

UK DRI Ltd

(A Company limited by guarantee and not having a share capital)

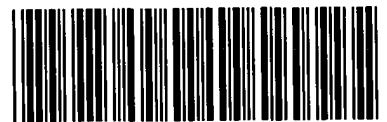
Annual Report and Financial Statements

Year Ended

31 March 2023

Company Registration No: 11045257

THURSDAY



AC94JKIX

A12

03/08/2023

#174

COMPANIES HOUSE

Contents

Page:

3	Report of the Trustees (incorporating the Directors' Report and Strategic Report)
	▪ Objective, Founding Principles and Activities
	• Executive Summary
	• Objective
	• Founding Principles
	• Activities
	▪ Achievements and Performance (Strategic Report)
	• Excellence
	• Collaboration
	• Translation
	• Communication
	▪ Future Plans (Strategic Report)
	• The year ahead
	• Longer-term plans
	▪ Financial Review (Strategic Report)
	• In summary
	• Our funds
	• Our reserves policy
	• Our investment policy
	▪ Our Structure, governance, and management
	• Governing document
	• Trustees' appointment and training
	• Related parties
	• Risks and uncertainties
	• Public benefit
11	Statement of Trustees Responsibilities
12	Independent Auditor's Report to the Members of UK DRI Ltd
15	Statement of financial activities incorporating income and expenditure account
16	Balance Sheet
17	Cashflow Statement
18	Notes forming part of the financial statements
28	Legal and administrative details

Objective, Founding Principles and Activities

Executive Summary

Dementia is the biggest health challenge of our century – currently fifty million patients worldwide, projected to triple by 2050 – with huge financial, emotional, and social impact on people with dementia (PwD), their carers, families, and friends. Dementia is caused by a set of complex neurodegenerative disorders, with Alzheimer's disease accounting for approximately 60% of the cases. To date there is no way to prevent or even slow the progression of dementia, as there is still a major gap in our basic understanding of neurodegenerative disorders.

The UK Dementia Research Institute (UK DRI or Institute) is the biggest UK initiative supporting research to fill this knowledge gap, created as part of the *Prime Minister's challenge on dementia 2020* and supported by its three Founders, the Medical Research Council (MRC), Alzheimer's Society (AS) and Alzheimer's Research UK (ARUK).

The UK DRI was formed as a result of a joint venture between the MRC, AS and ARUK, which created UK DRI Ltd. The UK DRI is funded by these three founding funders, via UK DRI Ltd, and its scientific operations are conducted at seven discrete research centres within six universities: UCL, Imperial, King's, Cambridge, Cardiff, and Edinburgh. An eighth 'virtual' centre – the UK DRI Data Science centre - was set up in April 2023. The UK DRI Headquarters are based at UCL and here the executive team determine and implement the UK DRI Ltd approved research strategy. UK DRI Ltd does not directly employ any staff. The UK DRI's scientific and headquarters operations are conducted by employees of the six universities who operate on behalf of UK DRI Ltd. The focus of subsequent information in this report is on the performance and activities of the universities included in the UK DRI.

The Institute has undergone a thorough and successful review of its first quinquennium (QQ) and, in December 2022 saw its funding renewed for the 2023-28 period with a total contribution of £150m, the MRC remaining the main core funder with further support from ARUK and AS. In addition to our core funding, we are proud to have attracted additional funding, including a major £30m award from LifeArc specifically dedicated to translational research.

Objective

We undertake original, ground-breaking research that will transform lives. We attract the brightest minds and give them the best technology and research tools. We work with each other, with people living with dementia and their families, with the wider scientific community and with industry to translate our findings into treatments. We are renowned for the quality of our science, our willingness to share data, ideas and resources, and our unwavering commitment to stop dementia in its tracks.

The Institute carries out research relevant to dementia-causing neurodegenerative diseases, including Alzheimer's disease, Parkinson's disease, frontotemporal dementia, motor neuron disease/frontotemporal dementia, vascular dementia, and Huntington's disease.

For the 2023-28 quinquennium, our vision is founded on two elements:

(i) *'To define the molecular and cellular mechanisms responsible for the early cellular phases of major neurodegenerative diseases'*. This will lead to deeper insight into cellular and molecular mechanisms underpinning neurodegenerative diseases, yielding novel biomarkers and drug targets that will enable us to halt the disease process early on and provide the means to identify those at risk.

(ii) *'To develop novel tools and monitoring systems to support patients living with dementia'*. This will deliver benefits to patients and carers in the short-term and lead to more robust and sensitive measures that will revolutionise how clinical trials are performed.

Founding Principles

The UK DRI is based on four principles that we believe are key to UK DRI's success:

Excellence: Scientific excellence is the driver of UK DRI's success. Excellence is embedded in everything we do: recruitment/training of our staff, supporting innovative research, investing in the best technologies, and identifying strategic partners for collaboration. We use both internal and external peer review to evaluate excellence and monitor our progress and to evaluate any new initiative taken. Our commitment to equity, diversity and inclusivity (see [UKDRI EDI](#)

equity, diversity and inclusivity statement) means that we are mobilising the best talents from everywhere in society to provide opportunities to benefit from diverse thinking.

Collaboration: Dementia is a multifaceted disorder and understanding what drives it requires the expertise and perspectives of a multidisciplinary team of researchers. We have attracted talented researchers from diverse fields and backgrounds. We are developing their understanding and involvement in dementia research by embedding them in a collaborative working environment with well-established dementia researchers, offering opportunities for informal networking, receiving feedback, learning about, and discussing the latest developments in dementia research. At the UK DRI we break down barriers to enable interdisciplinary collaboration through our collaborative networks known as 'Themes'. In addition, we empower collaboration through our internal Awards programme. Data (and resource) sharing is key to our success. Our Informatics Steering Committee (and its satellite Working Groups) develop and champion the adoption of data/digital policies, mechanisms, and guidelines to enable an open research culture (in part facilitated by our Research Collaboration Services). We create synergy for maximum impact by collaborating with external partners across the dementia landscape. We act as a catalyst in the national and global dementia research community. We share data, ideas, talents, and resources, and open our workshops and symposia to the wider scientific community. We reach out to clinical partners, industry, and the government to work together to solve problems in the field.

Translation: It is the mission of the UK DRI to transform the lives of people affected by dementia. As the number of people affected by dementia is set to grow rapidly in the coming decades it has never been more urgent to translate our knowledge into clinical value for people. The UK DRI translation strategy builds upon the Institute's evolving scientific portfolio. We support our researchers in becoming more entrepreneurial in their thinking. Equally important are collaborations with NHS Trusts and care homes. We engage with external partners across the dementia research landscape to achieve our strategic goals and in return we lend our expertise to support their goals.

Communication: To achieve our goals, internal and external communication are both essential. Internal communications build a common understanding of our mission and enable our researchers to learn from one another, share ideas, and address problems together. External communications present the UK DRI to the outside world, raising the profile of the Institute amongst researchers, industry, policy makers and the general public across the UK and the world, explaining the importance of our work, what we do, progress made, and future needs. An important aspect is to keep research on dementia and neurodegenerative disorders high on the political and societal agenda and attuned to the needs of those affected by dementia

Activities

Over the past year, the UK DRI has continued to build momentum in becoming a world-leading institute in dementia research. At the core of the institute is a strong scientific vision for how the UK DRI will uncover the most valuable insights into the mechanistic drivers of neurodegeneration and translate that understanding into ways to prevent, delay or manage dementia-causing diseases. Our founding principles remain the point of reference for our activities and programmes.

