and experts by experience.
- Determined our top priority influencing goals.
- Brought major new functionality to our Try Dry app.
- Launched Dry January internationally.
- Recruited a brand new fundraising and engagement team, to start our fundraising from scratch.
- Sourced and put in place a customer-relationship management system for the first time.
- Developed a fully revised approach to risk management at the charity.
- Implemented a new, fairer and more transparent pay and grading policy.
- Fully reviewed our financial processes and systems.









Alcohol Change UK is where people come together to make permanent change happen, saving lives, improving lives.


This change process continues into 2020-21, so that we can achieve more impact, and reduce alcohol harm further and faster. Our long-term ambition is to open no more envelopes containing heartbreaking letters and donations from people who have lost their loved one too young. If we all pull together, that future can happen sooner than ever.

Dr Richard Piper
Chief Executive Officer

What we do

Alcohol harm is complex and requires a holistic solution. Our work is diverse but coherent, delivered through eight interlinked work programmes. The following pages set out our activities and impact for each work programmes during the year 2019-20.

1.	2.	3.	4.	5.	6.	7.	8.
Research and innovation  <ul style="list-style-type: none"> Grants for innovative research Commissioned studies In-house research Curating and communicating the latest knowledge 	Engagement  <ul style="list-style-type: none"> Guiding activists Helping people tell their stories Sourcing and supporting our spokespeople 	Policy and influencing  <ul style="list-style-type: none"> Advising national governments Influencing local policies Working in coalition through the Alcohol Health Alliance and Alcohol and Families Alliance All Party Parliamentary Group on Alcohol Harm 	Culture change  <ul style="list-style-type: none"> Stories across national media Powerful messaging across our work, normalising 'not drinking' and challenging the stigma around having a drinking problem 	Information and advice  <ul style="list-style-type: none"> Sector-leading website and digital resources Outreach via diverse channels, including social media Running Alcohol Awareness Week 	Behaviour change  <ul style="list-style-type: none"> Dry January Sober Spring Try Dry app Flexible support offered via the website and long-term email journeys 	Improving alcohol treatment  <ul style="list-style-type: none"> Standing up for the alcohol treatment system Driving innovation in commissioning and treatment, e.g. the Blue Light approach, assertive outreach Training and consultancy 	Alcohol at work  <ul style="list-style-type: none"> Helping workplaces take control of alcohol at work Improved policies and practices Safer, healthier work cultures Enhanced productivity Quicker, better support for workers harmed by alcohol

A photograph of a group of people celebrating. In the foreground, a man with dreadlocks and glasses is smiling and raising his arm. To his right, a woman with blonde hair is also smiling and raising her arm. The background is filled with many other people, some of whom are also smiling and raising their arms. The air is filled with a large amount of white confetti, creating a festive and joyful atmosphere. The lighting is bright, suggesting an indoor event with good lighting.

Our aim is to
improve the health
and happiness of
people across the UK.

1. Research and innovation



Alcohol harm is a topic rife with opinions. Research and evidence are essential to ensure that action to reduce alcohol harm is based on the evidence. At the heart of our work is a commitment to rigorous research and an accurate understanding of alcohol harm and the best ways to reduce it.

Highlights

- In July 2019 we published six rapid evidence reviews into essential topics (see over page for a full list of the research reports published).
- These rapid evidence reviews were used to shape our major New Horizons grant programme, which we developed and prepared for launch during 2019-20. Following widespread consultation across the research community and beyond, we set the theme for this three-year programme as 'Groups, communities and alcohol harm'. This seeks to fund four innovative, cross-disciplinary studies into the way that people's experience of alcohol harm is affected by their membership of groups and communities, particularly groups that are subject to stigma, discrimination or structural disadvantage. This is particularly important given our support for the UK Black Lives Matter movement and our commitment to tackling racism in the alcohol harm field.
- We led a significant in-house research project with colleagues in the Alcohol Health Alliance into the state of alcohol labelling (see case study).



- We commissioned Wrexham Glyndwr University to conduct research into 'Effective age-gating for online alcohol sales'.
- We undertook a study of supermarket alcohol promotions, highlighting how retailers use events throughout the year to boost sales.



Example

Investigating alcohol labelling



Our labelling study found that a staggering 71% of alcohol labels still fail to tell consumers the official low risk drinking guidance, four years after alcohol manufacturers were asked to do this. Most alcohol labels still contain no ingredients, no nutritional information and no health guidance.

This research has been invaluable in shining a light on this unacceptable state of play, enabling us to work with Government to sort it out.



Research reports we published in the year

Apr 2019	Still seldom heard and hard to reach. Still drinking? NEET young people and alcohol consumption in a Northern town
Jun 2019	Exploring pathways through and beyond alcohol treatment among Polish women and men in a London Borough
Jul 2019	Learning from tragedies: an analysis of alcohol-related Safeguarding Adults Review published in 2017
Jul 2019	Rapid evidence review: Digital interventions to reduce alcohol-related harm: a rapid horizon-scanning review
Jul 2019	Rapid evidence review: Drinking problems and interventions in black and minority ethnic communities
Jul 2019	Rapid evidence review: Dual diagnosis, double stigma: a rapid review of experiences of living with alcohol-related brain damage
Aug 2019	Rapid evidence review: The role of alcohol in contributing to violence in intimate partner relationships
Aug 2019	Enhancing a brief online intervention to reduce alcohol consumption
Aug 2019	Rapid evidence review: Alcohol interventions and the criminal justice system
Aug 2019	Rapid evidence review: The relationship between alcohol and mental health problems
Sep 2019	Drinking and eating
Nov 2019	Faith in recovery? Service user evaluation of faith-based alcohol treatment
Dec 2019	Dry January evaluation 2018
Dec 2019	Dry January evaluation 2019
Feb 2020	Exploring social support and identity in recovery: a photovoice study
Feb 2020	Development and first validation of the Refined Alcohol Expectancy Talk (RAET)
Mar 2020	Alcohol Health Alliance interim research findings on alcohol labelling
Mar 2020	Understanding the link between alcohol excises and the price of alcoholic drinks in UK supermarkets

15,914

There were 15,914 visits to the research hub on our website in the financial year.

30

We invited 30 research teams to present their findings at our events, enabling them to reach a wider audience.

2. Engagement

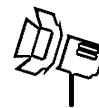


Alcohol Change UK is made up of more than its staff team and board. It is also the many thousands of people from all walks of life who want to end alcohol harm and who come together to improve the health and happiness of people right across the UK. We engage, listen and collaborate with our diverse supporters and help to unleash and coordinate this incredible knowledge, passion and energy.

Highlights

Engaging with thousands of people across the UK is a cornerstone of our new strategy. In 2019-20 we:

- Published 22 stories of people who have first-hand experience of alcohol harm, whether as a result of their own or a loved one's drinking.
- Recruited and welcomed 6,804 new campaigners to the charity, who are interested in being politically active and who know that changes to government policy will reduce alcohol harm faster and further.
- Introduced these new campaigners to the issue of alcohol labelling, amongst other issues, building up their knowledge of the issues, ready to take action.

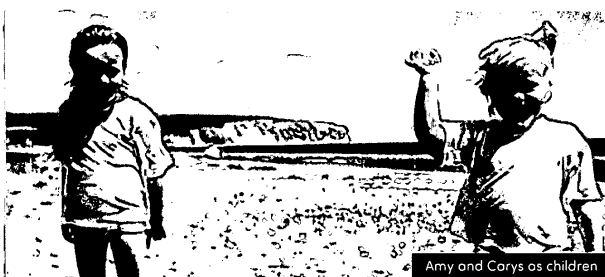


We engage, listen and collaborate with our diverse supporters and help to unleash and coordinate this incredible knowledge, passion and energy.



Example

Garys and Amy's story



Amy and Garys as children

Garys passed away when she was just 28 as a result of her drinking. Her sister, Amy, first shared her story with us in 2017. Since then, we have worked with her regularly to share her and her sister's powerful story on our website, through emails to supporters, and most recently through a one-hour radio drama.

Amy: "For seven years we battled as a family to get Garys the help she needed to beat her addiction. Many people, including medical professionals, assumed that we were exaggerating the extent of her addiction. Garys didn't look like 'an alcoholic'. She was

a woman in her early twenties. She had a degree, she had a home and she had a loving and supportive family - she didn't fit the bill.

"Dealing with a loved one who has an addiction is all consuming. What made things harder still was the stigma that surrounds people addicted to alcohol. I have come to accept that many people view alcohol dependency as a 'self-inflicted' illness. This is drastically inaccurate."



6,804

6,804 new campaigners joined us in the year, between them opening 13,840 emails.

8.6%

Even better, a very high 8.6% clicked through from the email to take an action, which is three times higher than the industry average (2.8%), indicating that our emails were highly effective in prompting action on our cause.

Actions included emailing their MP, completing opinion surveys, and committing to join us as campaigners on alcohol harm for the longer-term.

26.7%

26.7% of all emails sent were opened, which is slightly higher than industry average (25.1%, <https://mailchimp.com/resources/email-marketing-benchmarks/>).

3. Policy and influencing



National governments have huge potential to reduce alcohol harm for millions of people, often at little or no cost to the taxpayer. Local government, too, has a big role to play. We work respectfully and constructively with governments and praise them when they show leadership on an issue, but are also unafraid to tell them when we think they are making a mistake or failing to act.

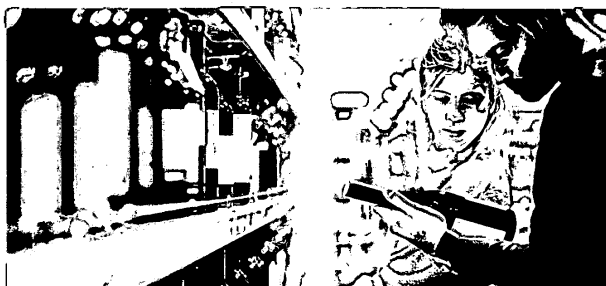
Highlights

- In March 2020, Minimum Unit Pricing came into force in Wales. We presented to the Welsh Assembly at committee stage and also played a key role supporting the Welsh Government with the communications roll-out of this important policy.
- At our Annual Conference in June 2019, Jon Ashworth MP, Shadow Secretary of State for Health and Social Care announced that a Labour government would make alcohol labelling mandatory.
- Following a comprehensive review, we identified and confirmed our three policy and influencing priorities:
 - Action to increase the price of the cheapest, strongest alcohol, to reduce consumption amongst problem drinkers.
 - Action on marketing and labelling to ensure all alcoholic drinks have clear on-pack labelling of nutrition, ingredients, units and safety advice and to ensure that no child is exposed to alcohol marketing.
 - Action on sustainable funding for alcohol treatment system, including within local authorities and the NHS.
- In June 2019 we held a successful meeting of the APPG on alcohol harm on the issue of alcohol labelling: very high attendance, good discussion between external stakeholders and Parliamentarians, and an Early Day Motion as a result. This raised awareness of the need for informative alcohol labelling in Parliament and also resulted in a number of new relationships and follow-up actions.
- We worked with the team behind the BBC's Panorama programme, 'Britain's Drink Problem', presented by Adrian Chiles. As a result of the programme there was renewed pressure on the Government to hold the alcohol industry to account on alcohol labelling, and the Government announced it would insist on the Chief Medical Officers' low risk guidance appearing on all labels.
- We met the Chief Secretary to the Treasury to discuss changes to alcohol duty.



Example

Improving alcohol labelling



In June 2019 the APPG on Alcohol Harm held a Parliamentary event 'Why the secrecy? Bringing transparency to alcohol labelling'. The event included a screening of an excerpt from the BBC Panorama programme, 'Britain's Drink Problem', highlighting the lack of public awareness of the low-risk drinking guidelines and the poor communication of both guidelines and units on alcohol product packaging. Speakers included: Fiona Bruce MP, Chair of the APPG on Alcohol Harm; Dr Mark Egan, Senior Research Advisor at the Behavioural Insights Team; Ed Morrow speaking to the Royal

Society of Public Health's labelling report; Alexandra Kaczmarek from the European Alcohol Policy Alliance and Alan Tapp, Professor of Social Marketing at UWE Bristol. The meeting was well-attended by external stakeholders, including both public health and industry representatives, as well as key Parliamentarians including Shadow Secretary of Health and Social Care, Jon Ashworth MP.



We work respectfully and constructively with governments and praise them when they show leadership on an issue.

18,000

There were over 18,000 visits to our Wales minimum unit pricing Q&A page during the year, informing the people of Wales about this important new measure.



4. Culture change



Drinking problems are, to a great extent, socially and culturally determined. As humans, we like to believe that everything we do is a matter of personal choice, but in reality, of course, the environment in which we find ourselves has a massive impact on the choices open to us and on how we behave.

Alcohol Change UK works to shift not just the policy and economic environment (section 3 above) but also the cultural and social environment (this section). In particular we seek to work with the media and social media to send two messages:

1. that 'not drinking' alcohol, for a night, a week, a month or longer is extremely common and totally normal; and we should all stop #sobering and instead actively support (and never question) anyone's choice to not drink alcohol on any occasion for any reason;
2. that having a problem with alcohol is common and normal, occurs on a spectrum, and is certainly not limited to a small group of severely dependent drinkers (sometimes referred to as 'alcoholics'). Drinking problems are not a sign of personal weakness and should not be a source of shame. Anyone can, with support, regain control.

Dry January remains a key moment for culture shift messaging.

