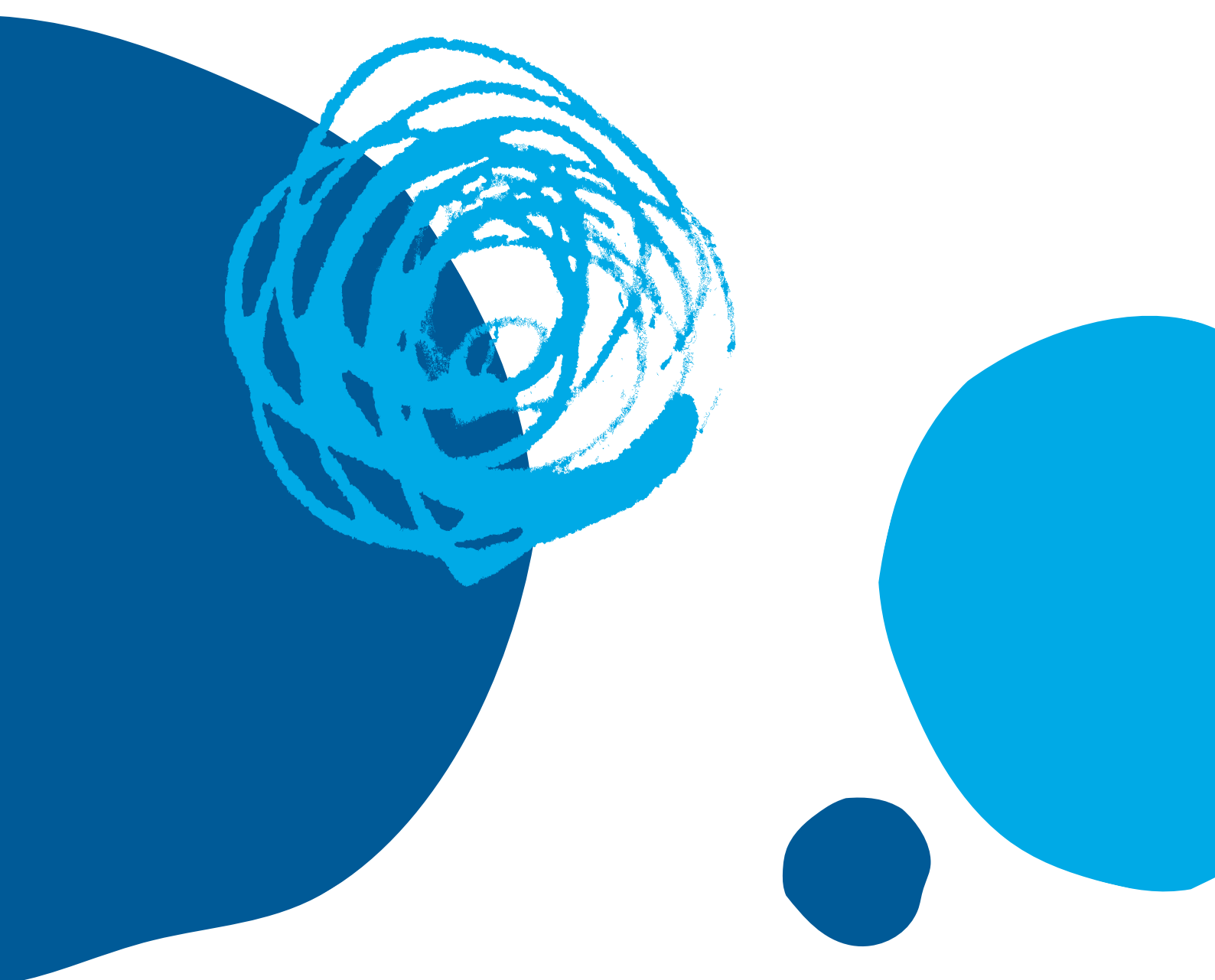


Sue Ryder



Trustees' Report and Accounts
2010/11

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Living through life's challenges

Quality of life

Sue Ryder seeks to improve the quality of life for people with complex care and support needs. The charity offers individuals and their families choice and control over the care that they receive – even in the face of very challenging illnesses.

Sue Ryder provides more than 3.5 million of hours of care in the UK each year from thirteen care centres and delivers more than a million homecare visits. The charity is the country's second largest provider of specialist end of life care. In addition, Sue Ryder has overseas projects in eight countries. The charity is supported through fundraising and retail activities and by around 8,000 volunteers.

There are a great many case studies of people who have been helped to live through some of life's challenges by Sue Ryder, and in this year's report we have chosen to illustrate three. What these stories have in common is that Sue Ryder is dedicated to giving care to people and their families, giving them the physical, psychological and social practical care support wherever they need it and want it, through all stages of a service user's journey through their condition. This care and support comes through the extraordinary commitment of our people, who go out of their way to try to add something to the lives of the people they care for and those people's families.