The 2022/23 period has been very productive with key recruitments, major publications, strengthening of collaborative initiatives and programmes, substantial leveraged funding, significant development of strategic partnerships and remarkable success in the translational space. In the next section, we highlight how progress over the past year has contributed to our mission.

STRATEGIC REPORT

Achievements and Performance

Excellence. We have continued to attract top talent, further strengthening our research capacity.

This year, we have seen significant changes in senior leadership. Prof Bart De Strooper announced his intention to step down from his post as a national Directorship in November 2022. Prof Giles Hardingham (Centre Director at UK DRI at Edinburgh) will be interim Director from 1 June 2023 until 1 October 2023 when a new permanent Director will take up the role – Prof Siddharthan Chandran. Prof Bart De Strooper will remain a Senior Group Leader at the UK DRI, based at UCL. We have also made a new appointment to the Science Strategy and Operations Board: we recruited Prof Mina Ryten (from the UCL Great Ormond Street Institute of Child Health) as the Centre Director for UK DRI at Cambridge, due to start in January 2024. Prof Ryten will take over from Prof David Rubinsztein, who was interim Director since the departure of Prof Giovanna Mallucci in March 2022.

UK DRI LTD

Report of the Trustees for the year ended 31 March 2023 (continued)

After Prof Caleb Webber was appointed UK DRI Director of Informatics in 2021, in November 2022, we recruited Dr Amonida Zadissa from The European Bioinformatics Institute (EMBL-EBI) as an Associate Director of Informatics. Together, they will develop and implement an Institute-wide strategy to harness the power of data resources and analysis tools to better understand and treat dementia.

We also welcomed four new Group Leaders (GLs). Dr Kathryn Bowles from New York University and Dr Mootaz Salman from the University of Oxford joined our Edinburgh Centre, while Dr Andrea Serio from the Francis Crick Institute and Dr Sarah Marzi, currently an Emerging Leader at the UK DRI Imperial Centre, are due to join our King's Centre.

In 2021 we established our Emerging Leaders programme, a developmental programme unique to the UK DRI, supporting early career researchers to establish strong research networks and build skills necessary for establishing their own research groups through sponsorship and career mentoring. In April 2022, Dr Jin Qiu (Edinburgh) became the fourteenth UK DRI Emerging Leader.

Our Institute is now a multidisciplinary network of seven centres (with an eighth virtual centre, the UK DRI Data Science Centre, being added in April 2023) with 867 members (as of 31 March 2023), covering diverse aspects of dementia research such as neuroinflammation, DNA repair, bioengineering, circadian biology, genetics, systems neuroscience, RNA biology, metabolic sciences, and innovative technologies for dementia care. Within the UK DRI HQ Team, a new Theme Manager and Science Manager were appointed to replace staff leaving the Institute. In addition, we recruited a Translation Manager, Finance Manager, HQ Administrator, and HQ Coordinator, bringing the team to a total of 29 members.

UK DRI researchers published 596 papers in 2022, a number comparable to 2021. Our research outputs highlight key strengths in single cell 'omics and imaging approaches to transform our understanding of disease aetiology, novel biomarkers for early diagnosis and disease progress monitoring, and cutting-edge cell biology to dissect the role of non-neuronal cells in dementia and identify novel therapeutic targets.

Our research quality is also reflected in the substantial funding leveraged, with our total external grant portfolio standing at £62.6m distributed across our seven centres. The excellence of our research is also reflected in our outstanding publication record, with nine UK DRI Group Leaders featured in the Clarivate™ Highly Cited Researcher 2022 list (Profs Bart De Strooper, Nick Fox and John Hardy (UCL), Prof David Rubinsztein (Cambridge), Prof David Sharp (CR&T), Profs Joseph Priller Tara Spire-Jones and Joanna Wardlaw and Dr Axel Montagne (Edinburgh)). In the 2022/23 period our researchers received important prestigious prizes and honours: Prof Sir John Hardy (UCL) was awarded a knighthood in the 2022 Honours list, Prof Nick Fox (UCL) was awarded the European Grand Prix 2022 by the French Alzheimer Research Association, Prof Sarah Tabrizi (UCL) was awarded the 2022 MRC Millennium Medal, Sophie Sanford (Cambridge) was awarded the British Neuroscience Association Public Engagement Prize 2022, and Dr Soyoon Hong (UCL) was awarded the Alzheimer's Research UK David Hague Award for Early Career Investigator of the Year 2023. In addition, Prof Karen Duff (UCL) and Prof Siddharthan Chandran (Edinburgh) were elected to the Academy of Medical Sciences Fellowship, and Prof Bart De Strooper (UK DRI Director) was elected to the US National Academy of Medicine.

Collaboration. We have promoted knowledge exchange and multidisciplinary collaborations within the institute with the Cross Centre Postdoctoral Programme (five awarded in 2022) and our Pilot Programmes (eight awarded in 2023). We also launched the Grand Challenges programme to fund cutting-edge research which addresses major areas of interest across dementia research. Proposals must be led by UK DRI GLs and can include Emerging Leaders, Associate Members, and external researchers as secondary applicants. The first round of applications received nine proposals, with two awards made (~£1.7m each): Early diagnosis of AD in the preclinical phase: Multidisciplinary, cross-species studies to understand the relationship between entorhinal-hippocampal dysfunction and spatial behaviour (PI: Duff, UCL), and Neural Replay - A Novel Functional Circuit Biomarker Of Latent Alzheimer's Disease (PI: Busche, UCL). In this period, we also appointed two Associate Members and three Co-Investigators.

UK DRI cross-centre Themes are our primary mechanism for drawing together researchers from across the Institute to discuss and develop ground-breaking ideas and cutting-edge technologies. We currently have seven Themes: Parkinson's disease (launched in January 2022), Macroglia (January 2022), Neuroinflammation (November 2018), Vascular (October 2019), Synapse and circuitry (May 2020), DNA repair (August 2020), and Informatics (September 2020). The collaborative nature of our Themes also facilitates relationships between researchers and stakeholders across the UK. Throughout 2022/23, our Thematic events have attracted over 200 non-UK DRI participants, including from Dementias Platform UK

(DPUK), the British Heart Foundation (BHF) and over 20 different UK academic institutions.

In addition to formal thematic activities, we have also convened and supported Working Groups (WGs) in the context of the mouse models programme and, more recently, in the field of motor neuron disease/frontotemporal dementia (MND/FTD) research. The first meeting of this WG took place in September 2022 and brought together eight GLs across the UK DRI Centres to explore how the UK DRI can build on research strengths and existing capacity and resources in this area, and promote synergies across the Institute, to enhance human informed discovery research and strengthen translational research. This meeting catalysed new collaborations (with proposals submitted to the LifeArc Translational call, and Key Questions exercise – see below) and guided a UK DRI strategic approach to MND research, building on our unique strengths while also enhancing and complementing the broader national MND research landscape.