Highlights

- We introduced the idea of #sobering through a prime slot on the Reasons to be Cheerful podcast, receiving great feedback.
- Our CEO spoke at the Royal College of Physicians of Edinburgh on Alcohol, Men and Health on his own experiences of gender and drinking problems.
- Dry January remains a key moment for culture shift messaging. Key articles this year included the *Express* ('The major health perks of giving up alcohol according to experts') and the *Mirror* ('Dry January is a great opportunity to curb negative drinking habits').
- We developed stronger relationships with journalists with an interest in alcohol and worked on a number of thoughtful, in-depth pieces which shifted the narrative about alcohol, for example the June 2019 Panorama episode on 'Britain's drinking problem', presented by Adrian Chiles.



Example

Social media



Our Instagram posts are a crucial and popular way for us to shift cultural norms (as well as behaviour change). By March 2019 we had over 3,000 Instagram followers. This post was liked by over 70 people.



678

Alcohol Change UK was mentioned 678 times in the UK media in 2019-20, including 'culture change' messaging across many of these.

16

We shared 16 stories of people who have taken control of their drinking or gone completely alcohol-free.

3,000

Our Alcohol Change UK Instagram account saw an increase from fewer than 500 followers on 31 March 2019 to over 3,000 by 31 March 2020.

53,000

Our website stories of people's experiences of alcohol harm were viewed a combined total of around 53,000 times.

5. Information and advice



People across the UK want independent, honest information about alcohol: about its effects, what constitutes a problem, how to deal with your own drinking problem or that of a family member, what support is available and how to access it.

Our website seeks to be the UK's most trusted, helpful and informative source of knowledge about alcohol and alcohol harm. We also reach outwards, using social media, conventional media and our campaigns like Dry January and Alcohol Awareness Week to share information more widely and signpost people to help if they need it.

Overall, we have seen incredible growth in our website traffic.

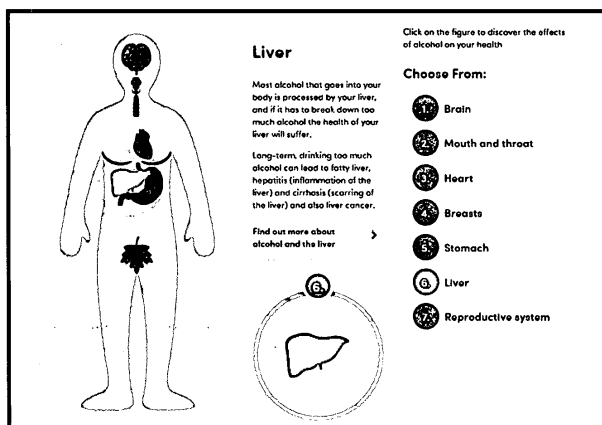
Highlights

- Overall, we have seen incredible growth in our website traffic (see pull-out box). Our interactive information and advice tools continued to grow in popularity.
- We developed a new email journey for people completing our AUDIT tool and leaving their email address, allowing us to offer support to a new audience.
- Alcohol Awareness Week in Nov 2019 focused on alcohol and the body and saw us produce a new interactive website resource – the alcohol body map – which was visited by 4,085 people in the week, and more than 25,000 people over the year. Overall, during Alcohol Awareness Week 2019 we saw 78,078 page views, 54% higher than last year (Nov 2018: 50,725). Over 3,000 community groups and local agencies engaged with Alcohol Awareness Week 2019, including Public Health England, Public Health Wales, NACOA, Balance North East, British Liver Trust, Adfam, and the Association of Directors of Public Health.
- We developed a COVID-19 information and advice hub, including information on mental health, advice on where to seek remote support even during social distancing measures, and much more.



Example

Interactive content



For Alcohol Awareness Week we developed a new quiz feature on the website. This is a simple, engaging way to encourage people to visit our website. We launched with a quiz about how much you know about alcohol, which was completed by 4,045 people over the course of the week, with over 29,302 people

visiting the website in total. Once people completed the quiz, they were offered a variety of options to find out more about alcohol – factsheets, the interactive body map (see above), and the AUDIT tool.



35%

Overall website traffic increased by 35% compared to 2018-19.

220,000

Over 220,000 visits to our factsheets, up 174% on 2018-19.

61,000

Over 61,000 people used our unit calculator, up 197% on 2018-19.

54,000

Over 54,000 visits to the 'Get help now' section of the website, up 192% on 2018-19.

25,000

Over 25,000 interactive body map visits (new in 2019-20).

2,500

Over 2,500 AUDIT tool completers signed up for ongoing emails with advice and information.

6. Behaviour change



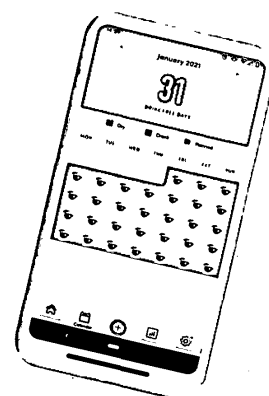
Our behaviour change programme enables people to take part in specific 'challenges' – Dry January, Sober Spring – and includes ongoing year-round support to help people regain control of their drinking.

The primary target group for this programme is heavy, habitual drinkers who want to try to take control of their drinking themselves. We help thousands of drinkers a year, intervening before people need therapeutic support. Of course, we know that drinking problems are much more complex than simply 'personal choice',

but our behaviour change programme empowers people to take control of their relationship with alcohol.

Highlights

- Over 100k people signed up for Dry January 2020, our record level of sign-ups, with a further 3.9million doing an 'unofficial' dry January.
- An independent evaluation demonstrated that people who sign-up for Dry January, as opposed to trying to do it alone, are twice as likely to be successful during the month, and much more likely to show sustained change to their drinking six months later. The evaluation also showed that people who sign-up for Dry January show significant changes to their general wellbeing and drinking risk after six months, compared to the two control groups (people who tried an unofficial, not signed-up dry January and the general population).
- The Dry January campaign was formally adopted in France for the first time, working with our partners Fédération Addiction, helping people in France to benefit from the campaign while also generating income (our charitable remit is the UK only).
- We made major improvements to our Try Dry app, including goals and badges and 'planned' drinking days, making the app both more engaging and more inclusive for drinkers with different goals and at different stages of their journey.



Example

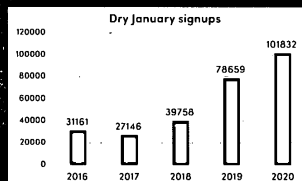
Jo's story

"Taking part in Dry January 2020 was one of the best decisions I've ever made! I used the Dry January community group on Facebook a lot and by the end of January I was feeling so good - and I'm pleased to say I'm still going to this day. It's been eight months solid for me now! Even though 2020 has been hard with a global pandemic, I'm proud to say I've not felt the need to drink at all. Overall, I am happier, more relaxed and I feel in control of my life."

The positive benefits of doing Dry January have also had a ripple effect into other areas of my life. I am now far more enthusiastic about keeping fit and maintaining a healthy diet than ever before. My outlook on life is much more positive and my relationships with my husband and family are healthy and more meaningful."



We help thousands of drinkers a year, intervening before people need therapeutic support.



70%

Independent research shows that 70% of people who signed-up to do Dry January stay dry throughout the month, compared with just 36% of those who do it alone (without signing up).

81%

81% of official Dry January participants feel more in control of their drinking by the end of January.

8.2 to 6.3

Official Dry January participants see a very significant drop in their average drinking risk score, from 8.2 at the start of January to 6.3 by July (-1.7), whereas the change in the general population is from 5.8 to 5.6 (-0.2). Note that official Dry January participants have a much higher starting score than the general population but see a much bigger drop. (The lower your drinking risk score, the better!)

7. Improving alcohol treatment



The alcohol treatment system is an essential part of our broader health system. It includes emergency departments, alcohol care teams and addiction services in the NHS, local authority commissioned treatment services, private treatment and rehabilitation, and peer support services such as Alcoholics Anonymous and SMART Recovery.

Other services such as the fire service, police officers, paramedics, housing services, mental health services, welfare advisors and social services also come into frequent contact with people with drinking problems – and can and do make a real difference with their interventions.

Our flagship Blue Light approach helps professionals right across these services to better support the most vulnerable drinkers, who often have multiple needs.

The Blue Light approach is holistic, multi-disciplinary, assertive, and puts the person first. It shows how to engage with these drinkers and reduce the harm they experience. It is delivered through learning and development and in-depth consultancy support.

We also support the alcohol treatment system to innovate, with a particular emphasis on driving up the inclusiveness and equality of services.

Highlights

- The Blue Light approach in Sandwell (see case study) won both the Royal Society of Public Health's 2019 *Health and Wellbeing Award* in the Healthier Lifestyles category and The Guardian's 2019 *Public Service Awards* in the Public Health category. This was well deserved recognition for the tremendous work of Mary Bailey, Dawn Maycock and their colleagues in Sandwell, as well as for the Blue Light approach itself.
- We established a significant new multi-partner project, working with 18 local authorities, to develop guidance into navigating the challenges of working with people with severe drinking problems and serious safeguarding needs.
- We worked with Prof Mark Brosnan from the University of Bath's Centre for Applied Autism Research (CAAR) to produce guidance for alcohol treatment services on working with adults with autism.
- We published *Learning from Tragedies*, a hard-hitting report based on an analysis of adult safeguarding reviews into the deaths of adults with severe alcohol problems. This really hit a nerve with front-line professionals who saw in the tragedies described in the report parallels from their own work.



Example

The Blue Light programme

We began working on the Blue Light approach in Sandwell in 2015. With the support of the commissioner we set up the Blue Light multi-agency group to oversee the management of the most complex dependent drinkers in the area. This innovative approach was evaluated and shown to have achieved a return on investment of 450% and saved £150,000 in a single year through consistent and persistent client management. Subsequently, the group identified the need for an assertive outreach team in Sandwell. We worked with the commissioner to develop the specification for this team, funding was secured locally, and the team started work in 2020 with training and ongoing support from Alcohol Change UK.



The Blue Light approach was evaluated and shown to have achieved a return on investment of 450% and saved £150,000 in a single year.



23

We supported 23 local authorities during the year.

71%

71% of delegates on our open Blue Light training course rated it as "excellent" and the other 29% rated it as "very good".

8. Alcohol at work



Our work to create healthier drinking cultures happens not just at the level of national culture but also through workplaces. After all, workplaces are mini cultures. Ensuring a healthy approach to alcohol at work can improve wellbeing, safeguarding, inclusivity, productivity and employee engagement. We offer a wide range of services and support.

Highlights

- Worked with Ford, Smurfit Kappa, London School of Economics, and the Institute of Physics.
- Produced our first films for clients to help them reach their employees during lockdown.
- Developed an innovative offer with the Institute of Employment Studies.
- Clarified our offer and brought in a business development expert to market the service more effectively.
- Lauren Booker, our senior associate, gave a presentation to a large packed room at the Health and Wellbeing at Work event at Birmingham's NEC.



Ensuring a healthy approach to alcohol at work can improve wellbeing, safeguarding, inclusivity, productivity and employee engagement.



Example

Supporting the London School of Economics



The London School of Economics got in touch to ask whether we would be able to run an event for staff, comprising an awareness stall promoting Dry January and promoting alcohol free alternatives coupled with an alcohol awareness quiz for staff. The event was successful with over 70 people sampling or stopping by for a chat and good attendance at the quiz. The university contacted us at the

beginning of this year, looking for drink coaching for a student. We successfully completed four coaching sessions and both the faculty and student were pleased with the results. The HR team at LSE has subsequently asked us to help rework their alcohol policy.



150

Over 150 companies visited our stand at the Health and Wellbeing at Work event, trying some alcohol-free drinks and talking to us about the drinking cultures in their own workplaces.

Our work to create healthier drinking cultures happens not just at the level of national culture but also through workplaces.





We work for a world free
from the serious harm
caused by alcohol.

2019–2024 strategy

Top level impacts

2019–20 was the first financial year of our new five-year strategy, which commits us to five top level impacts that must happen if we are to reduce alcohol harm.

Improved knowledge <p>Programmes that deliver this impact</p> <ul style="list-style-type: none"> Research and innovation Engagement 	Better policy and regulation <p>Programmes that deliver this impact</p> <ul style="list-style-type: none"> Policy and influencing Engagement 	Shifted cultural norms <p>Programmes that deliver this impact</p> <ul style="list-style-type: none"> Culture change Alcohol at work Engagement 	Improved drinking behaviours <p>Programmes that deliver this impact</p> <ul style="list-style-type: none"> Information and advice Behaviour change 	More and better support and treatment <p>Programmes that deliver this impact</p> <ul style="list-style-type: none"> Policy and influencing Improving alcohol treatment
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Internal developments

Our strategy also commits us to four major internal developments that will help us, as a charity, to be as strong as we can be and best able to deliver these impacts. We do, of course, make dozens of smaller-scale improvements every year to the way we are run, but these four developments are our multi-year, strategic priorities.

Fundraising <ul style="list-style-type: none"> Creating sustainable income growth to break even by 2024 	Impact assessment <ul style="list-style-type: none"> Being able to know, grow and show the difference we make 	Data management <ul style="list-style-type: none"> Having the knowledge we need at our fingertips 	Risk management <ul style="list-style-type: none"> Being able to confidently negotiate a higher risk environment
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2019–20 plans: how did we do?