This is not something tangible, not something that can really be measured. Perhaps the best way to illustrate it is through case studies, which speak volumes about how Sue Ryder and its people are dedicated to helping service users and their families live through the journey of life's challenges.

Living through
life's challenges
Three journeys



Paul's story

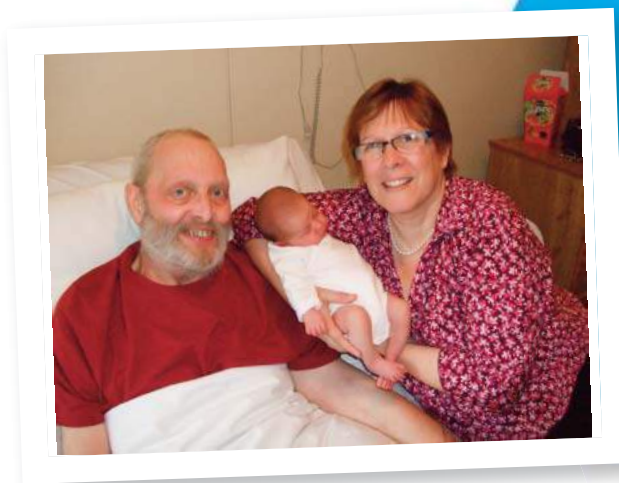
In January 2007 Paul Osmond was diagnosed with cancer of the colon. Over the next two and a half years he continued working as a self employed computer consultant as well as coping with the side effects of various treatments. During this time he and his wife Gill received support from one of the Sue Ryder Community nurses based at the local Sue Ryder – *Manorlands* hospice, near Keighley.

After a fall at home, in June 2009, Paul was admitted to hospital with a broken leg. By now his condition had deteriorated and as a result of a visit by the community nurse, it was arranged for Paul to be transferred directly to *Manorlands*.

Paul's wife, Gill, says: "The staff at the hospice helped Paul in so many ways, but always with compassion and humour and most importantly they helped him maintain his dignity. It is really incredible the way they seem to know exactly what help is needed and when. The relationship between staff, patients and their relatives is unbelievable. Even at night, if you wanted to sit and talk, there was someone there willing to listen and help you. Paul was hardly ever on his own. Visitors are allowed any time and our friends and relatives took full advantage."

"The medical care given to my husband was excellent, but I was amazed at the way the whole family was supported through a very difficult time. We were told exactly what was happening and they would sometimes speak to us as a family and sometimes individually. They even took the time to explain to his six years old grandson what was happening to grandad".

"Paul had a room with two beds, so the staff pushed them together and called it our honeymoon suite. I slept there, with Paul, for his last three weeks. They think of everything."



"The staff at the hospice helped Paul in so many ways, but always with compassion and humour and most importantly they helped him maintain his dignity."

Ian's story

Four years ago Ian, who is in his early 50s, was a heavy smoker and drinker. Living with muscular dystrophy and epilepsy, he found it difficult to take part in everyday activities; his confidence was at an all time low and he increasingly became a recluse from the community. His social worker referred him to the day service at *Sue Ryder – Thorpe Hall*, one of the charity's six hospices, in Peterborough. At the time of referral Ian was very withdrawn, shy and experienced severe depression. When Jo Hazell, Day Services Manager, first went and assessed him at home the curtains in his house were permanently closed. He didn't like the light and wore dark glasses. On their first meeting Ian was too shy to talk so his sister spoke for him.

Ian remembers, "Before I came to Sue Ryder I was very quiet and insecure. Over the years Sue Ryder has become my extended family. One of my favourite activities is swimming; swimming has helped me a lot. When I first got in the pool I struggled to do a couple of turns in the shallow end. Now I can swim six lengths with no buoyancy aid. The last time I went swimming was when I was eight years old. This was all made possible through Sue Ryder. Coming to the day centre has also helped me with my epilepsy. Before I came here I used to have lots of fits. I have only had two since and I sleep much better because of all the exercise I am doing."

"If I hadn't met Jo and Sue Ryder my depression would have got worse. I was in a very dark place and I can't say that I would still be here today if I had not started coming to Sue Ryder – Thorpe Hall day care. Coming here has given me a new lease of life. I am part of a family and my self esteem is always on the rise. I now look forward to trying new things and taking part in whatever activity they throw at me".

"Before I came to Sue Ryder I was very quiet and insecure. Over the years Sue Ryder has become my extended family."





“It was great getting to know everyone, at the end of the first day I was like, wow, what was that that just happened? I had spent so long trying to keep away from MS and here I was confronted by it in a positive way.”



Becky's story

Becky, who is in her early 40s, has been living with multiple sclerosis (MS) since she was diagnosed in 2004. Over the years her health deteriorated. She lost the use of the right side of her body and now uses a wheelchair. Becky and her husband, Denis, received little support and guidance about living with MS. Denis, previously a long distance lorry driver, gave up work in 2006 to care for Becky full time. As a result of her experiences, Becky struggled with low self esteem and confidence.