We strive to promote the adoption of cutting-edge, transformative technologies enabling novel ways to understand neurodegeneration. Our core-funded platforms provide UK DRI researchers access to state-of-the-art methodologies and resources supported by specialised technical staff. In early 2023 we established the Single Cell and Spatial Transcriptomics Platform. The newly appointed Platform Manager and Research Technician are currently setting up 10x Genomics Single Cell and Nanostring GeoMX spatial transcriptomics techniques, with plans to expand the technologies on offer as the platform develops. The platform will be open to UK DRI clients by the start of 2024, to UCL IoN by the Autumn of 2024, and to external users if there is spare capacity. Our Biomarker factory (UCL) has already proven a hugely successful initiative currently open to UK DRI and external users. Since its inauguration in 2021, the advanced proteomics platform in Dundee has taken on 55 projects from across the Institute.

Translation. Ensuring that UK DRI research has significant patient impact continues to be a core vision of the UK DRI. In 2022/23 the UK DRI enjoyed record levels of translational funding through the LifeArc translational partnership (£30m/5 years), the MRC Impact accelerator (an additional £236k) and ARUK ring-fenced funding (£500k/year). This funding enables us to support our researchers through competitive internal translational funding calls. In March 2023, we launched a funding call for £1-2m awards under the LifeArc Translational Partnership, which received 24 expressions of interest covering the breadth of UK DRI research areas. Seven proposals were invited for a full application, with the outcome expected by autumn 2023. In 2022 we made six UK DRI translational awards for proof-of-concept work, typically in the region of £100-£300k (funded by MRC Impact Acceleration Accounts (IAA) and ARUK). We have expanded our array of industrial strategic partners with Sun Pharma Advanced Research Company (SPARC) and Ono Pharmaceuticals, joining existing partners Eisai, Eli Lilly and Astex, with the aim to provide up to ~£2m of additional funding into UK DRI research from industry.

In 2022/2023, the UKDRI enjoyed major achievements in translational activities with a total of 22 invention disclosures, ten patents filed, and four patents licensed demonstrating the UK DRI's healthy early-stage translational pipeline. Furthermore, in 2022 we have assisted in drafting and negotiating 182 contracts spread across the UK DRI with particular emphasis on UK DRI Ltd (HQ and Board contracts) and UCL as our largest centre. We have seen a particularly busy first quarter in 2023, with 71 contracts being drafted. Our innovation and business team has established productive relationships with tech transfer offices at each centre University and has now agreed on a template Material Transfer Agreement with our partner universities, which will help streamline future agreements.

Communication. This year we saw increased media coverage, with approximately 3,900 media mentions, including in major national media outlets. Highlights on UK DRI research included the identification of new risk genes for Alzheimer's disease (Prof Julie Williams, UK DRI at Cardiff), a new mechanism to avoid the build-up of misfolded proteins (Dr Edward Avezov, UK DRI at Cambridge) and the description of the new Huntington's disease staging system featured in Science Magazine and other specialist outlets (Prof Sarah Tabrizi, UK DRI at UCL). Following news of promising Phase III trial data from Alzheimer's drug Lecanemab, we took advantage of the increased spotlight on the field, holding an external specialist webinar in December 2022 (>3.5K views on YouTube), and engaging in both proactive and reactive media, securing 800 total media mentions, with at least 20 pieces of national print coverage (including the Telegraph, the Times, Evening Standard, Guardian, Independent, BBC and more) and five national broadcast interviews (including BBC Radio 4 Today, Times Radio) with UK DRI researchers.

In 2022/23, we expanded our presence across Westminster and Whitehall, including a number of Ministerial Centre visits, and meetings with parliamentarians. We continued to strengthen our relationships with the MRC, the Office of Life Sciences, and the Department of Health and Social Care, for example, through our contribution to the MND Ministerial Roundtable discussing a major strategic funding initiative in MND translational research. We produced three public-facing

UK DRI LTD

Report of the Trustees for the year ended 31 March 2023 (continued)

documents, two new brochures, "Race to Cures" and "The UK DRI at Five Years", and an original report "Diversity and dementia: how is research bridging the health gap?" which were well received by a range of stakeholders.

After two years of virtual events, in November 2022, we held our fifth Connectome meeting (third in person), our annual Institute-wide research conference and retreat, bringing together the UK DRI community (about 650 attendees) for three days of networking and learning about the breadth of UK DRI research, initiating novel links, and fostering interdisciplinary, cross-centre projects. We have continued a series of virtual and in-person events, including monthly Early Career Researcher webinars, symposia and ECR Theme meetings, ECR meetings and clinical symposia with our international CURE-ND (Catalysing a United Response in Europe to Neurodegenerative Diseases) alliance partners, methodology highlights and translational events, as well as high-profile webinars (including regarding Lecanemab mentioned above).

We continue to work with our Diversity Think Tank to address the EDI issues highlighted by our 2021 staff survey, in particular, the underrepresentation of black and ethnic minority members of staff at the UK DRI and the underrepresentation of women in the senior leadership posts. In 2022/23, we partnered with In2science and In2research and the BNA Scholarships programme to provide placements for students and trainees from underrepresented groups to widen diversity in STEM and neuroscience careers.

Future Plans

The year ahead

In November 2022, Prof Bart De Strooper announced his intention to step down from his post as Institute Director. Prof Giles Hardingham (Centre Director at UK DRI at Edinburgh) was subsequently announced as Interim Director, pending the appointment and commencement in role of a new Institute Director. And in June 2023 it was announced that Prof Siddharthan Chandran would take over as permanent Institute Director in October 2023. Accordingly, the future strategy for the Institute, including The Future Plans, The year ahead and Longer-term plans, will be the responsibility of the new Institute Director and this is reflected below. Key elements of future plans are likely to include the following:

- The Director and Associate Director of Informatics (Prof Caleb Webber and Dr Amonida Zadissa) will further develop the UK DRI Data Science and Informatics Strategy, including the recruitment of specialised bioinformaticians, training initiatives, and support to embed data science approaches in UK DRI research.
- Following an agreement with ARUK, we aim to recruit a small team (employed by ARUK) who will be based at UK DRI HQ and working to develop a fundraising programme to further support UK DRI research.
- Research operations will continue with partnership development and funding initiatives such as Pilot Projects Programme.
- There will be a focus on collaborations. Cross-centre themes will play a pivotal role, and several theme activities (many with external partners, e.g., DPUK) have already been planned, including at least one Group Leader retreat and one ECR event per Theme.
- We will hold our 2023 Connectome (our annual Institute-wide research conference and retreat) in October 2023, creating an excellent opportunity to share ideas and foster collaboration.
- Via our UK DRI data science partners, we have engaged with several key partners (Alan Turing Institute and DEMON Network), data harmonisation (DPUK) and UK-wide health data resources (HDR UK). We are continuing to collaborate with the Network on the joint UK DRI-DEMON Network seminar series.
- The UK DRI will continue its engagement with the Dementia UK Ecosystem (a webinar on meaningful trial outcomes for World Alzheimer's month in September 2023) and CURE-ND partners and develop additional strategic partnerships to create synergy for maximum impact.
- We will develop more training and career initiatives in collaboration with renowned organisations.
- Our communications team will continue to work towards building a strong public voice for the UK DRI around the need for continued support for dementia research and weave our new influencing messaging into our broader content. To improve our visibility, we will launch a new website (planned for early 2024).