In our 2018–19 Annual Report and Accounts, we communicated our 26 primary objectives for the year ahead (2019–20) and promised to report on our progress in this report. (These were our primary reportable objectives but do not cover the entirety of our work). Twenty three objectives were achieved, in many cases with targets exceeded. Three were not able to be completed but will happen by March 2021.

Work programme/area	2019–20 objective	How did we do?
Research and innovation	1. New research strategy	This was approved by the board on 16 March 2020 and is now published on our website
	2. Launch New Horizons	Our flagship research programme was approved on 16 March 2020 and launched in April 2020
	3. Two national conferences	Both our Wales (09/19) and London (06/19) conferences sold-out and received positive feedback
	4. Expert Advisory Panel	The EAP was established and its first members include academics and people with experience
Engagement	5. Scope and launch	Over 6,000 people were engaged
Policy	6. Confirm priority policy asks	The board approved three policy priorities for the next few years in March 2020
	7. Improved alcohol labelling	Our report showed that over 71% of labels fail to include the CMO's guidance
Information and advice	8. Skype evaluation, next steps	The evaluation report showed the success of this pilot and the next steps were agreed: we unfortunately do not have the resources to roll out this service in the next 18 months
Culture change	9. Alcohol Awareness Week	Over 3,000 agencies took part (1,700 in 2018) and we had 78k page views (50k in 2018)
Behaviour change	10. Try Dry app version 2	We saw a new Charts function and the crucial Badges and Goals created for the app
	11. Sober Spring	Almost 2500 people signed up for Sober Spring
Improving alcohol treatment	12. Open training	An open training programme is up-and-running, with delegates booking
	13. Blue Light manual	Not completed by April 2020, but the new Blue Light guides are at editing stage
Alcohol at work	14. Deliver at least two projects	Six clients benefitted from our alcohol at work service over the year
Enabling priorities	15. First set of impact indicators	Impact data is now being collected for the behaviour change work programme
	16. New CRM in place	CRM software installed, staff trained, system being used
	17. New risk register	New risk register developed and accepted by board; and being actively used
Fundraising	18. Fundraising processes	Core fundraising processes and practices are in place
	19. Individual giving	Individual giving has been tested with key stakeholder groups, enabling revised forecasts
	20. Community fundraising	Community fundraising was and has a good forward plan, but was disrupted by COVID-19
Communications	21. Audience mapping project	This important element of our communications strategy has been completed
	22. Content strategy	This was moved to 20–21 due to insufficient workload capacity
Finance	23. New finance system	This was moved to 20–21 due to insufficient workload capacity
	24. Devolved budget management	Budget managers are receiving the information they need to better monitor budgets
People	25. Recruitment	Three new high-quality team members were recruited, including a whole new fundraising team
	26. Pay and grading review	An affordable, fair and transparent pay and grading policy was implemented

2019-20 challenges

Here we report on the most significant challenges faced by the charity from 1 April 2019 to the present.

Policy environment

From 1 April 2019 to 31 March 2020, the UK Government was focused almost entirely on Brexit, then the general election, then COVID-19. In this context, progress on alcohol harm was extremely difficult. The current Westminster Government, unlike the Welsh and Scottish Governments, has also not yet accepted that national policy action on alcohol harm can be affordable, effective, popular, and make a huge positive difference to people, families, communities and wider society. It has announced an intention to produce an addictions strategy and we will be asking for alcohol to be at the heart of this.

Fundraising

In our 2019-24 fundraising strategy and five-year financial plan, our largest single source of fundraising income was expected to come from individual giving. We had been selected as the charity partner for a government initiative that promised us very large quantities of high quality, contactable data from people who might be willing to support the charity. In reality, this data turned out to be very poor quality. We are pursuing our legal options in relation to this, but a significant proportion of our income projections for individual giving for the next five years were based on the agreements we had about this data. As a result, our hopes to 'turbocharge' our individual

giving programme, getting us off to a flying start, have not materialised. We will build a successful individual giving programme, but it is now clear that there will be no short cut and it will take longer than we had at first hoped.

COVID-19

Since March 2020, our work has been overshadowed by COVID-19. Our top priority, as a charity, is always our focus on reducing alcohol harm, so our first reaction was to focus on the pandemic's potential impact on alcohol harm and the people we exist to serve. We undertook the first major national survey into drinking during lockdown, which has since been mentioned hundreds of times across the media. We rapidly produced a coronavirus hub on our website, which not only received rave reviews and was widely linked to by other organisations, but most importantly helped tens of thousands of people. In fact, in the first month of lockdown five times as many people visited the 'Get help' section of our website compared to the same period the previous year (2020: 16,198; 2019: 3,231). We also worked with our friends in the alcohol treatment field and NHS to monitor and advise on rapid changes, such as the housing of rough sleepers in hotels, the rapid change to remote alcohol treatment and the UK Government's advice on the status of off-licences.

Our second priority was our own team. Both the staff team and the board adapted quickly to home-working and we were able to continue all our work, without any loss of staff or furloughing. Many staff members have embraced home working although all of us have inevitably found it challenging at times.

Our third priority was our financial situation. Initially our investments saw a significant collapse. We took advice, held steady, and benefitted from the market recovery of May and June. As our fundraising is still in its infancy, we were less affected than charities with a larger reliance on, for example, charity shops or fundraising from events. We undertook in-depth financial scenario planning and do expect an increase in our already high deficit for 2020-21, largely as a result of a significant drop in investment income. The board decided to continue with our activities and to fund this increase in our deficit from reserves as well as to explore loan income.

2020-21 plans: what we will be doing

Our 2020-21 Annual Plan sets out 30 objectives that we aim to deliver in the year, against our eight work programmes, our four internal developments, and our three critical functions of communications, finance and people. These are our primary reportable objectives but do not cover the entirety of our work.

Work programme/area	2020-21 objective	What success will look like
Research and innovation	1. Award New Horizons grants	Four high-quality grants awarded by March 2021
	2. Commission research-into-policy projects	Low and no alcohol report completed and communicated
	3. Hold national conference in Wales	Online conference with over 80% of participants happy
	4. Labelling project	High-quality report usable in policy discussions
Engagement	5. Develop and roll out engagement programme	Recruit over 6,000 new campaigners
	6. Develop supporter engagement email journeys	Over 5% of campaigners take meaningful actions
Policy and influencing	7. Build and develop APPG on Alcohol Harm	Relaunch with new chair, strong committee and at least one meeting
	8. Progress on our key policy asks	MPs, ministers and civil servants have heard our message on labelling
Information and advice	9. Develop a content strategy and create new web content	High-quality new content delivered and aligned with strategy
	10. Deliver Alcohol Awareness Week 2020	As many partners undertake actions as 2019
Culture change	11. Create a programme of culture change content	At least 12 media moments hit our culture change messaging
	12. Grow Dry January sign-ups	Engagement exceeds 150,000
Behaviour change	13. Implement tailored user journeys by drinking level	An improved, more customised user experience
	14. Develop long-term approach to marketing of Dry January	Generate new insights/ideas, test in 2021, evaluate for future plans
Improving alcohol treatment	15. Launch new editions of Blue Light guides	Launch by Nov 2020
	16. Safeguarding project successfully delivered	Project finished to time with positive client feedback
Alcohol at work	17. Successful projects delivered	At least three clients give positive feedback
	18. Potential business growth	At least one client and three prospects for projects over £5k
Fundraising	19. Create and test fundraising propositions	Positive feedback through all forms of fundraising
	20. Test individual giving (IG) plan	Richer data and insight for future individual giving plans
Impact assessment	21. Secure corporate partners	One 'big brand' corporate partner delivering sign-ups or income
	22. Complete phase one of improvement plan	Behaviour change and alcohol at work have measures in place
Data management	23. Embed the CRM including staff training and support	CRM is well-used and used well across the charity
Risk management	24. Use risk register effectively	Board reports confidence in risk management
Communications	25. Create a communications strategy	Staff and board clear on communications priorities
	26. Undertake content review and create content strategy	Website and other comms channels have a strong forward plan
	27. Better monitoring of comms activity	Monthly 'report card' in place for ongoing monitoring and improvement
Finance	28. Implement new finance system, as needed	Completed by Mar 2021
	29. Review our investment policy and strategy	Completed by Mar 2021
People	30. Secure additional staff capacity for Dry January	Staff in place by Nov 2020

2019-20 overview

2019-20 was year one of our five-year financial plan, which sets out our ambition of achieving financial sustainability by diversifying and growing income streams while keeping expenditure under control. Three main objectives were set to help us manage our financial performance over this five-year period:

- We will spend from our reserves in a careful and planned way to grow fundraising, reducing our annual deficits over time, to breakeven by 2023-24.
- We will ensure that our direct charitable expenditure never falls below 50% of total expenditure over this period. In 2019-20 it was 61% (2018-19: 67%).
- We will keep our reserves above a set minimum level, currently £9m, reviewed annually. At 31-March 2020 reserves were £10.2m (31 March 2019: £11.8m).

In general, in 2019-20, we maintained control of expenditure, started to invest in fundraising, and managed to achieve most of our financial goals. Our income was £872,831 (2018-19: £835,376) and our expenditure was £1,393,659 (2018-19: £1,366,402). This resulted in an operating deficit (before investment losses) of £520,828 for the year (2018-19: £531,026). Just before the financial year-end in March, the COVID-19 stock market collapse led to our investments losing £1,069,719 in value over the course of the year (2018-19: £549,507 gain). Therefore, including these losses on investments, our total net deficit for the year was £1,590,547 (2018-19: £18,481

surplus). See the consolidated statement of financial activities (page 40) for our full financial results for 2019-20.

Expenditure

At £1,393,659, our total expenditure was a little higher (by 2%) than in 2018-19 (£1,366,402). 61% of total expenditure was spent on our charitable activities, 14% on raising funds and 25% on support and governance (see Chart 1). The cost of raising funds include direct expenditure on raising donations and legacies (9%) and investment management costs (5%). Notes 6 and 7 to these accounts provide more detail.

In total, we spent £1,132,046 on our charitable activities including support costs (2018-19: £1,209,878). We spent less than planned on research, with the flagship New Horizons research programme delayed to 2020-21. We also spent considerably less on Information and Advice compared to the previous year, when we built a completely new website. We invested in the development of the Try Dry app to increase its benefits and help more people to reach their goals and take control of their drinking. We also introduced a new programme this year, Engagement, whilst continuing to deliver our activities across the existing range of programmes.

Our increased investment in fundraising started in 2019-20, spending £261,613

(2018-19: £156,524). We recruited a new fundraising and engagement team,

management system and acquired fundraising data.

Chart 1: 2019-20 expenditure by category – total £1.394m

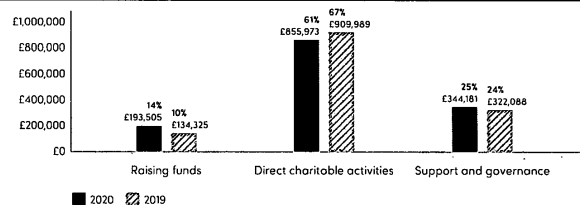
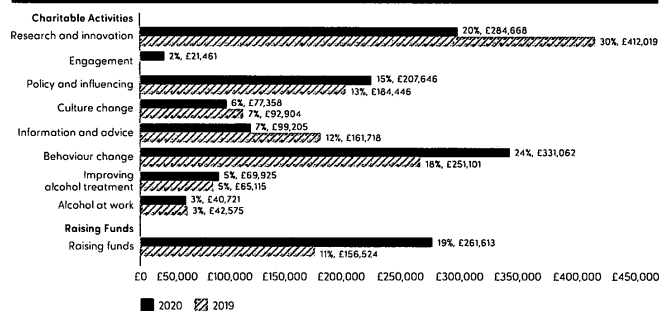


Chart 2 shows our expenditure on charitable activities and raising funds (with the applicable support and governance costs apportioned across these).

Chart 2: 2019-20 expenditure (full costs) – total £1.394m



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Income

Our total income increased by £37,455 to £872,831 (2018-19: £835,376). Our primary source of income remained our investment income, which comes from both our investment portfolio and our investment property. At £482,167, this was slightly lower than the previous year (2018-19: £500,773) due to lower income from the investment portfolio. Our rental income remained steady. See Charts 3 and 4.

Income from charitable activities (Chart 5) was up on the previous year to £292,610 (2018-19: £253,923) mainly due to additional income secured through various restricted grants. Our previous three-year grant from the Welsh Government ended in March

2020, but we were awarded further funding for 2020-21. This grant comprises more than half of our income from charitable activities and supports our projects in Wales across three programmes: research and innovation, policy and influencing, and culture change. Our consultancy and training income fell this year due to a combination of a challenging trading environment and problems with staffing capacity. This has now been addressed.

We did not expect to see significant fundraising growth in 2019-20, as investing in fundraising can take considerable time to see returns. At £58,936 (2018-19: £66,634) donations from our supporters and institutions were lower than last year, but legacies increased to £18,000 (2018-19:

£3,000). We were disappointed with the lack of success of our first individual giving appeal, which was caused by a flawed data set (see Challenges, p24).

Our trading income grew to £21,118 (2018-19: £9,697), generated from merchandise sales and our partnership with Fédération Addiction to bring the Dry January campaign to France.

Future financial plans

The budgeted deficit for 2020-21 is higher than was estimated in the original five-year plan, partly because of the postponement of the New Horizons research grants to 2020-21 (leading to a jump in expenditure

and partly because of downgraded income projections.

Our success in delivering our 2020-21 financial objectives depends partly on reaching our income targets, especially the effectiveness of our fundraising, and partly on COVID-19 and the wider economic outlook.