Becky first joined the 5Rs programme at *Sue Ryder – The Chantry* in Ipswich, one of the charity's six long term neurological care centres, in 2009. This is a 10 week course specially designed for people living with MS which offers a variety of alternative therapies. Becky remembers, “It was great getting to know everyone, at the end of the first day I was like, wow, what was that that just happened? I had spent so long trying to keep away from MS and here I was confronted by it in a positive way. I thought that it would be silly but I came home feeling great. I didn't realise I was able to feel like this. It was incredible, I realised that there were people out there with MS that have had similar experiences and I wasn't on my own.”

“The 5Rs was brilliant. There were so many different activities I could take part in, including reiki, aromatherapy, Indian head massage, shiatsu, Buddhist meditation, acupuncture, art therapy, music therapy and pilates.

As well as the therapies it was the first time in a long time that I had the opportunity to have a joke, laugh and relax with new friends. The programme has helped me to build my confidence. Before the 5Rs there was no other external help or support and I didn't want to be involved with anything associated with MS.”

Becky originally finished the programme in December 2009 but she wanted to continue going, so in April 2010, with funding from social services, she started attending day care. She says, “I had missed the atmosphere and missed being with other people in similar circumstances. The staff are fantastic and so attentive, nothing is ever too much for them and I know I can ask for help and not feel like a burden. My self esteem and confidence have definitely improved since I started coming here. Attending a day service is like taking away everything else I struggle with in myself. Now I do the best I can to get on with my life, attending the 5Rs and day care has allowed me to do just that. It's a question of dealing with what will come along. Without Sue Ryder I wouldn't be as confident or happy as I am now. This has done more than any medicine; I am disabled and can only do as much as my disability allows. I realise there has got to be something more, and coming here with people fires me up again. If I won the lottery tomorrow I would put the money into Sue Ryder.”

Chairman & Chief Executive joint statement

Sue Ryder is dedicated to giving care, and we are proud of the astonishing commitment of our people, who go out of their way to try to add something to the lives of the people they care for and those people's families. But we are also proud of the commitment of all the other people throughout our organisation – volunteers and staff – who are not directly involved in giving care, but who give equally astonishing commitment and support to those who do.

The charity has made significant progress over the year, and it is only right that we acknowledge the efforts of our people who have worked together to make that possible.

2010/11 was a year in which Sue Ryder set itself three overriding objectives – to strengthen our quality delivery, our safety profile and our brand; to deliver a breakeven budget; and to deliver our transformation programme. In other words, making improvements and making change happen while improving our own financial sustainability.

Making change happen is not a luxury; it is an imperative. We have recognised a number of factors that require significant change in the organisation. A new Government has brought a reduction in public sector funding. There are new priorities for these diminishing funds – focusing on care that is closer to home or is community based, and personalisation, which is giving people more choice and control over their care. There are financial implications of this on our residential centres, which are costly to maintain and struggle to meet the modern standards expected by service users, care staff, commissioners and regulators. There is a need for long term financial security and clarity in Sue Ryder's role in the overall care landscape.

As part of this change, we have made the strategic decision to exit the traditional local authority purchased homecare market in England. We have been providing an ever improving homecare service since the early 1990s. However, following a strategic review we have decided that it makes more sense for us to focus on, and expand, our palliative and long term neurological care services. While many factors influenced this decision, it is important to clarify that the financial aspect was not our central rationale for moving away from the homecare market.

We are already the second largest provider of palliative care in the UK and by concentrating on palliative and long term neurological care and expanding these areas we will be better able to achieve our strategic objectives of developing our range of services and growing in more locations, introducing innovative new models of care including

supported living and extra care. We will continue to provide homecare in Scotland, however. This operates differently to our English homecare operation, offering a greater range of services to a much wider community, and it is entirely in line with the charity's strategy.

We have made significant progress during the year to meet these challenges, and to that end the Executive Management Team refined our objectives into four strategic pillars. Making change happen is our priority, and our new strategy focuses on four key areas through which we will be able to grow, differentiate ourselves and meet the challenges of the changing care environment. Our strategic pillars are to:

1. Develop our range of services
2. Grow in more locations
3. Ensure a long term future for the charity
4. Increase public affection for Sue Ryder

We have made sense of, and simplified, many of the activities that we do, and to reflect this we have changed the way we refer to ourselves. Our registered name is now simply Sue Ryder.

We have been moving towards a new visual identity to reflect our name change. Some activities are already showing the new identity; others will be changing over the course of the next financial year, such as the re-badging of our shops and care centres. We have decided not to change everything overnight to keep costs down – it makes sense to replace things when we need them. But we do recognise the need to change soon, to reflect the new, more focused Sue Ryder.

Dropping the word 'care' from our name does not mean, of course, that we no longer care. It is quite the opposite: Sue Ryder is synonymous with caring – it's what we do. But we also need to be contemporary and relevant – and explaining what we do in our name makes us seem old fashioned.

In the light of the massive change happening in our society and our need to respond quickly, energetically and decisively to make sure we deliver the service that our service users need, we have looked closely at the Sue Ryder vision. Here, again, we must ensure that we continue to be contemporary and relevant.