Longer-term plans

In the next QQ, under the leadership of the new Institute Director, we will continue to develop what will become the most productive and efficient discovery science dementia research institute in the world, open to collaborations at home and abroad.

UK DRI LTD

Report of the Trustees for the year ended 31 March 2023 (continued)

Financial Review

Headline figures from our financial statements show:

- Total income for the year of £32.7m (previous year £34.6m), of which £4.7m (previous year £10.3m) is restricted
- Total expenditure for the year of £31.7m (previous year £40.4m), of which £3.9m (previous year £9.4m) is restricted. The reduction in overall expenditure is largely due to a high number of capital infrastructure awards made in the previous year, providing specialist equipment to enable research for years to come, plus a high number of new industrial partnerships that started for the first time in 2021.

In summary

Charitable expenditure is principally funded by the founders, the MRC, AS and ARUK. They review the scientific performance of the institute every five years and, if successful, make indicative funding awards for the following five years. The first of these reviews took place in 2022 and in late autumn made the following indicative awards:

- MRC £131m over five years
- ARUK £12.5m over five years
- AS £6.5m over five years

Core funding from Founders of £29.3m to be received during the year commencing 1 April 2023 is included in accrued income on the balance sheet. Research commitments included within creditors on the balance sheet includes £31m for the budget for the year from 1 April 2023.

Our funds

Total funds held at 31 March 2023 were £5.4m. Of this amount, £2.8m (previous year £2.2m) were unrestricted and represent the free reserves of the Charity.

Our reserves policy

The original reserves policy was based on the fact that grant commitment funding is recognised on an annual basis and is not awarded until there is certainly in funding receivable from the founders. Each year at the February Board meetings, Trustees approve in principle grant funding for the following year from 1 April following receipt of a proposal from the UK DRI HQ. Founders are then invited to agree contributions towards the budget. Following confirmation of income, research grants for the following year are awarded. Additional funding may also be sought which may then lead to further grant commitments.

The Charity has no employees and minimal infrastructure costs. By the nature of this funding model, there is no need for significant reserves. Therefore, the original policy had been agreed that founders will ring-fence existing funding up to £0.3m total. This was subsequently increased to £0.6m in total reserves. Due to uncertainty over funding levels during the COVID-19 era, reserves were significantly increased to allow funds to be carried over to future years. However, due to the passing of COVID-19 and founding funders advising their future five-year funding intentions, on 15 November 2022 the Trustees agreed to revise the reserves level back to the pre-COVID-19 level of £0.6m. We are working towards reducing the level of free reserves to £600k in the next 2-3 years per the 5-year forecast but do not want to release it all in one go in order to avoid peaks and troughs in funding levels which cannot be sustained in latter years

Our investment policy

The funding model provides that the Charity will always have surplus cash, equivalent to outstanding current liabilities at any time. Cash surpluses are placed on bank deposit.

Our structure, governance, and management

UK DRI Ltd is a charitable company limited by guarantee and does not have a share capital. In the event of the charitable company being wound up, each member has guaranteed to contribute £1. The members are the Trustees of the company. As at 31 March 2023, there were ten Trustees. Currently, the maximum number of Trustees is thirteen. The Directors and Trustees are listed on page 28. UK DRI Ltd is a registered charity regulated by the Charity Commission for England and Wales.

The UK DRI was formed as a result of a joint venture agreement (JVA) between the MRC, AS and ARUK which created UK DRI Ltd. However, this JVA was dissolved effective 31 March 2022.

UK DRI LTD

Report of the Trustees for the year ended 31 March 2023 (continued)

In its place is three bilateral agreements, one per funder. MRC has a Core Funding Agreement with UK DRI Ltd which sees it retain its seat on the Board and it agrees to fund at least £125m over five years effective 1 April 2022. This level of funding sees MRC deemed a core funding partner.

ARUK has entered into a Strategic Alliance Agreement with UK DRI Ltd effective 1 April 2022, intending to fund a minimum of £12.5m over five years. At this level of funding ARUK are considered a strategic partner and thereby retain their seat on the Board.

AS has entered into a Strategic Alliance Agreement with UK DRI Ltd effective 1 April 2022, committing to fund £6.5m over five years. At this level of funding, they are considered a Funding Partner but do not retain their seat on the Board.

The UK DRI is funded over a minimum five-year horizon by these three founding funders, via UK DRI Ltd, and its scientific operations are conducted at discrete research centres within six universities: UCL, Imperial, King's, Cambridge, Cardiff, and Edinburgh. Its headquarters are based at UCL and here the executive team determine and implement the UK DRI Ltd approved research strategy. UK DRI Ltd does not directly employ any staff. The UK DRI's scientific and headquarters operations are conducted by employees of the six universities who operate on behalf of UK DRI Ltd. Approximately 700 researchers, students and support staff are funded either full or part time by UK DRI Ltd. The focus of information presented earlier in this report is the performance and activities of the universities included in the UK DRI.

The Core Funding Agreement (MRC), Strategic Alliance Agreements (ARUK and AS), Institute Agreements and Terms and Conditions of Funding Agreement govern the relationship between UK DRI Ltd and the UK DRI and the host institutions. The executive team at the UK Dementia Research Institute attend Board Meetings to update Trustees on the activities of the Institute and to seek appropriate approvals under the governance arrangements.

Governing document

The objects of UK DRI Ltd, as set out in the Articles of Association, are to preserve and protect the health of the public and to advance education. This will be achieved by i) promoting and undertaking research into neurodegenerative disorders (and illnesses contributing to such disorders), and associated factors, that give rise to the dementia and related conditions including research that elucidates the nature, cause, symptoms, diagnosis, prevention, treatment and for care of the range of disorders that give rise to the dementias and related conditions; and ii) developing the outputs of such research to provide increased accuracy and timeliness of diagnosis and interventions that prove effective in treating and improving the care of people with dementia and which may ultimately prevent and/or cure dementia and related conditions.

Trustees' appointment and training

Subject to being a Member at the relevant time, each Core Funding Partner (MRC) and Strategic Funding Partner (ARUK) shall be entitled to appoint, one person who is willing to act as a Trustee. A Trustee so appointed shall be a "Founder Trustee" for the purposes of the Articles of Association. Founder Trustees can be removed from office by written notice from his/her appointer.

The Trustees shall make appointments on such terms as they decide (including, without limitation, the term of his or her appointment) and will review each appointment at least every three years on a rotational basis. Independent Trustees can be removed if the majority of the Board resolve that he/she shall cease to be a Trustee.

New Trustees are appointed through a recruitment campaign, depending on the experience and key skills needed. New Trustees are interviewed by the Chair along with others from the Board as needed and are formally approved at the UK DRI Ltd Board meeting.

On appointment, new Trustees are provided with a Trustee handbook and given a formal induction. The Trustee handbook includes the Charity's Articles of Association, as well as key governance documentation. Trustees are also given key guidance from the Charity Commission – CC3 The Essential Trustee. Ongoing training is provided for Trustees as relevant throughout their term.

Related parties

As at the date of signing this report MRC, ARUK and LifeArc (Registered charity number 1015243) are all related parties.