Our fundraising strategy identified six key income sources but is particularly dependent on individual giving. As noted earlier (p24), our initial attempt at individual giving was hampered by flawed data, setting back our planned growth. However, our commitment to investing in fundraising remains firm and we remain confident that, with the right processes,

Chart 3: 2019-20 income, £873k

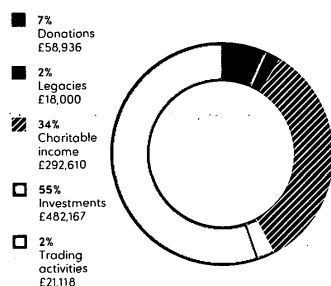


Chart 4: 2018-19 income, £835k

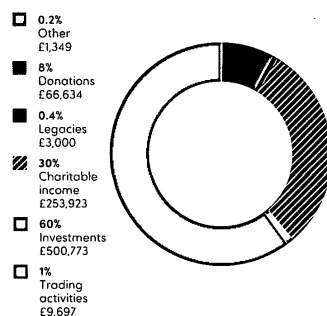
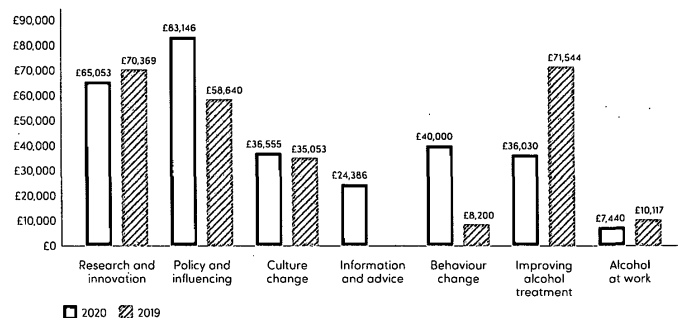


Chart 5: 2019-20 income from charitable activities



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we will deliver the right results and reach a breakeven position as soon as possible. In 2020-21 we will be purchasing higher quality data and starting again with the essential testing processes that will enable us to plan for growth with more certainty.

COVID-19 impact

In relation to COVID-19, we have modelled and reviewed various assumptions and implications for our 2020-21 finances. While we do not expect to be as badly affected by the pandemic as other charities, it will still have a significant impact on our investment income, estimated to reduce by about 25%, and therefore on our bottom line. The implications of COVID-19 on our fundraised income are less certain. Fundraising events income has of course been most affected. The effects on individual giving are harder to predict. Income from our alcohol at work service is starting to pick up whilst our support on alcohol treatment, such as the Blue Light approach, is showing good income growth.

Our expenditure is unlikely to change significantly as a result of COVID-19. We will incur some additional expenditure on securing the safety of the office environment if and when we open it again, enhancements to our IT security, and the costs of additional IT equipment for greater home working. We are not expecting significant impact on our charitable programmes.

Overall, COVID-19 is estimated to result in a fall in income of between £123k and £320k for 2020-21, increasing our annual deficit from the budgeted £861k to circa £1m or £1.2m. This will be managed by spending more of our free reserve, by deciding in Oct 2020 whether to proceed with limited cost savings and exploring the option of a low interest loan secured on the property.

COVID-19 has also affected the value of funds on the balance sheet. Most of our assets are held in listed investments, which saw a big drop in value, in effect reducing the charity's available reserves. Their value is expected to recover over time, but the speed and degree of recovery is impossible to predict. The board of trustees continues to closely monitor the financial impact of COVID-19 and is confident that adequate measures are in place to manage its future financial implications.

Property

The charity owns both the premises that we occupy (ground floor) and an investment property (basement and terrace) that we rent out. The property was last valued in July 2017 by Carter Jonas LLP. The valuation of the investment property (2018-19: £701,000) was reviewed in light of COVID-19. The fair value was assessed against the publicly available market values of comparable commercial properties (at 31 March 2020) and risks from changes to occupancy and our ability

to collect future rents. The investment property is sub-leased for a five-year term ending in 2022 and we anticipate that the lease will remain unchanged. The current tenants have been meeting their lease obligations and, based on currently available information, are expected to continue occupying the premises. The rental income for the year was £44,000 (excluding service charges) producing a 6% yield on the investment. As a result, a downward adjustment to the property value is considered unnecessary.

The property did not require any material improvements or refurbishment work during the year. The charitable premises were accounted for on an historical cost basis and depreciated and the investment property is shown at fair value. The property values are included in Notes 14 and 16 to the accounts.

Going concern

Trustees have assessed the charity's ability to continue as a going concern for the foreseeable future. We have considered a wide-spectrum of internal and external risks, including COVID-19, operational plans, budgets, financial forecasts including cash-flows and the reserves. The trustees are satisfied that our current level of reserves provides reassurance that we are a going concern for the next 12 months.

Investments

Investment value

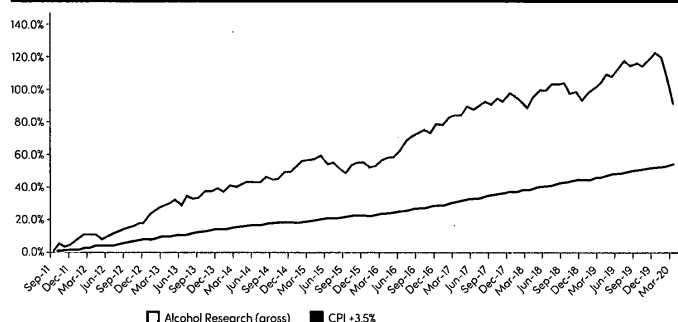
The value of listed investments at 31 March 2020 was £10,109,280 (2018-19: £11,836,726). The investment value suffered significant losses of £1,069,719 over the course of the financial year (2018-19: £549,507 gain) as a direct result of the stock market reaction to COVID-19. The capital value has since partially bounced back and is expected to recover to its pre-pandemic levels over the longer-term. Uncertainty about the global economic outlook and economic growth persists, of course, and it's impossible to predict the speed and scope of recovery. High volatility in financial markets is expected to continue, which will be reflected in less stable future investment valuations. The investment value at 31 August 2020 was £10,742,704.

During the year, £600,000 worth of capital was divested and withdrawn as cash. We had a planned negative cash-flow, which had been sustained through the sale of investments. Divestments were necessary to support the charity's working capital requirements and cover its running costs and income shortfalls.

Investment strategy, policy and performance

The long-term investment strategy aims to produce a total investment return to match or exceed the Consumer Prices Index (CPI) plus 3.5% on a rolling basis. The actual

Chart 6: Investment returns from Sep 2011 to Mar 2020, compared with CPI +3.5%



returns over the period since 2011, when the investments were made, have on aggregate exceeded this target, as shown in chart 6 (above).

Our current investment policy seeks to achieve a balanced return between income and capital taking a medium level of risk over a 10+ year investment time horizon. The funds are invested in a wide range of asset classes to reduce the volatility of income and capital and produce capital gains and target income yields. The fund allocation is assessed against the benchmark weightings as set out in the table on the right.

Asset allocation at 31 March 2020			
	Value (£)	Weighting (%)	Benchmark (%)
Equities	3,371,339	33	40
Overseas	2,159,342	21	20
Fixed interest	1,893,789	19	20
Property	1,288,340	13	10
Alternatives	1,025,128	10	8
Cash	371,340	4	2
	£10,109,280	100	100

Investment performance for the year was negative: a -6.5% total return against the 12-month benchmark of -6.1%, COVID-19 being the key influence on this.

Income derived from investments is one of our main income sources and in 2019-20 was £430,507 (2018-19: £449,610). The investment income yield at the year-end was 4.3%. Looking ahead, the income from investments over 2020-21 is likely to fall because many companies are suspending or cutting their dividend payments.

Investment management

Our investment manager, Investec Wealth and Investment, was appointed in 2011 and manages our investments on an active basis. Once a year, we review the charity's circumstances to ensure that the mandate for the investment portfolio remains suitable.

In relation to ethical considerations, our investment policy precludes investment in companies that produce alcoholic beverages or tobacco as well as companies where more than 10% of sales are derived from their retail or distribution. Trustees reserve the right to exclude companies that carry out activities that could be perceived as being contrary to the aims of the charity or which could damage the charity's reputation. Our investment managers incorporate environmental, social and governance issues, including information from Sustainalytics, as an integral part of their investment process.

Investment plans

Since COVID-19 hit, we have monitored the performance of our investment portfolio more closely. We have reviewed and consulted with our fund managers on the short-term tactical approach to investment management and long-term prospects to ensure that we are well positioned to sustain the fluctuations in the market caused by the pandemic and by governmental responses around the world. Both Investec and our trustees are confident that our current strategy should be maintained, and we will continue to take the long-term view and focus on good quality companies with strong fundamentals and future growth prospects, that meet ESG standards.

We will be undertaking a full strategic review of our investments towards the end of the 2020-21 financial year, including reviewing our policy on environmental, social, governance and ethical issues.

Reserves policy

Our reserve at 31 March 2020 was £10,212,984 (31 March 2019: £11,782,122).

This appears a relatively high level of reserves, however Alcohol Change UK is transitioning rapidly from an 'endowment model', in which generally the investment capital was retained and the investment income was used to fund and manage research grants, to a fundraising charity

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model, in which investment income forms just one part of a more diverse range of income streams. Following the merger in 2017 between Alcohol Research UK and Alcohol Concern, we are a larger and more resource intensive organisation and, currently, our expenditure significantly exceeds our income. This is deliberate. Our high level of expenditure (relative to income) is used to:

- ensure we deliver a significant reduction in alcohol harm, maintaining a range of vital programmes that meet our charitable purposes,
- invest in fundraising growth.

The budgeted 2020-21 annual deficit is £861k. Our ongoing large annual deficits mean that the reserves are reducing rapidly, while also impairing the ability of the investment capital to generate income. This position is unsustainable, so fundraising income is essential to us, to offset the lost income from the investments and to close the deficit.

We have decided to hold reserves at a minimum level of £9m at this time. This enables the income from investments to be maintained at around £300,000 per annum, until such time as we have become confident that our fundraised income has grown sufficiently. As such this reserve level is instrumental to our plans for achieving a successful transition to long-term financial stability. In addition, we hold the free reserve as a buffer during periods of

significant downturn and for unforeseen circumstances. This has proven to be the right approach for the charity and those it supports, as it enabled us to weather the COVID-19 pandemic without having to halt our operations. We review our reserves policy at least annually taking into account the major risks faced by the charity and its long-term prospects. The board of trustees reviewed our reserves in March 2020 when setting the 2020-21 budget and again in June 2020 in the light of COVID-19.

Funds at 31 March 2020

At 31 March 2020, the total funds of the charity were £12,557,026 (31 March 2019: £14,147,573), all of which are unrestricted, expendable at the discretion of trustees in furtherance of charitable objectives. £10,212,984 of these funds (2018-19: £11,782,122) are the free reserve, made up of that proportion of our total unrestricted funds which are easily accessible and mainly held in the form of investments that are readily convertible into cash. Our free reserve is arrived at after allowing for tangible fixed assets and the investment property.

We made a net transfer of £8,494 from unrestricted to restricted funds to cover a restricted funds deficit arising from an over-spend on the Dry January promotional campaign project funded by the Public Health England. Movements in funds and more detailed explanations are shown in Note 19 to the accounts.

	2020 £	2019 £
Unrestricted fund	12,557,026	14,163,716
Less:		
Tangible assets	1,643,042	1,680,594
Investment property	701,000	701,000
Free reserve	10,212,984	11,782,122

How we are run

About the charity

Alcohol Change UK is a registered charity that exists to reduce alcohol harm in the UK. We are governed by a board of trustees and employ a professional staff team of 16 people to deliver our work. We also engage with thousands of other people who support the cause of reducing alcohol harm.

Our purpose and public benefit

The charity's objects (its official charitable purpose as set out in its governing document) are "The reduction of alcohol-related harm to individuals, families and communities." We work for a society that is free from the serious harm caused by alcohol. Our mission is to reduce alcohol harm in the UK.

We actively refer to the Charity Commission's guidance on public benefit when reviewing the charity's strategy and aims, in planning activities and in making grants. Alcohol Change UK exists to benefit the public by undertaking charitable activities which help to reduce alcohol harm for people across the UK. This covers many millions of children and adults in the UK. We also benefit broader society, for example by campaigning to implement policies which reduce the societal costs of alcohol harm, which are estimated to exceed £7bn in the UK each year. Our charitable activity is

diverse, reaching a broad public audience, not least the Dry January campaign and our engaging and accessible public-facing website.

One of our charitable activities is providing research grants to other institutions and individuals. Before any grant is made, we carefully and thoroughly assess the potential public benefit of the proposed activities. We also make the research findings publicly accessible through our website and require that research published in academic journals is made, as far as possible, publicly available through the open access scheme. Any benefit, whether financial or to their career or reputation, received by researchers or research institutions through our grants, is purely co-incidental to the objects of our work.

Our values

We seek to live by and hold ourselves accountable against these three values, every day:

Truthful.

We seek and tell the truth.

Compassionate.

We care deeply about everyone seriously harmed by alcohol, whoever they are.

Ambitious for change.

We are optimistic and determined.