Looking ahead, we consider that our previous vision is no longer fit for purpose and does not represent what Sue Ryder aims to do as a charity. *"A society in which everyone has access to the care that they need"* is a worthy aspiration

for society, but not one that is any longer appropriate for a single charity to achieve. We simply do not have the size, scope, funds or other resources, and if our vision is to be meaningful it must also be practical and achievable.

We have therefore reworked our vision, into something that captures the essence of what we are trying to achieve, something that captures the spirit of not only the professional excellence of our people but also the affection and passion with which they deliver that excellence. We believe that a more compelling vision for Sue Ryder is:

Passionate about giving people the care they want

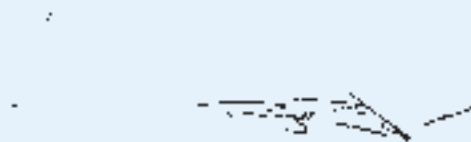
Passionate suggests a real personal commitment. *Giving* reflects active involvement and a sense of passing something on. People emphasises that we support a wide variety of people with a variety of conditions, and we do not wish to restrict our giving. Care is equally broad, emphasising the fact that we offer an increasing range of care services. And want reflects the personalisation agenda we are working to – this is not just about need. It is about people's desires and wishes.

We have also recognised that in order to make change happen – so that Sue Ryder can achieve its objectives – we must make sure we create a better organisation. This means better not only for the people we care for and their families, but also for our people. We cannot achieve our long term goals if our people do not understand and endorse our strategy and are happy and willing to drive our charity forwards. They have done an extraordinary job for us already, but we can work together to take it to a new level of excellence.

Therefore, in recognition of the importance of our staff and volunteers we renamed our human resources department the 'People Team'. We also launched the first of what will become an annual opinion survey – People Pulse – to gauge the views of staff and volunteers. The full results of the survey were announced in January 2011, and we committed to acting on the findings by implementing an action plan to help make the charity a great place to work for everyone. The survey measured employee engagement, which is the term used to describe the degree to which employees can be seen as 'aligned' and 'committed' to their organisation. Our survey used standard research practice by using a core set of the questions asked to generate an overall score. Our engagement score was 686 out of a maximum 1,000. To put this into context, few organisations score above 700 and engagement approaching this figure is high. For a first survey in years, our score was very creditable. Over the past four years, Sue Ryder has made significant progress. We have

increased the care we deliver to more than 3.5 million hours a year. We have raised the number of our volunteers from 3,000 to 8,000. We have worked with government to develop new policies for care, such as The End of Life Care Strategy (2008). We have moved from a decade of operating deficits (£4.6 million in 2008/9) to a position of financial stability over the last 2 years. In 2010/11 we achieved an operating surplus of £1.5 million in a particularly challenging year economically and this has given us the confidence to be much bolder about our aspirations to grow the care we can provide over the next decade. 2010/11 has also been a year when we made many changes internally, to gear ourselves up for significant progress. 2011/12 will be a year of action.

Finally, we would like to take this opportunity to thank Gala Coral for their support since 2008, when we first became their charity of the year. We were delighted when the staff there decided to renew our partnership until the end of 2010, and are extremely pleased to report that this has been a very fruitful as well as very enjoyable relationship. Since the partnership began, Gala Coral have raised a magnificent £1.5 million plus for Sue Ryder. They have been incredible people to work with – always enthusiastic and prepared to rise to the most difficult of challenges – and we cannot thank them enough.



Paul Woodward
Chief Executive

Roger Paffard
Chairman

Trustees' Report

The following section outlines our vision, mission and the key activities for the past 12 months.





Our vision and mission

Vision

— Passionate about giving people the care they want

Mission

- We provide high quality support and individual care to those we care for and are innovating new ways of providing care through a clear understanding of what matters
- We campaign on behalf people with complex care needs so they have increased access to better quality care
- We enable more people to die with dignity in their place of choice

Activities, achievements and performance

Sue Ryder undertakes a number of activities for the public benefit. These activities can be broadly categorised into the following groups:

Charitable activities

Our new health and social care strategy, which describes our core purpose and guides what we are fundamentally here to do, is to be service driven and provide effective, high quality, personalised health and social care to people with palliative or neurological care needs in a financially sustainable way.

This includes conscious and strategic approach to partnership development, particularly with health and social care commissioners, possible fellow delivery providers, key businesses and potential donors in each of the localities we serve.

The focus in the future will be on more clinically driven commissioning through GPs, joint ventures for service delivery, taking our place as a flexible provider within each of the different local economies we serve, and having a targeted approach to those organisations and key individuals that are most influential and economically active locally.

Although Sue Ryder will not always be the full provider of the entire range of services, we will make sure that we pursue partnerships and joint ventures with other providers to ensure that we promote integrated and joined up care that is easy for people to use, rather than adding to the duplication and multiple interventions that people with complex needs often experience.