MRC have an agreement with UK DRI Ltd and they intend to fund £125m over the five years starting 1 April 2022. Furthermore, this agreement provides for an MRC representative having a seat on the UK DRI Ltd Board.

ARUK have an agreement with UK DRI Ltd and they intend to fund £12.5m over the five years starting 1 April 2022. This agreement also provides for an ARUK representative having a seat on the UK DRI Ltd Board

UK DRI LTD

Report of the Trustees for the year ended 31 March 2023 (continued)

LifeArc have signed a translational partnership agreement with UK DRI Ltd effective July 2022 which will provide £30m of funding over five years in order to further the translational research of the Institute. This will see a series of grants made by a joint Life Arc/UK DRI Committee to the UK DRI Centres. Whilst the agreement does not provide for LifeArc having an automatic seat on the UK DRI Ltd Board, their current CEO and a separate Board member are currently Board directors of UK DRI Ltd

The new agreement with AS does not provide for a representative on the Board and accordingly they are no longer considered to be a related party.

Further details of related party transactions in the year are included in Note 4 and 16.

Risks and uncertainties

UK DRI Ltd is a grant funding charity with no employees or infrastructure costs. The funding model is such that grant commitments are only entered into when there is certainty of funding from donors being received.

The grants fund the work of UK DRI. A register is maintained of the principal risks and uncertainties of the Institute which is populated by the Executive Team of the UK Dementia Research Institute. The Institute Director, Chief Operating Officer and Finance Director of UK DRI may be required to attend UK DRI Ltd Board Meetings. They regularly update the Board at the meeting of movements in the risk register.

Public benefit

The Trustees have referred to the guidance contained on the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set. The public benefits through the world class research we are able to fund.

In so far as each of 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 report of the Trustees prepared under the Charities Act 2011, which also contains all information required in a Directors' Report by the Companies Act 2006, and the incorporated Strategic report prepared under the Companies Act 2006, were approved by the Board of Trustees on 24 July 2023 and signed on behalf of the Trustees by



William Rücker, Chairman.

UK DRI LTD

Statement of Trustees' responsibilities

The Trustees (who are also Directors of UK DRI Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether the standards applicable under FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper and adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 the Companies Act 2006. 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.

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

UK DRI LTD

Independent Auditor's Report to the Members of UK DRI Ltd

Opinion

We have audited the financial statements of UK DRI Ltd (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities incorporating an income and expenditure account, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 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; and
- 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees, which includes the Directors' Report, and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

UK DRI LTD

Independent Auditor's Report to the Members of UK DRI Ltd (continued)

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 Directors' Report, or the Strategic Report included within the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected, or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

UK DRI LTD**Independent Auditor's Report to the Members of UK DRI Ltd (continued)**

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The audit engagement team identified the risk of management override of controls and the completeness of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, and performing tests of detail in relation to completeness of income.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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.

Claire Sutherland

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Date 31 July 2023

UK DRI LTD

Statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31 March 2023 Total £	Year ended 31 March 2022 Total £
Income from:					
Grants and donations	4	27,703,397	4,702,827	32,406,224	34,556,224
Investments	5	290,757	-	290,757	24,249
Total income		27,994,154	4,702,827	32,696,981	34,580,473
Expenditure on:					
Charitable activities	6	27,801,333	3,866,584	31,667,917	40,360,620
Net movement in funds before transfers		192,821	836,243	1,029,064	(5,780,147)
Transfers between funds		390,139	(390,139)	-	-
Net movement in funds		582,960	446,104	1,029,064	(5,780,147)
Reconciliation of funds:					
Funds balance at 1 April 2022		2,234,585	2,122,861	4,357,446	10,137,593
Funds Balance at 31 March 2023		2,817,545	2,568,965	5,386,510	4,357,446


UK DRI LTD

Balance Sheet as at 31 March 2023

**Charity number: 1179589
Company number: 11045257**

	Notes	2023 £	2022 £
Current assets			
Debtors	9	35,684,714	35,230,395
Cash at bank		18,294,203	22,125,783
		<u>53,978,917</u>	<u>57,356,178</u>
Creditors: amounts falling due within one year	10	<u>(38,741,205)</u>	<u>(43,174,369)</u>
Net current assets		<u>15,237,712</u>	<u>14,181,809</u>
Creditors: amounts falling due after more than one year	11	<u>(9,851,202)</u>	<u>(9,824,363)</u>
Total assets less total liabilities		<u>5,386,510</u>	<u>4,357,446</u>
Funds			
Restricted funds	12	2,568,965	2,122,861
Unrestricted funds			
General funds	13	2,817,545	2,234,585
		<u>5,386,510</u>	<u>4,357,446</u>

The financial statements on pages 15 to 27 were approved by the Trustees and authorised for issue on 24 July 2023 and are signed on its behalf by:


W J Rucker
Trustee

The notes on pages 18 to 27 form part of these financial statements

UK DRI LTD

Cashflow statement for the year ended 31 March 2023

		Year ended 31 March 2023	Year ended 31 March 2022 £
Cash flows from operating activities			
Net cash provided by operating activities	a	(4,083,390)	(5,312,453)
Cash flow from investing activities			
Investment income		251,810	24,249
Net cash provided by investing activities		<u>(3,831,580)</u>	<u>(5,288,204)</u>
Change in cash and cash equivalents in reporting period		(3,831,580)	(5,288,204)
Cash and cash equivalents at the beginning of the reporting period		22,125,783	27,413,987
Cash and cash equivalents at the end of the reporting period	b	<u>18,294,203</u>	<u>22,125,783</u>
Reconciliation of expenditure to net cashflow from operating activities			
a. Net cash provided by operating activities			
Net movement in funds		1,029,064	(5,780,147)
Adjustments for:			
Interest from investments		(290,757)	(24,249)
Increase in debtors		(415,372)	(7,784,581)
(Decrease)/increase in creditors		(4,406,325)	8,276,524
		<u>(4,083,390)</u>	<u>(5,312,453)</u>
b. Analysis of cash and cash equivalents			
Cash at bank and in hand		<u>18,294,203</u>	<u>22,125,783</u>
c. Analysis of changes in net funds			
Opening net funds		22,125,783	27,413,988
Cashflows of the entity		<u>(3,831,580)</u>	<u>(5,288,205)</u>
Closing net funds		<u>18,294,203</u>	<u>22,125,783</u>

The notes on pages 18 to 27 form part of these financial statements

1 Accounting policies

Basis of accounting

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 (FRS102) – (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

UK DRI Ltd is an incorporated charity, limited by guarantee, domiciled, and registered in England and Wales, which constitutes a Public Benefit entity as defined by FRS 102. The address of its registered office is set out on page 28. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise stated.

Fund accounting

The charity maintains various types of funds as follows:

Restricted funds

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

Unrestricted funds

General unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity.

Income

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable probability of receipt. The following accounting policies are applied to income:

Grants and donations

Donations are reported gross and accounted for at the point when the Charity is entitled to the income, there is probability of receipt, and the monetary value can be measured with sufficient reliability.

Investment income

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

Expenditure

All expenditure is accounted for on an accruals basis.

Charitable activities represent expenditure incurred in issuing grants to academic institutions for research purposes.

Support costs are attributed to the expenditure classifications using a percentage based upon the direct expenditure allocation.