Governance and leadership

Board

We are governed by a board of trustees who are all volunteers and who, collectively, have expertise in health communications, charity finance, senior management, income generation, commissioning services, marketing, and academic research. Many of them have professional expertise in alcohol issues and/or personal experiences of alcohol harm and all of them are deeply committed to reducing alcohol harm. The trustees set the overall direction, strategy and culture of Alcohol Change UK and appoint the chief executive officer who is charged with making this happen. They support and challenge the chief executive officer, monitoring the charity's performance against its agreed strategies, plans and goals. Board members work collectively, such that decisions of the board, once made, are supported by all board members. The board has committed (29 June 2020) to assessing itself against and meeting the standards of the Code of Good Governance.

Membership of the board

Our memorandum and articles of association (our legal governing document) allow a maximum number of 15 trustees at any one time. On 1 April 2019 we had 14 trustees. During the year, four trustees stood down and three new trustees were recruited including our new Chair, so on 31

March 2020 we had 13 trustees. Trustees serve a term of three years and may serve a maximum of two terms, although we intend to review this.

The charity also has 'members', who are the trustees. We are also a charitable company, with our trustees as the Directors of the company.

Recruitment, induction and development

Trustees are recruited using open recruitment process. Vacancies are widely advertised and we are making concerted efforts to broaden the diversity of our board. Applicants submit a CV and cover letter and are interviewed. Appointments are made following necessary eligibility checks. New trustees receive a thorough induction process, consisting of opportunities to meet the staff team, discuss the charity in-depth with the CEO, and a full induction pack of key documents. Trustees are offered significant opportunities for learning and development, both through collective sessions provided to the board as a whole and through a budget enabling individual trustees to access training and attend conferences.

Meetings

Full board meetings occur four times a year. Historically these have always been face-to-face but from 1 March 2020 these have been held via teleconference and videoconference due to COVID-19 containment measures.

Sub-committees

During the year we operated four sub-committees which support and challenge the executive team in more depth than is possible at full board meetings. Sub-committees do not have delegated decision-making powers but are empowered to recommend a course of action or a decision to the full board. The full board may accept or reject any sub-committee recommendation.

- The *research and policy* sub-committee oversees our research programme, grants awards, policy positions and priorities, and influencing activity.
- The *impact and income development* sub-committee oversees fundraising, communications, behaviour change and consultancy and training.
- The *finance and general purposes* sub-committee oversees finance, risk, HR and facilities.
- The *nominations* sub-committee oversees trustee recruitment.

Responsibilities and delegation

The strategic management of Alcohol Change UK is entrusted to the board of trustees and the execution of that management – the responsibility for implementing strategy and for day-to-day management of Alcohol Change UK – is

delegated to the chief executive. The chief executive delegates authority to his or her executive team and through them to individual budget-holders. This is all set out in a formal scheme of delegation which is regularly reviewed.

Executive team

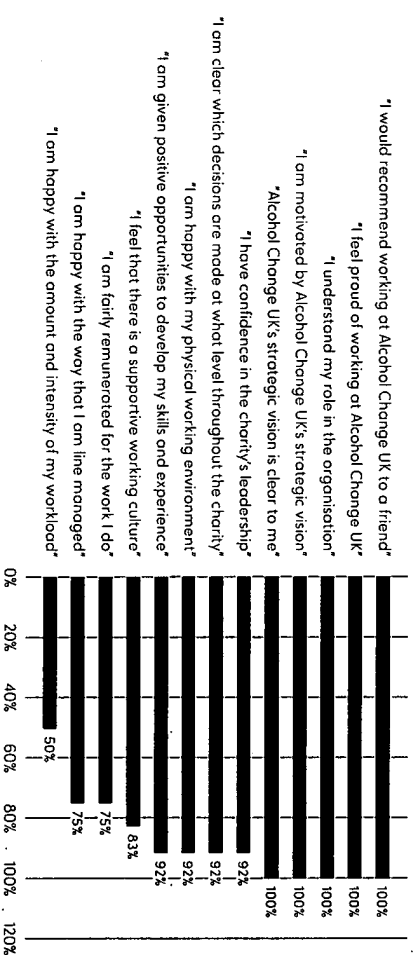
An executive team is formed by the chief executive officer, if she or he wishes, in order to advise her or him and to ensure different teams across the charity are working as a coordinated single team. The executive team currently consists of the CEO, Director of Wales, Director of Finance and Operations, Director of Research and Policy, Head of Fundraising & Engagement, and Head of Communications.

Staffing

In total we have 16 staff posts (13 full-time, 3 part-time) and three trusted associates who support our work programmes on alcohol at work, developing alcohol treatment, and corporate fundraising. All staff are supported to develop personally and professionally, and we work hard to develop and maintain a positive, flexible, warm and dynamic working culture. We undertake an annual staff survey to assess any areas where further improvement may be needed and we support our line

Staff survey results, September 2019²

Chart 7: Staff 'agreeing' or 'strongly agreeing' with the statement



managers to ensure they have the skills and confidence to line manage their teams well.

These results led to us putting in place an action plan in relation to workload and line management and we will run the survey again in Sept 2020.

Pay policy

Alcohol Change UK implemented a new, fairer and more transparent pay and grading policy in 2019 which introduced defined pay grades and pay points for all

staff, excluding the CEO (see Executive pay below). In general, pay levels are benchmarked against similar roles, for similar-sized charities, in London and Cardiff respectively. The charity seeks to pay in the middle of the benchmarked range, neither overpaying nor underpaying staff relative to the median. The most recent benchmarking exercise was undertaken in May to June 2019. Staff are paid according to the grade of their post, and posts are graded according to a published job evaluation system. There are five pay points within each grade and staff are paid based on their pay point, which is set by the CEO in

² Our 2019 staff survey was completed by 12 of the 13 staff that we employed at the time. They were asked to indicate whether they strongly agree, agree, partly agree/disagree, disagree or strongly disagree with each of these 13 statements.

liaison with their line manager, and based on market demand for the post and the post-holder's level of and improvement in knowledge and skills. Annually, the board determines whether salaries should be adjusted to reflect changes in the cost of living with reference to the published February rate of the consumer prices index including housing (CPI-H). Employees receive pension contributions equivalent to 6% of gross salary in addition to salaries. Five employees opted to exchange their salary for a commensurate increase in the employer's pension contribution.

Executive pay

It is the trustees policy to pay its Chief Executive in line with the profile, responsibility, risk and complexity of the role; the charity's strategy and ambitions; the nature and degree of skills, knowledge and experience required of the role; and the median salaries for similar roles for similar-sized national charities based in London. The CEO's pay was set in Jan 2017. Other senior staff are paid in accordance with our pay and grading policy. The ratio of the chief executive's salary to the median salary within the organisation was 2.3:1 (2018/19: 2.3:1).

Conflicts of interest

We have in place a clear conflicts of interest policy and follow it closely. At each full board meeting, trustees and the executive team update the written declaration of all their interests outside the charity and are asked to declare any potential conflicts. We have no reportable conflicts of interest to declare for 2019-20.

Expertise and advice

Alcohol Change UK is fortunate to have thousands of supporters who care passionately about reducing alcohol harm and we consistently listen to them and take their advice on a wide range of matters, through large-scale surveys, to listening exercises, to small-scale in-depth pieces of advice on specific issues.

We also established, in 2019, a new Expert Advisory Panel. This is a standing panel of experts in a range of areas and is used by both our board of trustees and staff team to ensure we are well-informed on key issues. It currently contains people with academic expertise and people with personal experience of alcohol harm and we will be expanding the panel over time to include expertise in other areas including the commissioning and provision of alcohol treatment.

Thirdly, as a charity we access professional advice as needed, for example from

lawyers, HR advisors, digital experts, experts in race equalities, and so on.

Diversity equality and inclusion

One of our three core values is compassion: caring about everyone who might suffer from alcohol harm, whoever they are. Equality and inclusivity are therefore central to who we are. We know that diversity, in its fullest sense, is a fundamental part of achieving real equality and inclusion.

We want our board, staff team, expert advisory panel and wider supporter base to be diverse. We have made positive efforts to diversify both our board and staff team over the past year.

We also want to reduce conscious and unconscious bias so as to support inclusion and equality and to eliminate structural discrimination of all forms. In particular we want to ensure that all our programmes – from our research reports to our engagement work, from our website to our policy priorities, from Dry January to our training courses – are inclusive, that any structural barriers to involvement have been removed.

We have therefore made a commitment to undertake a full review into how we can better proactively involve underrepresented groups in all of our work, developing a clear strategy for change.

Managing risk

Risk management processes

Our new strategy opened the charity up to a range of new opportunities and risks, so in 2019-20 we adopted a new approach to risk management. As a charity, we do not seek to automatically avoid risk, but rather to seek opportunities, to understand what risks we might face, and to manage those.

We agreed a new risk management policy in June 2019 accompanied by a new, comprehensive risk register. Risks were classified by level: board-level, executive-level and operational risks. At 31 March 2020, the register contained 6 Board-level risks, 22 Sub-Committee level risks and 26 Executive-level risk, a total of 54 risks. Board-level risks include both the very highest scoring risks and/or those related to Governance, along with a secondary group of risks that are managed.

Our executive team reviews risks quarterly, each sub-committee undertakes a full review of the risks within its remit annually, and the full board reviews the full register annually. The overall process of risk management is overseen by the finance and general purposes sub-committee.

Our key risks

At 19 Aug 2020, the three highest scoring risks on our risk register relate to finances and fundraising.

Risk	Impact/5	Probability/5	Management actions in place	Explanation
Existing individual giving data is not as useful as we expect.	Serious (4)	Certain (5)	Strict testing regime, optimise engagement prior to ask; purchase better quality data.	Data from a government initiative was flawed. We may struggle to break even completely within the five years as a result.
Reduction in value of investment income due to downturn in investment markets; impact of Brexit or other market shocks; slowdown in local and global economy; inadequate management of funds; downturn in building rental.	Moderate (3)	Certain (5)	Clear investment policy with adequate diversification, use of investment management firm, financial scenario planning for COVID-19 and strategies in place.	Following the COVID-19 stock market shock in Feb and March 2020 the likelihood of this risk was elevated from 'probable' (4) to 'certain' (5). Our estimates for both investment capital and income fell for 2020-21.
Our brand is not known, not attractive or has a poor reputation.	Serious (4)	Highly uncertain (3.5)	Develop a strong brand, work to build the brand through media and social media, safeguard our reputation, clear policy on not accepting alcohol industry ££.	We are confident that our brand is attractive and has a good reputation, because we receive positive feedback on these two areas. The main risk is that our brand is not known, especially to the broader public. When our appeal letter lands on their door mat, will they recognise us? As a very new brand (two years old) they don't yet know us. We're working very hard to grow brand awareness quickly and monitor it annually.

Compliance

Safeguarding

We take our responsibility to provide a safe workplace extremely seriously. We ensure we have a positive, warm, and friendly working environment, with a clear policy supporting any staff to raise concerns if they feel they are not being treated properly. We had no reportable health and safety or safeguarding incidents in the year.

We also take very seriously our responsibility to those we support, whether through information on our website or through the Try Dry app or Dry January. Our website content is always accuracy checked prior to publication. Our Try Dry app and broader Dry January messaging contain repeated messages that anyone who is alcohol dependent should not stop drinking suddenly and, if they experience symptoms of withdrawal such as sweats, shakes, or severe headaches they should seek immediate medical attention. We have had no reports of any medical emergencies resulting from Dry January, but we are not complacent and work to continually enhance our messaging to reduce such risks further.

Data protection

We have a named Data Protection Officer and high data protection standards. In January 2020 we experienced a minor data breach linked to a database error

enabling one user to see another user's account. This was immediately rectified, a solution implemented to ensure it could not be repeated and we notified both the Charity Commission and Information Commissioner's Officer. Both agencies were fully satisfied with our response and confirmed that no further action was needed.

Staff receive training on data protection at least annually. Clear processes are in place and frequently communicated.

Fundraising

We pride ourselves on a very high ethical standard of fundraising. We know that many people actively want to give money in order to reduce alcohol harm, faster, for more people. We work hard to make it as easy as possible for people to do, in the ways that work best for them. We run our own fundraising processes, enabling us to keep control and maintain standards, and do not outsource to fundraising agencies. We are members of the Remember A Charity, joining forces with over 200 other charities to encourage people to consider leaving a gift to a charity in their will. We do not currently undertake any higher-pressure fundraising techniques such as telephone, door-to-door or face-to-face fundraising, so do not enter any situation where we would be putting a vulnerable person under pressure to donate. Our postal and email fundraising appeals are only sent to contacts who have been very

carefully checked that they are either existing supporters or that we have full permission to contact. We are signed-up members of the Fundraising Regulator and work at all times within the Code of Fundraising Practice. In 2019-20, we had zero fundraising complaints (2018-19: 0).

Grantmaking

As members of the Association of Medical Research Charities we seek to adopt the highest standards of research grant-making. Grants are only awarded after a thorough assessment process, generally including advice from our Expert Advisory Panel, and overseen by our research and policy sub-committee and ultimately made by our full board of trustees. Smaller grants can be made by executive team members, within agreed limits, in line with our delegation of authority policy.

The payment of grants is linked to project milestones and we carefully assess the progress of research projects before releasing funds. Projects that are not progressing to plan can have their payments delayed or withdrawn. We also support our grant holders wherever possible to anticipate problems before they appear and to resolve them if they do. All grant payments can be fully audited through our financial management system.