The main characteristics of the services we deliver are:-

Personalised: this means that we fit services to people, not people to services. All service users will have a personalised assessment and care plan which they are actively involved in shaping, with key personal choices and desired outcomes articulated.

- **Palliative care** – the active holistic care of patients with advanced progressive illness
- **Neurological care** – the care for individuals with long-term complex neurological conditions
- **Homecare** – primary care to individuals in their homes
- **International** – supporting independent Sue Ryder charities overseas

Integrated: this means that we will seek to provide the full range of expert services in localities from community and day based services through to overnight/bedded settings, actively collaborate in shaping a coherent local system of total care where we are not the main provider, and ensure that we support effective systems of overall care coordination that promote service users telling their story once

Expert: this means that we will add value through our specialist and expert service focus in the fields of palliative and neurological care, supporting primary care and other generic services through our specialist service back up. Importantly, we will seek to move out of generic services such as homecare and would see ourselves as supporting the education and training of primary care staff such as district nurses, rather than competing to provide these services.

Enabling: this means that we provide services that are actively focused on supporting people to be as independent as possible, maximising their abilities and working with them to fulfil their life aspirations. Our palliative care services therefore work to control symptoms and support relatives and friends so that services users and those around them can live as actively and independently as possible, as well as ensuring dignified end of life care. Our neurological services will promote independent living in the community and deliver medium and long term rehabilitation, as well as supportive lifelong care for those who need it.

Need based, not condition based: this means that we will work with a wide range of people with palliative needs who often have more than one health problem, continuing to expand our support beyond those with cancer to people who have heart failure, progressive conditions such as motor neurone disease, chronic obstructive pulmonary disease (COPD) and dementia. We also see growing collaboration between our palliative and neurological services as people's needs change.

Outcome driven: this means that we will actively evaluate services and continue to develop systematic methods that capture and report on both clinical quality and service user defined outcomes as a product of day to day care delivery. We also need to consider developing our clinical audit and research capacity and capability.

Learning and enabling: this means that we will seek to become a provider of education and training in our areas of expertise, alongside our service delivery role. We aim to support primary and social care, as well as hospital staff so that they can recognise palliative and neurological care needs early, as well as provide excellent day to day care. We will also continue to develop our own staff through programmes of foundation management and clinical leadership, as well as practice development programmes that support the developing model of care.

Palliative care

Palliative care is the total active care for people with conditions that are no longer curable and their families, provided by specialist multi disciplinary palliative care teams in a variety of settings. It's important because it helps people live as well as possible with the effects of their disease. It's also important that we enhance people's choices in how and where they want to be cared for.

Our work supports the transfer of the person centred hospice model of care to all settings. This is achieved through integrated working with primary healthcare teams and healthcare professionals in acute hospitals and care homes.

Consultants in palliative medicine, community clinical nurse specialists and community matrons all provide outreach in other settings. We deliver educational programmes to healthcare professionals and promote opportunities for clinical placements.



Palliative care activities

Sue Ryder provides palliative care from six hospices, as well as hospice at home care. Each hospice provides a range of services including inpatient care, day care therapy, outpatient clinics and community support. We also provide expert palliative and end of life services in people's homes, including urgent care service for people with end of life needs.

Our day therapy and outpatient clinics provide physical, psychological and spiritual support enabling people to remain at home for as much time as possible. Clinical interventions, such as blood transfusions and medication adjustments, are provided as day treatments. We also bring service users together to provide social support through access to facilities and to offer respite to carers.

In 2010/11, we worked with planners and English Heritage on plans for a replacement 20 bed, 12,000 square foot hospice in Peterborough. *Sue Ryder – Thorpe Hall* provides excellent inpatient support but the Grade I listed building is not fit for purpose. Sue Ryder has commissioned a leading architect to draw up plans for a state of the art facility and we anticipate launching a capital appeal for funds later during 2011. We hope to open the new hospice in 2013.

We also upgraded *Sue Ryder – Manorlands*, *Sue Ryder – Wheatfields* and *Sue Ryder – St John's* with our £1.6 million share of a £40 million Department of Health grant given to 123 hospices in the UK to improve their physical environment for patients and families. This grant covered such things as installing specialist equipment, refurbishing rooms and improving gardens to allow patients and their families more time outdoors.