Research commitments

Research commitments are accounted for as expenditure in the Statement of Financial Activities when there is a constructive obligation based on a formal offer to the recipient. The present value of future commitments to research has been considered at a discount rate of 1.4% and the resulting potential discounting is not considered to be material to the overall value of the commitment, or to expenditure on a recurrent basis.

1. Accounting policies (continued)

Debtors

Other debtors are recognised at the settlement amount due. Accrued income is included at the best estimate of the amounts receivable at the balance sheet date.

Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any discounts due.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as a basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method.

Going concern

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

The Charity's business activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees Report and incorporated Strategic Report on pages 3 to 10. The Charity currently has significant liquid resources which are in excess of all research commitments which have been made. There are no borrowings.

The financial model of UK DRI Ltd is such that research commitments are only made where it has the funds to do so. All agreements with universities explicitly state this clause. Notwithstanding this point, the HQ Team at UK DRI work closely with the universities in planning for the medium term.

Detailed cash flow forecasts have been prepared for the period to 1 April 2028 when the next Quinquennial Review (QQR) period begins. The forecasts show that core research activities and strategic grants included in the grant awards budget for the year ended 31 March 2024 at each University, can be maintained based on the known level of income from the MRC and the two founder charity partners.

The outcome of the first QQR exercise, performed in 2022, confirmed that the three Founding Funders intend to collectively fund £150m over the five years commencing 1 April 2023, of which £29.35m has formally been agreed for the year commencing 1 April 2023. A budget has been prepared and approved for the year ended 31 March 2024 based purely on the confirmed level of funding.

Given the amount of funding already formally agreed and the indications of the Founding Funders for the for subsequent years, the Trustees are confident that the Charity is a going concern, and that there are triggers and safeguards which can be deployed to ensure the future operation of the Charity, if needed.

Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are not considered to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

The Trustees do not consider that there are any critical areas of judgement applied in the preparation of these financial statements.

UK DRI LTD

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

2 Net income for the year

Net income for the year is stated after charging:

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Remuneration paid to external auditor:		
Audit services - Audit	21,500	17,650
- Other services	4,275	2,860
	<u>25,775</u>	<u>20,510</u>

3 Information regarding employees and Trustees

There were no employees during the year (2022: nil).

Trustees are not remunerated. Trustee expenses relating to travel and subsistence for one Trustee amounted to £1,787 (2022: one Trustee amounting to £231) in the year.

4 Income from grants and donations

	Unrestricted funds £	Restricted funds £	Total year ended 31 March 2023 £	Total year ended 31 March 2022 £
<u>Grant income</u>				
Medical Research Council	25,550,374	1,893,443	27,443,817	28,508,999
Alzheimer's Research UK	2,000,000	500,000	2,500,000	2,500,000
Alzheimer's Society	-	1,300,000	1,300,000	1,300,000
Other donations	153,023	1,009,384	1,162,407	2,247,225
	<u>27,703,397</u>	<u>4,702,827</u>	<u>32,406,224</u>	<u>34,556,224</u>

5 Income from investments

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Bank deposits	290,757	24,249
	<u>290,757</u>	<u>24,249</u>

6 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total year ended 31 March 2023 £	Total year ended 31 March 2022 £
Dementia Research	27,801,333	3,866,584	31,667,917	40,360,620
	<u>27,801,333</u>	<u>3,866,584</u>	<u>31,667,917</u>	<u>40,360,620</u>

UK DRI LTD

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

7 Support costs

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Secretariat	57,000	99,000
Governance	119,371	71,719
Finance	26,065	3,432
IT & office costs	37,705	23,700
	<u>240,141</u>	<u>197,851</u>

All support costs have been allocated to charitable activities for the year.

Included within the grant paid to UCL (included within the dementia research spend in note 6) to cover DRI HQ costs are £873,901 relating to support costs for Finance, HR, corporate and office costs.

8 Grant giving

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Commitments made to UKDRI in the prior year	32,692,000	28,807,000
New commitments made during the year	1,775,458	7,531,211
Commitments no longer required	(1,364,682)	(60,442)
	<u>33,102,776</u>	<u>36,277,769</u>
Commitments confirmed to institutions in respect of year to 31 March	33,102,776	36,277,769
Less unallocated brought forward commitment made to UKDRI in prior year	(32,692,000)	(28,807,000)
New commitments made to UKDRI during the year	31,017,000	32,692,000
Support costs	240,141	197,851
	<u>31,667,917</u>	<u>40,360,620</u>
Amount charged to the Statement of Financial Activities	31,667,917	40,360,620

All grants are paid to institutions. An analysis of grant-funded research by host institution with details of grants awarded during the year, forming part of these audited financial statements, can be found below:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
University of Cambridge	2,505,201	3,400,926
Cardiff University	3,099,302	3,838,027
Dundee University	315,780	94,388
University of Edinburgh	3,750,238	5,438,182
Imperial College London	7,142,629	9,222,771
Kings College London	2,520,089	3,042,841
MRC Harwell	201,423	15,545
University College London	12,303,356	9,981,200
Other	1,264,758	1,243,889
	<u>33,102,776</u>	<u>36,277,769</u>

UK DRI LTD

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

9 Debtors

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Other debtors	6,334,341	9,255,395
Accrued income	29,350,373	25,975,000
	<u>35,684,714</u>	<u>35,230,395</u>

10 Creditors: amounts falling due within one year

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Accruals	150,494	123,620
Other taxes and social security	21,595	2,888
Research commitments	38,569,116	43,047,861
	<u>38,741,205</u>	<u>43,174,369</u>

11 Creditors: amounts falling due after more than one year

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Research commitments	9,851,202	9,824,363
Ageing of long-term liabilities		
1 – 2 years	9,685,244	9,438,985
2 – 5 years	165,958	385,378
	<u>9,846,402</u>	<u>10,213,726</u>
Reconciliation of research commitments		
Balance brought forward	52,872,224	44,617,028
New research commitments entered into during the year	33,102,776	36,277,769
Research commitments for year to 31 March 2023 approved by Trustees	31,017,000	32,692,000
Reversal of research commitments approved by Trustees in previous year	(32,692,000)	(28,807,000)
Amounts spent in the period	(35,879,682)	(31,907,573)
	<u>48,420,318</u>	<u>52,872,224</u>

UK DRI LTD

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

12 Movement in and allocation of restricted funds

	As at 31 March 2022	Income	Expenditure	Transfers	As at 31 March 2023
	£	£	£	£	£
Autifony	-	-	8,049	(8,049)	-
Eisai/DRI post-doctoral scheme	580,125	-	(279,608)	-	300,517
MRC - Capital World Class Labs 2021	-	(4,837)	-	4,837	-
Alzheimer's Association	-	247,990	(10,824)	(237,166)	-
Astex	281,333	-	(81)	(140,667)	140,585
MRC - Impact Acceleration Account 2021	1,242,000	235,980	(282,752)	-	1,195,228
MRC - Rebranding	19,403	-	(1,224)	(18,179)	-
MRC - Capital World Class Labs 21-22	-	(90,121)	81,027	9,094	-
MRC - Capital awards 21-22	-	(48)	57	(9)	-
Medical Research Council - World Class Labs 22-23	-	739,469	(739,469)	-	-
Medical Research Council - Capital awards 22-23	-	1,013,000	(756,381)	-	256,619
Alzheimer's Research UK	-	500,000	(476,282)	-	23,718
Alzheimer's Society	-	1,300,000	(1,300,000)	-	-
CURE-ND Conference	-	36,196	(36,196)	-	-
Fidelity Bermuda Foundation	-	628,000	-	-	628,000
Laurence Geller	-	97,198	(72,900)	-	24,298
	<u>2,122,861</u>	<u>4,702,827</u>	<u>(3,866,584)</u>	<u>(390,139)</u>	<u>2,568,965</u>

Restricted Fund Transfers

There are typically two reasons for transfers between restricted and unrestricted funds. Firstly, where there is an underspend on a grant provided to a partner university. In this instance we would ask the funder's permission to transfer any balance to unrestricted funding. Secondly, where a donor is funding a proportion of HQ costs, we would transfer the relevant amount from restricted to unrestricted to offset the specific grant awarded to cover all HQ costs.