Memberships

During the financial year, we were members of the Association of Medical Research Charities, CharityComms, the National Council for Voluntary Organisations, Eurocare (the European Alcohol Policy Alliance), the Alcohol and Families Alliance, and the Alcohol Health Alliance. Our chief executive was a member of the Association of Chief Executives of Voluntary Organisations.

Statement of responsibilities of the trustees

The trustees, who are trustees of Alcohol Research UK for the purposes of charity law, are responsible for preparing the trustees' 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 and trustees (who are one and the same) 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 trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures being 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.

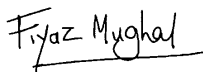
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with regulations made under the Companies Act 2006 and the Charities Act 2011. 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 trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The trustees 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.

Approved by the Board of Trustees
on 5 Oct 2020 and signed on their behalf by



Fiyaz Mughal, OBE
Chair of the Board of Trustee

Independent auditor's report to the members of Alcohol Research UK

Opinion

We have audited the financial statements of Alcohol Research UK (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 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 charitable company in accordance with the ethical requirements that are 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 relating 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified

material uncertainties that may cast significant doubt about the 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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

trustees determine 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 trustees are responsible for assessing the 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. 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 auditor's report and for no other purpose. To the fullest extent

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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.

Noelia Serrano
(Senior statutory auditor)

6 November 2020

for and on behalf of
Sayer Vincent LLP,
Statutory Auditor
Invicta House, 108-114 Golden Lane,
LONDON, EC1Y 0TL

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Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	61,936	15,000	76,936	54,634	15,000	69,634
Charitable activities:	3						
Research and innovation		-	65,053	65,053	-	70,369	70,369
Policy and influencing		12,800	70,346	83,146	1,898	56,742	58,640
Culture change		-	36,555	36,555	-	35,053	35,053
Information and advice		-	24,386	24,386	-	-	-
Behaviour change		-	40,000	40,000	8,200	-	8,200
Improving alcohol treatment		36,030	-	36,030	71,544	-	71,544
Alcohol at work		7,440	-	7,440	10,117	-	10,117
Other trading activities	4	21,118	-	21,118	9,697	-	9,697
Investments	5	482,167	-	482,167	500,773	-	500,773
Other		-	-	-	1,349	-	1,349
Total income		621,491	251,340	872,831	658,212	177,164	835,376
Expenditure on:							
Raising funds:							
Donations and legacies		191,259	-	191,259	86,471	-	86,471
Investment management costs		70,354	-	70,354	70,053	-	70,053
Charitable activities:							
Research and innovation		217,943	66,725	284,668	333,077	78,942	412,019
Engagement		21,461	-	21,461	-	-	-
Policy and influencing		145,728	61,918	207,646	122,678	61,768	184,446
Culture change		39,864	37,494	77,358	54,746	38,158	92,904
Information and advice		95,124	4,081	99,205	123,943	37,775	161,718
Behaviour change		257,589	73,473	331,062	226,622	24,479	251,101
Improving alcohol treatment		69,925	-	69,925	65,115	-	65,115
Alcohol at work		40,721	-	40,721	42,575	-	42,575
Total expenditure	6a	1,149,968	243,691	1,393,659	1,125,280	241,122	1,366,402
Net (expenditure)/income before gains/(losses) on investments		(528,477)	7,649	(520,828)	(467,068)	(63,958)	(531,026)
Net (losses)/gains on investments	15	(1,069,719)	-	(1,069,719)	549,507	-	549,507
Loss on revaluation of investment property	16	-	-	-	-	-	-
Net (expenditure)/income for the year		(1,598,196)	7,649	(1,590,547)	82,439	(63,958)	18,481
Transfers between funds	19a	(8,494)	8,494	-	-	-	-
Net movements in funds		(1,606,690)	16,143	(1,590,547)	82,439	(63,958)	18,481
Reconciliation of funds:							
Total funds brought forward		14,163,716	(16,143)	14,147,573	14,081,277	47,815	14,129,092
Total funds carried forward	19a	12,557,026	-	12,557,026	14,163,716	(16,143)	14,147,573

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

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Balance sheet Co. no. 07462605

As at 31 March 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	14		1,643,042		1,680,594
Investments	15		10,109,280		11,836,726
Investment property	16		701,000		701,000
			<u>12,453,322</u>		<u>14,218,320</u>
Current assets:					
Stock		7,313		-	
Debtors	17	249,735		244,060	
Cash at bank and in hand		<u>168,894</u>		<u>211,292</u>	
			<u>425,942</u>	<u>455,352</u>	
Liabilities:					
Creditors: amounts falling due within one year	18	(315,467)		(481,631)	
Net current asset/(liabilities)			<u>110,475</u>	<u>(26,279)</u>	
Total assets less current liabilities			<u>12,563,797</u>	<u>14,192,041</u>	
Creditors: grants payable due after one year	8a		(6,771)	(44,468)	
Total net assets			<u>12,557,026</u>	<u>14,147,573</u>	
The funds of the charity:	19a				
Restricted income funds:					
Surplus		-		4,162	
Deficit		-		(20,305)	
				<u>(16,143)</u>	
Unrestricted income funds:					
Fair value reserve		2,074,070		3,143,789	
General funds		<u>10,482,956</u>		<u>11,019,927</u>	
Total unrestricted funds			<u>12,557,026</u>	<u>14,163,716</u>	
Total charity funds			<u>12,557,026</u>	<u>14,147,573</u>	

Approved by the board of directors on 5 October 2020 and signed on their behalf by:

Fiyaz Mughal

Fiyaz Mughal OBE, Chair of the Board of Trustees

Alcohol Change UK | Annual Report 2020

Statement of cash flows

For the year ended 31 March 2020

	Note	£	2020 £	£	2019 £	£
Cash flows from operating activities						
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(1,590,547)			18,481	
Depreciation and impairment on fixed assets		47,831			47,652	
Losses/(gains) on revaluation of investments		1,069,719			(549,507)	
(Profit)/loss on the disposal of fixed assets		-			(57)	
Dividends, interest and rent from investments		(482,167)			(500,773)	
(increase)/decrease in stocks		(7,313)			-	
(increase)/decrease in debtors		(5,675)			(113,306)	
(Decrease) in creditors		(203,861)			(238,018)	
Net cash used in operating activities			<u>(1,172,013)</u>		<u>(1,335,528)</u>	
Cash flows from investing activities:						
Dividends, interest and rent from investments		482,167			500,773	
Purchase of fixed assets		(10,279)			-	
Proceeds from the sale of assets		-			675	
Proceeds from sale of investments		1,416,234			2,207,732	
Purchase of investments		(486,892)			(1,526,880)	
Cash (invested in)/released from investment portfolio		(271,615)			186,964	
Net cash provided by investing activities			<u>1,129,615</u>		<u>1,369,264</u>	
Change in cash and cash equivalents in the year			<u>(42,398)</u>		<u>33,736</u>	
Cash and cash equivalents at the beginning of the year			<u>211,292</u>		<u>177,556</u>	
Cash and cash equivalents at the end of the year			<u>168,894</u>		<u>211,292</u>	

42 | Notes to the accounts

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies

a) Statutory information

Alcohol Research UK is a charitable company limited by guarantee and is incorporated in the United Kingdom. Alcohol Change UK is the operating name of Alcohol Research UK.

The registered office address and principal place of business is 27 Swinton Street, London, WC1X 9NW.

b) Basis of preparation

The financial statements 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The board of directors consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The board of directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of our programmes: research and innovation, engagement, policy and influencing, culture change, information and advice, behaviour change, improving alcohol treatment and alcohol at work, undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies (continued)

i) Allocation of support costs

Wherever possible resources expended are attributed to the particular activity where the cost relates directly to that activity. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs include all expenditure not directly related to charitable activities: general office and administrative costs, information technology, finance, HR, premise and governance. Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements and strategic management of the charity's activities.

Support costs, including governance, are apportioned to expenditure on raising funds and expenditure on charitable activities on the following basis, which is an estimate based on staff time attributable to each activity.

• Raising funds	20%
• Research and innovation	24%
• Engagement	1%
• Policy and influencing	17%
• Culture change	6%
• Information and advice	12%
• Behaviour change	15%
• Improving alcohol treatment	3%
• Alcohol at work	2%

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000 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 charity's own use are capitalised at their current value.

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Leasehold property	50 years
• Office equipment	3 years
• Furniture & fixtures	3 years
• Software	3 years

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Investment income

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

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

o) Stock

Stock consists of purchased goods for resale and is valued at a lower of cost and net realisable value.

p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grants payable due after one year are payable within one to three years of the balance sheet date.

s) Pensions

The pension cost charge represent 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.

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Notes to the financial statements For the year ended 31 March 2020

2. Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Donations from individuals and trusts	43,936	15,000	58,936	51,634	15,000	66,634
Legacies	18,000	-	18,000	3,000	-	3,000
	61,936	15,000	76,936	54,634	15,000	69,634

During the year, an initial legacy payment was received gifted by an individual. We had been notified that the second payment (the legacy settlement) was due to the charity but was not received by 31 March 2020. The settlement value cannot be ascertained with a reasonable degree of certainty and therefore is excluded from the accounts. We are not aware of any other material legacies due to be received by the charity.

3. Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Research and innovation						
• National Institute for Health Research	-	-	-	-	2,240	2,240
• Welsh Government	-	65,053	65,053	-	68,129	68,129
	-	65,053	65,053	-	70,369	70,369
Policy and influencing						
• Cancer Research UK	-	9,979	9,979	-	-	-
• Conference income	12,800	-	12,800	1,898	-	1,898
• Welsh Government	-	60,367	60,367	-	56,742	56,742
	12,800	70,346	83,146	1,898	56,742	58,640
Culture change						
• Welsh Government	-	36,555	36,555	-	35,053	35,053
	-	36,555	36,555	-	35,053	35,053
Information and advice						
• Maudsley Charity	-	24,386	24,386	-	-	-
	-	24,386	24,386	-	-	-
Behaviour change						
• MBA Literary and Script Agents (Try Dry book)	-	-	-	8,200	-	8,200
• Public Health England	-	40,000	40,000	-	-	-
	-	40,000	40,000	8,200	-	8,200
Improving alcohol treatment	36,030	-	36,030	71,544	-	71,544
Alcohol at work	7,440	-	7,440	10,117	-	10,117
Total income from charitable activities	56,270	236,340	292,610	91,759	162,164	253,923

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Notes to the financial statements For the year ended 31 March 2020

4. Income from other trading activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Dry January licencing	15,000	–	15,000	–	–	–
Merchandise sales	6,118	–	6,118	1,697	–	1,697
Sponsorship	–	–	–	8,000	–	8,000
	21,118	–	21,118	9,697	–	9,697

5. Income from investments

	2020 Total £	2019 Total £
Fixed interest		
Corporate bonds and British Government stocks	122,448	102,013
Overseas bonds	21,126	31,283
Equities – UK and overseas	286,933	316,829
Irrecoverable tax on equities	–	(515)
	430,507	449,610
Investment property rental income	51,431	50,979
Bank deposit interest	229	184
	482,167	500,773

All income from investments is unrestricted.

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Notes to the financial statements For the year ended 31 March 2020

Cost of raising funds ☐
Charitable activities ☐

6a. Analysis of expenditure (current year)

	Donations and legacies £	Investment management costs £	Research and innovation £	Engagement £	Policy and influencing £	Culture change £	Information and advice £	Behaviour change £	Improving alcohol treatment £	Alcohol at work £	Support and governance costs £	2020 Total £	2019 Total £
Staff costs (note 10)	67,605	3,717	118,674	6,286	101,109	42,631	50,341	78,853	14,332	14,487	151,967	650,002	576,706
Other staff costs	44	2	1,997	3	509	215	28	35	10	5	43,349	46,197	42,753
Board and committees	-	-	-	-	-	-	-	-	-	-	6,657	6,657	4,736
Buildings and office running costs	8,775	9	9,130	14	1,554	38	134	6,098	957	79	71,342	98,130	80,528
Conference and events	-	-	1,771	-	13,792	250	-	-	7,961	81	245	24,100	19,299
Depreciation	-	-	-	-	-	-	-	-	-	-	47,831	47,831	47,652
External associates and advice	-	-	8,169	-	2,475	2,072	1,260	-	34,149	8,658	-	56,783	78,770
Fundraising expenses	41,204	-	288	9,881	1,652	185	-	6,429	106	7,813	-	67,558	39,950
Grants management and advisory panel costs	-	-	82	-	66	-	-	-	-	-	-	148	823
Grants payable (note 8a)	-	-	(13,739)	-	-	-	-	-	-	-	-	(13,739)	5,309
Insurance	-	-	-	-	-	-	-	-	-	-	7,737	7,737	6,522
Investment costs	-	62,647	-	-	-	-	-	-	-	-	(7,431)	55,216	55,082
Legal and professional fees	-	-	1,773	-	256	-	-	4,555	-	-	15,419	22,003	30,820
Meeting costs	216	2	1,828	3	1,923	827	30	343	47	694	1,178	7,091	14,292
Other costs	206	460	-	-	2,364	-	-	4,167	3,576	-	3,389	14,162	10,337
Publications, communications and marketing	8,241	377	12,167	566	12,040	10,140	4,944	177,767	942	1,059	2,498	230,741	236,633
Research, policy and campaigns costs	-	-	60,659	-	10,000	-	1,293	1,090	-	-	-	73,042	116,190
	126,291	67,214	202,799	16,753	147,740	56,358	58,030	279,337	62,080	32,876	344,181	1,393,659	1,366,402
Support and governance costs (note 7a)	64,968	3,140	81,869	4,708	59,906	21,000	41,175	51,725	7,845	7,845	(344,181)	-	-
Total expenditure 2020	191,259	70,354	284,668	21,461	207,646	77,358	99,205	331,062	69,925	40,721	-	1,393,659	
Total expenditure 2019	86,471	70,053	412,019	-	184,446	92,904	161,718	251,101	65,115	42,575	-	-	1,366,402