Sue Ryder – Manorlands listened to the views of patients, relatives and staff when planning its refurbishment. As a result, it is now one of the few hospices in the country with all of its bedrooms single. Furthermore, nearly half have en suite facilities

Palliative care achievements and performance

Area of interest – Palliative Care

Input

- £17.7m spent (£15.4m)
- 448 nurses and carers employed (395)

Activity

- Inpatient care: Gloucestershire; West Yorkshire x 2; Oxfordshire; Bedfordshire; Cambridgeshire
- Day care attendances
- Community nurse visits
- Bereavement counselling

Output

- 1,750 inpatient admissions (1,800)
- Admissions were lower in 2010/11 due to closed beds for refurbishment at 3 hospices – this had an impact on occupancy
- 3,500 attendances at palliative day care (3,900)
Note: refurbishment of some hospices also had an impact on availability of day services
- 5,400 visits (4,650) Community nurse visits increased in some areas due to inpatient beds closed for refurbishment
- 2,300 face to face contacts (2,000)
- 3,400 telephone calls for bereavement (3,600)

Outcome and impact

- 99% of service users rated the overall care they received as good or excellent (99%)
- 99% of service users felt that overall they were treated with respect and dignity (100%)
- 100% of service users who would recommend the service to family and friends (100%)
- 10 formal complaints (10)
- 90% of formal complaints acknowledged within target of three days (80%)
- 88% of formal complaints responded to in writing within target of 20 days (70%)

NB – All figures quoted in this chart are for the year 2010/11. Figures in (brackets) refer to the previous year, for comparison purposes

Sue Ryder – Leckhampton Court won the *Innovation in Practice* award as part of NHS Gloucestershire's *Celebrating Excellent Achievement* initiative, for its Heart Balance programme. We ran this collaboratively with the Gloucestershire Heart Failure Service, providing palliative

support through holistic care and education. The pilot ran as a half day, over a twelve week period, which allowed patients and carers to lead on alternate weeks. We made programmes available to people with heart failure, as well as to their carers, which in the past have only been available for people with cancer. These included access to multidisciplinary teams, complementary therapies, and relaxation and visualisation techniques.

Our Community Matron service – a joint venture with Oxfordshire PCT – was one of eight services recognised for innovation and best practice by the NHS Institute for Innovation and Improvement. With the PCT's support, we created the first joint post of Community Matron in Palliative Care in Oxfordshire. One of the main aims of the service is to enable people to die in a place of their choice, in line with the Government's *End of Life Care* strategy. The service has already had a significant impact, reducing hospital bed deaths and speeding up discharge of patients from hospitals, allowing them to die at home.

Palliative care – the year ahead

We want to develop our palliative care services, expanding day care, hospice at home and respite care. We plan to provide care from newer buildings that are less costly to run. We will concentrate initially on our existing localities, working with local commissioners. Our fundraising and retail strategies will each have an integrated, local dimension that raises money for local centres so that they can provide care that is significantly above the level provided by the state. This will include, for example, day care, hospice at home, and respite care.

On the first day of the new financial year in 2011, we will have become the sole provider of Berkshire West Primary Care Trust's (PCT) inpatient specialist palliative care services, based at The Duchess of Kent House, Reading. With NHS reform high on the national agenda, this will put Sue Ryder at the heart of a landmark transfer of palliative care services. This covers inpatient, outpatient, day therapy and community services.

This represents not only a major step move for Sue Ryder, but it's also a key milestone in the Department of Health's Transforming Community Services (TCS) initiative, in which PCTs will focus on commissioning rather than both commissioning and providing services. We believe this to be one of the first times an NHS run hospice has transferred to a voluntary organisation. This transfer represents our strategy in action – new services in new places. We have not only made it a priority to ensure that the transfer is a success, but we are going to try to adopt it as a template that we can offer to commissioners nationally.



We will also complete a review of our hospices, which will shape the future direction of our community based services that we offer from these centres.

Designs are advanced for a replacement hospice in the grounds of *Sue Ryder – Thorpe Hall* in Peterborough. If this project is successful, we are confident that it will provide a model for re-providing our other palliative and long term neurological care centres. The aim is to provide care from newer buildings that are less costly to run, and in buildings that are owned by others. This will clearly reduce the level of our assets that are tied up in buildings.

Long term neurological care

Our work helps people with complex long term neurological conditions live as well and as independently as possible, supporting them at different stages through their journey. We work closely with a range of health and social care professionals to deliver excellent care services that make a difference. We make sure we take into account the physical condition, psychological wellbeing and social needs of the people we care for and their families. We encourage self directed support, giving people choice and control over how care is provided. We know that our work is important because the quality of our service provision is regularly acknowledged through the awards and accreditations we achieve.

Long term neurological care activities

We provide 24 hour specialised support and nursing care from seven residential homes, including supporting people in their own homes. We provide complex care and support services, including end of life, for people living with a variety of conditions including multiple sclerosis and Huntington's disease in a variety of settings, depending on individual desires and needs. We provide specialist expertise in our different centres in supported living and through our MS Support programme.

We provide individually tailored support plans aimed at helping people be as independent as they can for as long as possible. Our teams of skilled nurses and carers provide tailored and complex nursing care and self directed support. Our services include day therapies and daily activities for service users, such as physiotherapy, recreational and complementary therapies. We provide support for carers, families and friends, both as planned activity and responding to urgent needs.