Autifony

On 19 April 2019 UK DRI Ltd entered into an agreement with Autofony Therapeutics Ltd and the University of Edinburgh which saw Autofony provide £144,382 of funding in exchange for UK DRI Ltd and Edinburgh conducting a research project investigating the effect of modulating a novel target on synapse loss in models of plaque deposition and A beta-mediated toxicity.

Eisai/DRI post-doctoral scheme

Eisai has provided funding for four years from 2019 under the Eisai/DRI post -doctoral scheme to support new areas of dementia research. Award letters will be issued to host universities for relevant projects.

MRC - Capital awards

Medical Research Council has provided funding to enable awards to be made to three separate capital projects for host universities.

Alzheimer's Association

Alzheimer's Association (USA) provided a grant of US\$62,139 on 18/8/22 in order to fund 50% of an Admin Assistant. This role would provide important support for the Neuroimmune Consortium manager, which is a project role previously funded by Alzheimer's Association (USA). This new award runs from September 2022 to March 2026

Astex

On 26 May 2021, UK DRI Limited entered into a Strategic Research Collaboration Agreement with Astex with the intention of Astex funding certain research projects of their choosing. The first of these sees £1,296,000 receivable from Astex which will fund two three-year projects: one project conducted by Dr Veronique Miron at Edinburgh Centre and another by Prof. David Klenerman at the Cambridge Centre, with a residual £421,666 off-setting UK DRI HQ's direct costs over three years.

Medical Research Council - Impact Acceleration Account 2021

On 23 March 2022, UK DRI Limited received an award for £1,242,000 over three years from the MRC in response to an application made under its Impact Acceleration Award scheme. UK DRI HQ will deploy these funds on specific research projects over the next three years at its seven research centres. On 23 March 2023 the award was increased by a further amount of £235,890

UK DRI LTD

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

12. Movement in and allocation of restricted funds (continued)

Medical Research Council - Rebranding

As a result of MRC's own rebranding, reflecting their relationship with UKRI, they have made £19,403 available for UK DRI to update its branding at the seven centres and HQ in recognition that MRC, a founding funder of UK DRI. The funds were used to update signage, plaques, etc.

Alzheimer's Research UK

Upon termination of the Joint Venture Agreement on 31 March 2022, ARUK and UK DRI Limited entered into a Strategic Alliance Agreement which provides £500,000 of funding for UK DRI Limited to use on translational research funding in the year ahead. The UK DRI HQ team intend to make £500,000 of awards via their Translational Award scheme in financial year 2023/2024.

Alzheimer's Society

Upon termination of the Joint Venture Agreement on 31 March 2022, AS and UK DRI Limited entered into a Strategic Alliance Agreement which provides £1,300,000 of funding for UK DRI Limited to use on two targeted areas of funding. Namely the Care Research & Technology Centre at Imperial College London and the Blood-based Biomarkers Platform at UCL Centre. This funding will be deployed in full against these two initiatives in financial year 2023/2024.

CURE-ND Conference

This funding relates to the inaugural CURE-ND conference held in London in summer 2022. CURE-ND or Catalysing a United Response in Europe to Neurodegenerative Diseases, is an alliance between the German Center for Neurodegenerative Diseases (DZNE), the Paris Brain Institute (ICM), Mission Lucidity (ML) and the UK Dementia Research Institute (UK DRI).

Fidelity Bermuda Foundation

Fidelity provided a grant of £628,000 on 29 June 2022 to contribute to the running of the new Single Cell/Spatial Transcriptomics research platform based at the UCL Centre. The award provides for equipment, consumables and sequencing costs and runs from August 2022 to July 2024.

Laurence Geller

In June 2022 Laurence Geller agreed a private donation of £48,599 as a contribution restricted against the MINDER project being run by the Care Research & Technology Centre at Imperial College London. This project involves residents testing wearable technology in a care home owned by Mr Geller. Subject to satisfactory progress, Mr Geller's intention is to make a second and final contribution of £48,599 in financial year 2023/24.

Prior year

	As at 31 March 2021	Income	Expenditure	Transfers	As at 31 March 2022
	£	£	£		£
Eisai/DRI post-doctoral scheme	1,030,861	-	(361,947)	(88,789)	580,125
MRC - 2020 Capital Awards	215,739	-	-	(215,739)	-
Lilly - Post Docs	517,396	-	(468,615)	(48,781)	-
Lilly - Studentships	-	249,680	(169,693)	(79,987)	-
Biogen	-	456,161	(456,161)	-	-
Janssen	-	164,912	(164,912)	-	-
Astex	-	1,296,000	(874,000)	(140,667)	281,333
MRC - Impact Acceleration Account 2021	-	1,242,000	-	-	1,242,000
MRC - Rebranding	-	19,403	-	-	19,403
MRC - Capital World Class Labs 21-22	-	2,239,596	(2,239,596)	-	-
MRC - Capital awards 21-22	-	2,833,000	(2,833,480)	480	-
Alzheimer's Research UK	-	500,000	(500,000)	-	-
Alzheimer's Society	-	1,300,000	(1,300,000)	-	-
	<u>1,763,996</u>	<u>10,300,752</u>	<u>(9,368,404)</u>	<u>(573,483)</u>	<u>2,122,861</u>

12. Movement in and allocation of restricted funds (continued)

Eisai/DRI post-doctoral scheme

Eisai has provided funding for four years from 2019 under the Eisai/DRI post-doctoral scheme to support new areas of dementia research. Award letters will be issued to host universities for relevant projects. During the year ended 31 March 2022, £88,789 was transferred to unrestricted funds reflecting the staff and overhead costs incurred at UK DRI HQ in the year.

MRC - Capital awards

The MRC has provided funding to enable awards to be made to three separate capital projects for host universities.

Lilly - Post Docs

UK DRI Limited has received funding from Lilly under the 'Research Programme for Novel Target Identification for Neurodegeneration'. This was used to fund Prof Caleb Webber at Cardiff University and Profs Adrian Isaacs and Giampetro Schiavo at UCL conducting the following research project: Identify critical regulators of Tau release and re-uptake and determining modifiers of these processes acting on key pharmacological nodes. The income receivable includes a contribution receivable of £262,781 towards the direct costs of UK DRI HQ. During the year ended 31 March 2022, £48,781 was transferred to unrestricted funds reflecting the staff and overhead costs incurred at UK DRI HQ in the year.