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Notes to the financial statements

For the year ended 31 March 2020

Cost of raising funds ☐
Charitable activities ☒

6b. Analysis of expenditure (prior year)

	Donations and legacies £	Investment management costs £	Research and innovation £	Policy and influencing £	Culture change £	Information and advice £	Behaviour change £	Improving alcohol treatment £	Alcohol at work £	Support and governance costs £	2019 Total £
Staff costs (note 10)	17,557	3,235	162,341	88,495	49,958	59,617	48,297	10,460	11,592	125,154	576,706
Other staff costs	-	-	244	209	157	-	-	-	-	42,143	42,753
Board and committees	-	-	136	-	-	-	-	-	-	4,600	4,736
Buildings and office running costs	59	-	4,375	55	-	1	1	-	84	75,953	80,528
Conference and events	-	-	956	11,212	249	-	-	-	6,882	-	19,299
Depreciation	-	-	-	-	-	-	-	-	-	47,652	47,652
External associates and advice	320	-	9,354	1,102	827	7,314	5,361	44,183	10,309	-	78,770
Fundraising expenses	39,950	-	-	-	-	-	-	-	-	-	39,950
Grants management and advisory panel costs	-	-	823	-	-	-	-	-	-	-	823
Grants payable (note 8a)	-	-	5,309	-	-	-	-	-	-	-	5,309
Insurance	-	-	-	-	-	-	-	-	-	6,522	6,522
Investment costs	-	62,172	-	-	-	-	-	-	-	(7,090)	55,082
Legal and professional fees	-	-	-	-	-	-	15,342	-	-	15,478	30,820
Meeting costs	85	1	8,415	2,370	1,323	17	16	1	972	1,092	14,292
Other costs	376	-	25	17	12	6	5	1	1	9,894	10,337
Publications, communications and marketing	9,096	1,474	43,825	19,774	10,295	32,257	111,241	3,492	4,489	690	236,633
Research, policy and campaigns costs	-	-	75,872	13,486	2,614	-	24,218	-	-	-	116,190
	67,443	66,882	311,675	136,720	65,435	99,212	204,481	58,137	34,329	322,088	1,366,402
Support and governance costs (note 7b)	19,028	3,171	100,344	47,726	27,469	62,506	46,620	6,978	8,246	(322,088)	-
Total expenditure 2019	86,471	70,053	412,019	184,446	92,904	161,718	251,101	65,115	42,575	-	1,366,402

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For the year ended 31 March 2020

Cost of raising funds ☐
Charitable activities ☒

7a. Analysis of support and governance costs (current year)

	Donations and legacies £	Investment management costs £	Research and innovation £	Engagement £	Policy and influencing £	Culture change £	Information and advice £	Behaviour change £	Improving alcohol treatment £	Alcohol at work £	2020 Total £	2019 Total £
Finance	15,285	738	17,996	1,108	13,010	4,127	9,688	12,170	1,846	1,846	77,814	73,171
Office and general management	6,515	315	10,271	472	7,774	3,431	4,129	5,187	787	787	39,668	39,047
IT, internet and telephones	8,458	409	11,390	613	8,427	3,204	5,360	6,734	1,021	1,021	46,637	47,111
HR and other professional fees	6,305	305	8,495	457	6,285	2,391	3,996	5,020	761	761	34,776	31,362
Buildings and premises	15,152	732	18,578	1,098	13,529	4,566	9,603	12,064	1,830	1,830	78,982	85,289
Support costs	51,715	2,499	66,730	3,748	49,025	17,719	32,776	41,175	6,245	6,245	277,877	275,980
Audit fees	2,505	121	2,650	181	1,875	484	1,587	1,994	302	302	12,001	10,498
Insurance	567	27	600	41	424	110	359	451	68	68	2,715	2,310
Legal advice	180	9	190	13	135	35	114	143	22	22	863	1,273
Board and committee meetings	3,261	158	3,451	236	2,442	630	2,067	2,597	394	394	15,630	8,049
Constitutional and statutory needs	484	23	512	35	362	94	307	385	58	58	2,318	-
Strategic management	6,256	303	7,736	454	5,643	1,928	3,965	4,980	756	756	32,777	23,978
Governance costs	13,253	641	15,139	960	10,881	3,281	8,399	10,550	1,600	1,600	66,304	46,108
Total expenditure 2020	64,968	3,140	81,869	4,708	59,906	21,000	41,175	51,725	7,845	7,845	344,181	
Total expenditure 2019	19,028	3,171	100,344	-	47,726	27,469	62,506	46,620	6,978	8,246		322,088

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For the year ended 31 March 2020

Cost of raising funds ☐
Charitable activities ☒

7b. Analysis of support and governance costs (prior year)

	Donations and legacies £	Investment management costs £	Research and innovation £	Policy and influencing £	Culture change £	Information and advice £	Behaviour change £	Improving alcohol treatment £	Alcohol at work £	2019 Total £
Finance	4,581	763	22,446	10,024	5,514	14,955	11,223	1,680	1,985	73,171
Office and general management	2,074	346	12,431	6,482	3,954	7,018	5,082	761	899	39,047
IT, internet and telephones	2,696	449	14,756	7,225	4,239	8,986	6,604	988	1,168	47,111
HR and other professional fees	1,809	301	9,742	4,711	2,742	6,178	4,432	663	784	31,362
Buildings and premises	4,979	830	26,716	12,881	7,483	16,217	12,199	1,826	2,158	85,289
Support costs	16,139	2,689	86,091	41,323	23,932	53,354	39,540	5,918	6,994	275,980
Audit fees	696	116	3,190	1,334	696	2,204	1,705	255	302	10,498
Insurance	153	26	702	294	153	485	375	56	66	2,310
Legal advice	84	14	387	162	84	267	207	31	37	1,273
Board and committee meetings	533	89	2,446	1,023	534	1,690	1,307	196	231	8,049
Strategic management	1,423	237	7,528	3,590	2,070	4,506	3,486	522	616	23,978
Governance costs	2,889	482	14,253	6,403	3,537	9,152	7,080	1,060	1,252	46,108
Total expenditure 2019	19,028	3,171	100,344	47,726	27,469	62,506	46,620	6,978	8,246	322,088

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Notes to the financial statements For the year ended 31 March 2020

8a. Grant making (current year)

	Small grants £	Research and development grants £	Studentship grants £	2020 £	2019 £
At the start of the year	13,185	211,502	53,200	277,887	614,339
Awarded in year	-	-	500	500	18,408
Paid in the year	(10,599)	(116,034)	(42,100)	(168,733)	(341,761)
Grants cancelled	-	(14,239)	-	(14,239)	(13,099)
At the end of the year	2,586	81,229	11,600	95,415	277,887
Falling due within one year	2,586	74,458	11,600	88,644	233,419
Falling due after more than one year	-	6,771	-	6,771	44,468

8b. Grant making (prior year)

	Small grants £	Research and development grants £	Studentship grants £	2019 £	2018 £
At the start of the year	71,640	409,699	133,000	614,339	780,806
Awarded in year	3,813	12,795	1,800	18,408	367,574
Paid in the year	(60,416)	(199,745)	(81,600)	(341,761)	(508,300)
Grants cancelled	(1,852)	(11,247)	-	(13,099)	(25,741)
At the end of the year	13,185	211,502	53,200	277,887	614,339
Falling due within one year	13,185	178,634	41,600	233,419	446,911
Falling due after more than one year	-	32,868	11,600	44,468	167,428

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.

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For the year ended 31 March 2020

9. Net income/(expenditure) for the year

This is stated after changing/(crediting):

	2020 £	2019 £
Depreciation	47,831	47,652
Operating lease rentals payable	3,352	6,834
Operating lease rentals receivable	(51,431)	(51,090)
Auditor's remuneration (excluding VAT)		
Audit	8,950	8,700
Other services	360	–

10. Analysis of staff costs, board of trustees' remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	531,771	485,111
Redundancy and termination costs	20,486	–
Social security costs	53,977	48,109
Employer's contribution to defined contribution pension schemes	43,768	43,486
	650,002	576,706

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2020 No.	2019 No.
£60,000 – £69,999	–	–
£70,000 – £79,999	–	1
£80,000 – £89,999	1	–

During the year, the charity's key management personnel comprised of the chief executive officer and directors. During 2020-21, the executive team was broadened to include the heads of departments. The total employee benefits (including employer pension contributions and employer national insurance) of the key management personnel at March 2020 were £267,727 (2019: £250,302).

Termination payments were made in the year amounting to £20,486 (2019: £nil), of which £4,599 was outstanding at the year end. The termination costs are recognised in full as an expense on the statement of financial activities.

The trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No trustees received payment for professional or other services supplied to the charity (2019: £nil).

Included in the board and committee and conference and events costs in Note 6a is a total of £2,856 (2019: £3,665) for trustees' expenses, which represents the payment or reimbursement of travel, subsistence and accommodation relating to attendance at trustee meetings and events. Grant funding received for projects in which trustees or directors are involved is disclosed in Note 12.

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For the year ended 31 March 2020

11. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 14 (2019: 13).

The average monthly number of full-time equivalent employees (including part-time staff) during the year was as follows:

	2020 FTE	2019 FTE
Raising funds	1.5	0.4
Research and innovation	1.8	3.0
Engagement	0.1	–
Policy and influencing	2.0	1.8
Culture change	0.9	1.0
Information and advice	1.2	1.5
Behaviour change	1.6	1.1
Improving alcohol treatment	0.3	0.2
Alcohol at work	0.3	0.3
Support functions, management and governance	3.0	2.5
	12.7	11.8

12a. Related party transactions (current year)

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Of the grants paid during the year, the following trustees, 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:

	Paid in year £	Outstanding at year-end £
Edge Hill University 2017 SG/1064 Professor Derek Heim of Edge Hill University, was a Trustee of Alcohol Research UK until 31 March 2020	1,000	–
King's College London 2017 SG/1074 Dr Emmert Roberts of King's College London, is a Trustee of Alcohol Research UK	2,268	1,452
	3,268	1,452

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Notes to the financial statements For the year ended 31 March 2020

12b. Related party transactions (prior year)

	Paid in year £	Outstanding at year-end £
ADFAM R17/05 Dr James Nicholls, was a Director of Research & Policy Development at Alcohol Research UK until 4 January 2019, and is a trustee of ADFAM	–	3,750
Aquarius 2017 SG/1002 Ms Annette Fleming of Aquarius, was a Trustee of Alcohol Research UK until 18 March 2019	5,963	1,988
Edge Hill University 2017 SG/1064, 2017 ND/1026 Professor Derek Heim of Edge Hill University, was a Trustee of Alcohol Research UK until 31 March 2020	6,931	1,000
King's College London 2017 SG/1074 Professor Alan Maryon-Davis of King's College London, was a Chair of Alcohol Research UK until 18 March 2019 Dr Emmert Roberts of King's College London, is a Trustee of Alcohol Research UK	–	3,720
London South Bank University RS 16/03 Professor Anthony Moss, of London South Bank University, is a Trustee of Alcohol Research UK	10,000	–
Manchester Metropolitan University RS 16/01 Professor Sarah Golvani was a Trustee of Alcohol Research UK until 29 August 2019	10,000	–
Teeside University R 16/04 Professor Dorothy Newbury-Birch of Teeside University is a member of the Expert Advisory Panel (formerly Grants Advisory Panel)	13,711	–
	46,605	10,458

13. Taxation

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

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Notes to the financial statements For the year ended 31 March 2020

14. Tangible fixed assets

	Freehold property £	Leasehold property £	Furniture & fixtures £	Office equipment £	Software £	Total £
Cost						
At the start of the year	39,500	1,695,558	27,546	15,364	–	1,777,968
Additions in year	–	–	–	–	10,279	10,279
At the end of the year	39,500	1,695,558	27,546	15,364	10,279	1,788,247
Depreciation						
At the start of the year	–	67,822	18,364	11,188	–	97,374
Charge for the year	–	33,911	9,182	3,881	857	47,831
At the end of the year	–	101,733	27,546	15,069	857	145,205
Net book value						
At the end of the year	39,500	1,593,825	–	295	9,422	1,643,042
At the start of the year	39,500	1,627,736	9,182	4,176	–	1,680,594

Land with a value of £39,500 (2019: £39,500) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

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Notes to the financial statements For the year ended 31 March 2020

15. Listed investments

Investments are included at their market value.

Fair value at the start of the year

Additions at cost

Disposal proceeds

Net (loss)/gain on change in fair value

Cash held by investment manager pending reinvestment

Fair value at the end of the year

2020 £	2019 £
11,737,001	11,868,346
486,892	1,526,880
(1,416,234)	(2,207,732)
(1,069,719)	549,507
9,737,940	11,737,001
371,340	99,725
10,109,280	11,836,726

Investments comprise:

Fixed interest:

Corporate bonds and British Government stocks

Equities

Property

Alternative assets

Cash

2020 £	2019 £
1,893,789	1,998,283
5,530,683	7,169,604
1,288,340	1,292,443
1,025,128	986,671
371,340	389,725
10,109,280	11,836,726

16. Investment property

Fair value at the start of the year

Additions

Impairments

Revaluation during the year

Fair value at the end of the year

2020 £	2019 £
701,000	701,000
-	-
-	-
-	-
701,000	701,000

The investment property is in the basement of the charity's head office at Swinton Street. The purchase price was attributed between tangible fixed assets and investment property in proportion with the fair value at the year end. The property was last valued on 3 July 2017 by Carter Jonas LLP. At 31 March 2020, the fair value of the investment property was assessed against the publicly available average UK yield for commercial properties and it was concluded that the valuation assumptions have not materially changed since the last valuation. The property is let under the same lease terms for a five-year period until August 2022.