In 2010/11, we sold Ely Old Bishop's Palace to The King's School for £1.25 million. We did this, with regret, after careful consideration and a consultation period, having provided care in Ely for those living with neurological conditions for a quarter

of a century. Without major investment, the building would not have been compliant with the standards set by the Care Quality Commission, required to be in place by September 2010. Added to this, for the year ending March 2009, The Old Palace made a loss of £240,000, which was unsustainable for the charity. Sue Ryder worked closely with commissioners and alternative care providers, families and residents and assisted in securing suitable placements for all of The Old Palace's residents before closure. Funds generated through the sale helped support the development of our services elsewhere.

Long term neurological care achievements and performance

Area of interest – Long term neurological care

Input

- £15.0m spent (£17.1m)
- 454 nurses and carers employed (414)

Activity

- Long term nursing & respite care
- Seven care centres and supported living units in: Aberdeen; Yorkshire x2; Lancashire x2; Suffolk; Hertfordshire
- Day services

Output

- 260 people cared for (320)
- Long term residents only. Estimated figures – not collected as a number but usually measured as % occupancy
- 4,900 attendances at day care (4,700)
- Addition of dementia day service at The Chantry

Outcome and impact

- 87% of service users rated the overall care they received as good or excellent (86%)
- 91% of service users felt that overall they were treated with respect and dignity (87%)
- 95% of service users who would recommend the service to family and friends (91%)
- 7 formal complaints (10)
- 86% of formal complaints acknowledged within target of three days (80%)
- 83% of formal complaints responded to in writing within target of 20 days (80%)

NB – All figures quoted in this chart are for the year 2010/11. Figures in (brackets) refer to the previous year, for comparison purposes

Meanwhile, we started work in the Doncaster area with three housing partners on a programme that will take up to three years to house 70 people. During the coming financial year, Sue Ryder will be developing partnership arrangements with a number of housing associations near the Hickleton and Cuerden centres, with a view to providing new, smaller supported living services located close to towns and all their amenities. In 2011/12, we will also complete plans for the future of Leckhampton, Holme Hall and Birchley Hall.

Our centres for people with complex long term neurological conditions enjoyed higher than the national average occupancy throughout the year. All our centres in England have been rated either good or excellent by the Care Quality Commission, while in Scotland *Sue Ryder – Dee View Court* achieved the maximum 6 rating across all areas following inspection by the Scottish Care Commission. Service user representatives from three of our centres met regularly in a group called Acorns to share ideas and discuss common concerns.

At *Sue Ryder – The Chantry* in Ipswich, we developed an innovative dementia café, to serve the needs of local people who attend for care sessions.

Long term neurological care – the year ahead

We will start to focus on providing high quality, personalised care through supported living – allowing people to live in their own home with help available on site – in buildings that are owned or managed by partner organisations. We recognise that other organisations are investing in large residential centres that provide specialised long term neurological care and that our expensive and old buildings will not provide a viable solution.

We will form working partnerships with a number of housing associations, to start looking at the future housing and support needs for some of the people we currently support in some of our centres such as *Sue Ryder – Hickleton Hall*.

We hope to expand our national service user group, Acorns, into regional forums. A small representative group of service users will visit their peers in other centres to gauge their views on things like food menus.

Homecare

Sue Ryder started offering homecare services in the early 1990s, and our work has helped support people to live well in their homes. Giving people continuity of care is very important, and we have addressed this issue by integrating our care and support with primary care teams and social

services. Our activities have worked to the social service care plan and ensured it meets the needs and wishes of people receiving our care. We have adapted our care to people's changing needs and conditions which we have recognised through regular and routine assessments. We have also given people end of life care and social support in their homes, building on our expertise as one of the largest providers of specialist palliative and end of life care in the UK.

Homecare activities

We constantly monitor our services, and during the year we actively sought and acted on the views of people receiving our care through a survey we conducted. We did random spot checks on our services to make sure that care was delivered in accordance with the care plan and to the satisfaction of the people who received our care and support.

We provided social care round the clock, at times to suit the people we cared for, and through the night if required. We helped make sure that they remained healthy, content and safe in their own homes for as long as possible. We made sure that our care met the needs of both the physical and personal wellbeing of the people we supported. We cared for adults with physical disabilities, sensory loss including dual sensory impairment, older people, people with dementia, people with HIV and Aids, and people who were terminally ill or who needed end of life support. We provided a range of personal and practical support including showering and bathing, prompting medications, meal preparation, safety checks, laundry and shopping calls.

In 2010/11, to improve our effectiveness, safety and service user experience, we introduced a revised quality visit process within homecare. We also increased operational assistance to care managers in homecare to support quality improvement initiatives. By the year end, 50 per cent of homecare areas had a quality improvement group and we were making more quality visits than before.

Homecare achievements and performance

Sue Ryder was successful in winning three new homecare contracts, in Bournemouth, Rochdale and Stirling. However, we also ended two contracts, including the one in Rochdale. Overall, we expanded our service, enabling us to provide care for more people in their homes. By the year end, we operated from 11 locations in England and Scotland.