Lilly - Studentships

UK DRI Limited has received funding from Lilly under the 'Research Programme for Novel Target Identification for Neurodegeneration' agreement. This was used to fund PhD student Naciye Magusali at the UK DRI at UCL Centre to undertake the three-year project: Investigating the mechanisms of action of the new risk gene interferon-responsive OAS1 in innate immune cells in the context of Alzheimer's disease and COVID-19. The income receivable includes a contribution of £79,987 towards the direct costs of UK DRI HQ.

Biogen

UK DRI Ltd entered into an agreement with Biogen MA Inc. on the 1 July 2021 which will see UK DRI Ltd receive £456,161 of funding in exchange for procuring the following research project via its UK DRI research centres: UK DRI Large-scale Longitudinal investigation of imaging and fluid-based biomarkers of brain injury. This research will be overseen on a day-to-day basis by Prof Henrik Zetterburg at the University College London centre.

Janssen

On 4 June 2021, UK DRI Ltd entered into an agreement with Janssen Pharmaceuticals which provided £164,912 to conduct the two-year research project titled 'Validation of the complement pathway as target for Tauopathies' which is being carried out by Professor Bart De Strooper.

Astex

On 26 May 2021, UK DRI Ltd entered into a Strategic Research Collaboration Agreement with Astex with the intention of Astex funding certain research projects of their choosing. The first two of these sees £1,296,000 receivable from Astex which will fund two three-year projects: one project conducted by Dr Veronique Miron at the Edinburgh Centre and another by Prof David Klenerman at the Cambridge Centre, with a residual £421,666 off-setting UK DRI HQ's direct costs over three years.

MRC - Impact Acceleration Account 2021

On 23 March 2022, UK DRI Ltd received an award for £1,242,000 over three years from the MRC in response to an application made under its Impact Acceleration Award scheme. UK DRI HQ will deploy these funds on specific research projects over the next three years at its seven research centres.

MRC - Rebranding

As a result of MRC's own rebranding, reflecting their relationship with UKRI, they have made £19,403 available for UK DRI to update its branding at the seven Centres and HQ in recognition that MRC a founding funder of UK DRI. These funds will be used to update signage, plaques, etc.

Alzheimer's Research UK

Upon termination of the Joint Venture Agreement on 31 March 2022, ARUK and UK DRI Ltd entered into a Strategic Alliance Agreement which provides £500,000 of funding for UK DRI Ltd to use on translational research funding in the year ahead. The UK DRI HQ team intend to make £500,000 of awards via their Translational Award scheme in financial year 2022/23.

Alzheimer's Society

Upon termination of the Joint Venture Agreement on 31 March 2022, AS and UK DRI Ltd entered into a Strategic Alliance Agreement which provides £1,300,000 of funding for UK DRI Ltd to use on two targeted areas of funding. Namely, the Care Research and Technology Centre at Imperial College London and the Blood-based Biomarkers Platform at the UCL Centre. This funding will be deployed in full against these two initiatives in financial year 2022/23.

UK DRI LTD

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

13 Movements in unrestricted funds

	As at 31 March 2022 £	Income £	Expenditure £	Transfers £	As at 31 March 2023 £
General fund	2,234,585	27,994,154	(27,801,333)	390,139	2,817,545
Prior period					
General fund	8,373,597	24,279,721	(30,992,216)	573,483	2,234,585

14 Analysis of assets and liabilities between funds

	General Fund £	Restricted Funds £	Total £
Current assets			
Debtors	27,692,631	7,992,083	35,684,714
Cash at bank	16,581,854	1,712,349	18,294,203
Creditors			
Due within one year	(32,134,076)	(6,607,129)	(38,741,205)
Due in more than one year	(9,322,864)	(528,338)	(9,851,202)
	<u>2,817,545</u>	<u>2,568,965</u>	<u>5,386,510</u>
Prior period			
	General Fund £	Restricted Funds £	Total £
Current assets			
Debtors	25,694,616	9,535,779	35,230,395
Cash at bank	20,241,098	1,884,685	22,125,783
Creditors			
Due within one year	(34,844,919)	(8,329,450)	(43,174,369)
Due in more than one year	(8,856,210)	(968,153)	(9,824,363)
	<u>2,234,585</u>	<u>2,122,861</u>	<u>4,357,446</u>

15 Taxation

The income of the Charity is exempt from corporate tax to the extent they are applied to its charitable objectives.

16 Related Party transactions

Details of related parties are included on pages 9 and 10. Information on donations received from Medical Research Council, Alzheimer's Research UK and Alzheimer's Society is given in note 4. Alzheimer's Research UK provided governance and finance support services to UK DRI Limited until 30 September 2022. In the year to 31 March 2023, the fee charged for this service was £47,500, excluding VAT (2022 - £82,500).

UK DRI LTD**Notes forming part of the financial statements for the year ended 31 March 2023 (continued)****17 Statement of financial activities**

As required under FRS 102, the following table shows the split of comparative information between funds for the year ended 31 March 2022

	Unrestricted funds £	Restricted funds £	Total £
Income from:			
Grants and donations	24,255,472	10,300,752	34,556,224
Investments	24,249	-	24,249
Total income	<u>24,279,721</u>	<u>10,300,752</u>	<u>34,580,473</u>
Expenditure on:			
Charitable activities	30,992,216	9,368,404	40,360,620
Net movement in funds before transfers	<u>(6,712,495)</u>	<u>932,348</u>	<u>(5,780,147)</u>
Transfer between funds	573,483	(573,483)	-
Net movement in funds	<u>(6,139,012)</u>	<u>358,865</u>	<u>(5,780,147)</u>
Reconciliation of funds			
Funds balance at 1 April 2022	8,373,597	1,763,996	10,137,593
Funds balance at 31 March 2023	<u>2,234,585</u>	<u>2,122,861</u>	<u>4,357,446</u>

UK DRI LTD

Legal and administrative details

Trustees (Directors)

Chairman	W J Rucker
Other Trustees	R S Buckle - nominated by the Medical Research Council
	F M Carragher – nominated by Alzheimer’s Society (resigned 1 April 2022)
	R Khan (appointed 30 June 2023)
	S. Kohlhaas – nominated by Alzheimer’s Research UK (appointed 19 July 2022)
	Dr M G Lee
	I A K Moodie
	J P Pisani
	Prof. S E Radford
	R Sharfie (appointed 30 June 2023)
	A J Shevas
	Sir D M Turnbull
	E L Whitcombe (appointed 8 March 2023)
	I Wilson - nominated by Alzheimer’s Research UK (resigned 19 July 2022)

Company Secretary

E E Chambers (resigned 12 February 2023)
E M Danielewska (appointed 14 February 2023)

Address – Premises and Postal

6th Floor
Maple House
149 Tottenham Court Road
London
W1T 7NF

Legal Status

The Company limited by guarantee, was formed on 2 November 2017. Charity status was obtained on 17 August 2019. It is governed by its Memorandum and Articles of Association.

Registered Charity number

1179589

Company number

11045257

Auditors

RSM UK Audit LLP
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Bankers

Barclays Bank plc
15 Benet Street
Cambridge
CB2 3PZ