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Notes to the financial statements For the year ended 31 March 2020

17. Debtors

Equity interest and dividends declared but not yet received
Trade debtors
Prepayments and accrued income

2020 £	2019 £
69,727	75,071
119,158	118,860
60,850	50,129
249,735	244,060

18. Creditors: amounts falling due within one year

Trade creditors
Taxation and social security
Other creditors
Accruals
Grants payable (see Note 8)

2020 £	2019 £
44,072	133,757
16,711	13,216
105,167	30,274
60,873	70,965
88,644	233,419
315,467	481,631

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Notes to the financial statements For the year ended 31 March 2020

19a. Movements in funds (current year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Alliance House Foundation	-	15,000	(15,000)	-	-
Maudsley Charity	(20,305)	24,386	(4,081)	-	-
The Welsh Government	4,162	161,975	(166,137)	-	-
Cancer Research UK	-	9,979	-	(9,979)	-
Public Health England	-	40,000	(58,473)	18,473	-
Total restricted funds	(16,143)	251,340	(243,691)	8,494	-
Fair value reserve	3,143,789	-	(1,069,719)	-	2,074,070
General funds	11,019,927	621,491	(1,149,968)	(8,494)	10,482,956
Total unrestricted funds	14,163,716	621,491	(2,219,687)	(8,494)	12,557,026
Total funds	14,147,573	872,831	(2,463,378)	-	12,557,026

19b. Movements in funds (prior year)

	At 31 March 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 April 2019 £
Restricted funds:					
Alliance House Foundation	9,479	15,000	(24,479)	-	-
Maudsley Charity	15,256	-	(35,561)	-	(20,305)
The Welsh Government	16,098	159,924	(171,860)	-	4,162
Trust for London (Justice)	2,540	-	(2,540)	-	-
People's Postcode Lottery	2,214	-	(2,214)	-	-
The Big Lottery Fund (Pembrokeshire)	2,228	-	(2,228)	-	-
National Institute for Health Research	-	2,240	(2,240)	-	-
Total restricted funds	47,815	177,164	(241,122)	-	(16,143)
Fair value reserve	2,594,282	549,507	-	-	3,143,789
General funds	11,486,995	658,212	(1,125,280)	-	11,019,927
Total unrestricted funds	14,081,277	1,207,719	(1,125,280)	-	14,163,716
Total funds	14,129,092	1,384,883	(1,366,402)	-	14,147,573

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Notes to the financial statements For the year ended 31 March 2020

19c. 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 2019/20 are shown below:

Alliance House Foundation contributed to Dry January, which is part of our behaviour change programme.

The Maudsley Charity grant (information and advice) funded a project on provision of innovative brief advice alcohol interventions via Facebook and Skype. The pilot project was completed successfully during the year and the final grant payment cancelled a negative restricted fund balance brought forward from 2018-19.

The Welsh Government grant is supporting delivery of the 'Working Together to Reduce Harm, Substance Misuse Delivery Plan', including raising awareness of alcohol misuse issues across Wales and campaigning for an effective alcohol policy and improved services for people whose lives are affected by alcohol-related problems.

The Welsh Government awarded additional funding to Alcohol Change UK for providing advice and support during the course of an awareness campaign in relation to the Public Health (Minimum Price for Alcohol) (Wales) Act 2018. Alcohol Change UK's role was to advise Freshwater and the Welsh Government during the course of that campaign, and to disseminate messages to promote public awareness of the Act, the health risks of excessive alcohol consumption and how the introduction of a minimum price is intended to reduce alcohol consumption.

In addition, the Welsh Government is providing funding (via Barod charity) for implementation of the recommendations made by the Advisory Panel on Substance Misuse (APoSM) in the report 'Substance misuse in an ageing population' across Wales. The report highlighted a number of issues relating to the use of alcohol and other substances amongst older people. The work involves establishing connections with key local delivery partners and developing training packages for professionals to enable meeting the local support needs of this population section. This is the second year of the three-year project.

Cancer Research UK funded two advocacy projects delivered by Alcohol Concern and dating back to 2016. The first, a 'Continuation of Health First Advocacy Project', in collaboration with the Alcohol Health Alliance, aimed to secure a key legislative change and introduce tougher drink driving laws leading to increased road safety and reducing road traffic deaths and injuries. The second, an 'Alcohol Advocacy Project' focused on developing a new methodology of analysing and monitoring politicians' understanding of alcohol related cancer risks, alcohol problems and policy positions relating to alcohol. This income was a delayed grant payment for these two historical projects, whose costs were accounted for in previous periods, and for which we made a transfer from restricted to unrestricted funds.

Public Health England supported our Dry January campaign by providing funding for the printing and distribution of Dry January calendars to over 11,000 NHS pharmacies to raise awareness and encourage participation in the campaign. The costs of materials and distribution exceeded the Public Health England grant and the surplus expenditure was funded by the charity's unrestricted funds.

20. Operating lease commitments

At 31 March 2020, the charity had nil annual commitments under a non-cancellable operating lease expiring within one year (2019: £3,476). Total lease payments recognised as expenditure for the year were £3,352.

Amounts payable under non-cancellable operating leases are as follows for each of the following periods:

	2020 £	2019 £
Less than one year	–	3,476
	–	3,476

21. Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods (exclusive of VAT)

Property	2020 £	2019 £
Less than one year	51,431	51,090
One to five years	70,082	120,517
	121,513	171,607

The tenancy agreement for the basement at 27 Swinton Street is for a five year period, starting from 11 August 2017. The charity is entitled to a fixed annual rental of £44,000 and reimbursement of service charges incurred for the year, which are variable. The figures above include future service charges estimated at 2019/20 cost.

22. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

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Notes to the financial statements For the year ended 31 March 2020

23a. Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,643,042	–	1,643,042
Investment properties	701,000	–	701,000
Investments	10,109,280	–	10,109,280
Net current assets/(liabilities)	110,475	–	110,475
Long term liabilities	(6,771)	–	(6,771)
Net assets at 31 March 2020	12,557,026	–	12,557,026

23b. Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,680,594	–	1,680,594
Investment properties	701,000	–	701,000
Investments	11,836,726	–	11,836,726
Net current assets	(10,136)	(16,143)	(26,279)
Long term liabilities	(44,468)	–	(44,468)
Net assets at 31 March 2019	14,163,716	(16,143)	14,147,573

Notes to the financial statements
For the year ended 31 March 2020

Appendix 1: Grant commitments

Research and Development Grants

Grant Recipient	Grant Ref	At 31 March 2019 £	Awarded in year £	De-committed in the year £	Payment made £	At 31 March 2020 £
Findings	R 2015/04	21,184	-	-	(8,015)	13,169
University of Sheffield	R 2016/01	6,000	-	-	-	6,000
University of Sheffield	R 2016/02	6,000	-	-	-	6,000
The Alcohol Academy CIC	R 2016/06	3,000	-	-	(3,000)	-
Middlesex University	R 2017/01	6,612	-	-	(6,612)	-
Cardiff University	R 2017/02	12,000	-	-	(7,956)	4,044
University of Edinburgh	R 2017/03	7,511	-	(5,510)	-	2,001
University of Sheffield	R 2017/04	12,591	-	(8,729)	-	3,862
Adfam	R 2017/05	3,750	-	-	(3,750)	-
Bangor University	2017 RI/100039	35,128	-	-	(26,346)	8,782
University of Glasgow	2017 RI/100040	74,871	-	-	(37,500)	37,371
University of Sunderland	2017 RI/100056	22,855	-	-	(22,855)	-
		211,502	-	(14,239)	(116,034)	81,229

Studentship Grants

	At 31 March 2019 £	Awarded in year £	De-committed in the year £	Payment made £	At 31 March 2020 £
Total studentship grants	53,200	500	-	(42,100)	11,600

During the year, one grant was awarded. At 31 March 2020, two grants were outstanding. There were five grants outstanding at the start of the year.

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Notes to the financial statements

For the year ended 31 March 2020

Appendix 1: Grant commitments (continued)

Small Grants

Grant Recipient

Royal Surrey County Hospital
 Aquarius Action Projects
 Newcastle University
 Edge Hill University
 King's College London
 University of Glasgow

Grant Ref

SG 15/16 221
 2017 SG/1002
 2017 SG/1049
 2017 SG/1064
 2017 SG/1074
 2017 SG/1081

At 31 March 2019 £	Awarded in year £	De-committed in the year £	Payment made £	At 31 March 2020 £
1,000	-	-	(1,000)	-
1,987	-	-	(1,987)	-
4,329	-	-	(3,195)	1,134
1,000	-	-	(1,000)	-
3,720	-	-	(2,268)	1,452
1,149	-	-	(1,149)	-
13,185	-	-	(10,599)	2,586
277,887	500	(14,239)	(168,733)	95,415

Total Grants

62 | Officers and contacts

Alcohol Change UK is the operating name of Alcohol Research UK. Its principal governing document is its Memorandum and Articles of Association. It incorporates the assets of Alcohol Concern which had the Charity Commission number 291703, with which it merged on 31 March 2017, and which was removed from the Charity Commission register on 23 January 2018.

Registered office and operational address: 27 Swinton Street, London, WC9N 9NW

Company no. 07462605 (England and Wales)

Charity no. 1140287

Trustees and officers from 1 April 2019 to present. Trustees in *italics* stood down during the year. Short biographies of our trustees are available online.

Prof John Underwood to 6 Apr 2020 Chair from 18 Mar 2019 to 6 Apr 2020
Fiyaz Mughal, OBE from 6 Apr 2020 Chair from 6 Apr 2020
Helen Boden to 18 Mar 2020 Vice-Chair & chair of nominations sub-committee to 18 Mar 2020

Valerie Jolliffe Treasurer, chair of finance and general purposes sub-committee

Prof Derek Heim to 18 Mar 2020 Chair of research and policy sub-committee to 18 Mar 2020

Dr Emmert Roberts Chair of research and policy sub-committee and Interim Vice-Chair from 18 Mar 2020

Gareth Markin Chair of income and impact development sub-committee

Jane Appleton to 4 Feb 2020

Mike Bellamy

Vivienne Evans from 18 Mar 2020

Dr Emily Finch

Dr Will Haydock

Peter Holland

Ranjat Kaila from 18 Mar 2020

Gatherine Max

Prof Antony Moss

Prof Isabella Szmagin

Executive team from 1 April 2019 to present. Team members in *italics* moved on during the year.

Dr Richard Piper Chief Executive Officer

Lucy Holmes Director of Research and Policy from 2 Sep 2019

Danielle Houlston Head of Fundraising and Engagement from 1 Aug 2019

Azra Karaselimovic Director of Finance and Operations

Maddy Lawson Head of Communications from 1 Jul 2019

Andrew Misell
Andrea Tilouche

Director, Wales Office
 Director of Grants
 and Programmes

to 16 Apr 2019

Members of the Expert Advisory Panel at 31 March 2020

Nile Amos Expert by Experience

Tim Barclay Expert by Experience

Sally Beaven Expert by Experience

Ms Claire Brown Editor, Drink and Drug News

Professor Simon Coulton Professor for Health Service Research, Centre for Health Service Studies, University of Kent

Dr Matt Egan Associate Professor, London School of Hygiene and Tropical Medicine

Dr Qulsum Fozil Lecturer, University of Birmingham

Professor Matt Field Professor of Psychology, University of Sheffield

Professor Elizabeth Gilchrist Institute of Health and Society, University of Worcester

Mr Ian Hamilton Lecturer in Health Sciences, University of York

Professor Elizabeth Hughes University of Huddersfield and South West Yorkshire Partnership

Dr SVittal Katikireddi Senior Clinical Research Fellow, University of Glasgow

Dr Hilma Laughran Associate Professor in the School of Social Policy, Social Work and Social Justice, University College, Dublin

Professor Professor of Alcohol and Public Health Research, Teesside University

Dorothy Newbury-Birch

Janet Ruane Expert by Experience

Dr Jeremy Sagroff Research Fellow in Public Health, DECIPHER Centre, Cardiff University

Zoe Swithenbank Expert by Experience

Auditor Sayer Vincent LLP

Bankers Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Investment managers GAF Bank Ltd

Solicitors Kings Hill, West Malling, Kent, ME19 4TA

Digital partners Investec Wealth and Investment Limited

Smartdesec (IT provision) 2 Gresham Street, London, EC2V 7QN

Smartdesec.co.uk to Aug 2019

Smartdesec from Aug 2019

Smartdesec (IT provision) from Aug 2019

Smartdesec from Aug 2019

Smartdesec from Aug 2019

Smartdesec from Aug 2019

Smartdesec from Aug 2019

Smartdesec from Aug 2019

Smartdesec from Aug 2019

Smartdesec from Aug 2019

Smartdesec from Aug 2019



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Company limited by guarantee in England and Wales number 07462605.