Homecare achievements and performance

Area of interest – Homecare

Input

- £11.5m spent (£9.9m)
- 730 nurses and carers employed (777)

Activity

- Dorset; Lincolnshire; West Midlands; Staffordshire; Greater Manchester; Cheshire; Merseyside; South Yorkshire; Angus (Scotland); Stirling (Scotland)

Output

- 643,200 hours of care (665,000)

Outcome and impact

- 83% of service users rated the overall care they received as good or excellent (86%)
- 94% of service users felt that overall they were treated with respect and dignity (97%)
- 88% of service users who would recommend the service to family and friends (not included in survey last year)
- 104 formal complaints (n/a)
- 66% of formal complaints acknowledged within target of three days (n/a)
- 61% of formal complaints responded to in writing within target of 20 days (n/a). Data for last year on complaints in homecare is not available – system for recording complaints implemented this year

NB – All figures quoted in this chart are for the year 2010/11. Figures in (brackets) refer to the previous year, for comparison purposes

Homecare – the year ahead

We have made the strategic decision to exit the social homecare market in England after nearly 20 years, to concentrate on long term palliative and neurological care. Sue Ryder is the second largest provider of palliative care in the UK.

While many factors influenced this decision, it is important to clarify that the financial aspect was not our central rationale for moving away from the homecare market.

By concentrating on palliative and long term neurological care and expanding our offering in these areas, Sue Ryder will be better able to achieve its strategic objectives of

developing its range of services and growing in more locations, introducing innovative new models of care including supported living and extra-care. Extra-care is where an older person or couple have their own self contained flat with additional communal facilities. These are designed so that all levels of care can be provided, enabling people to live in their own home much longer. We aim to win an extra-care scheme during the year and hope that more of these schemes will be developed in the future.

Sue Ryder's Scottish homecare services operate very differently to the English ones, offering specialist services to a much wider community, and are entirely in line with the charity's strategy.

Our international activities

When Sue Ryder was established, it was very much an international charity. As times have changed, we have concentrated more and more on delivering an exceptional core service in the UK. However, this does not mean that we do not consider the needs of people overseas to be any less important.

International activities

We continue to work with the independent Sue Ryder charities in Albania, Czech Republic and Malawi through grant making, raising funds in the UK, and helping them to build their capacity and be more effective in delivering care. We recognise that the more able these charities are to be self sufficient in their own countries, without the need for funding from overseas, the more effective they will be. This will become increasingly true as changes in society in the UK mean that there will be increasingly less charity money to go round.

However, we were particularly pleased to secure a £108,000 grant over three years for Malawi from a single corporate supporter. We also sponsored eight villages through the Malawi Village Sponsorship initiative.

International achievements and performance

Of particular significance, Sue Ryder Foundation in Malawi reached more people than ever before, with more than 12,000 individuals benefiting from healthcare provided at mobile clinics and physical rehabilitation delivered in their homes, as well as through a newly opened rehabilitation centre.

Ryder Albania continued to deliver at home palliative care, reaching on average 45 people a day through more than

2,000 home visits in the year. Ryder Albania also introduced bereavement support and counselling for children, providing memory workshops and day trips for 30 youngsters.

International – the year ahead

We will continue grant making and supporting thousands of people receiving care they would not otherwise get. To support this, we will maintain specific fundraising in the UK to support our international activities, to ensure there is no financial impact on our UK based charitable activities. In the longer term, we are committed to helping the independent Sue Ryder charities in Albania, Czech Republic and Malawi become self sustaining, without the need for funding from the UK.

International achievements and performance

Area of interest – International

Input

- £0.6m spent (£0.9m)
- 25 nurses employed (25)
- 35 Carers employed (35)
- 630 Volunteers employed (650)

Activity

- Provide services in Malawi, Albania, Poland and the Czech Republic

Output

- 12,000 beneficiaries of healthcare in Malawi (10,000)
- 6,200 home visits to over 400 terminally ill patients in Albania (5,800)
- 90 domiciliary patients receiving full time care, and around 40 patients receiving home visits in the Czech Republic (110)

Outcome and impact

- Monthly mobile clinics reach on average 60 patients each, delivering essential medication for chronic diseases, physical rehabilitation has increased with the opening of the Sue Ryder Rehabilitation Centre, Balaka, Malawi
- Multidisciplinary teams in Albania supported around 75% of patient family members through social and psychological support and launched a pilot in child bereavement counselling

NB – All figures quoted in this chart are for the year 2010/11. Figures in (brackets) refer to the previous year, for comparison purposes

Supporting our charitable activities

Our volunteers

Volunteering activities

While we initially benefited from large numbers of people who had been made redundant or who were on programmes designed to get them back into work, the new Government cut the funds available for such schemes significantly. As a result, we lost around 1,000 full time placement volunteers in Retail within a month. The number of Sue Ryder volunteers stood at around 8,000 at the year end. However, they are now contributing more hours per week per person, totalling more than 2.5 million hours a year, and we estimate the financial value to Sue Ryder to be currently around £20 million a year.

Volunteering achievements and performance

Our Volunteer Prisoner Programme continues to be a success. We worked with more than 30 prisons and had placements within 50 shops and two offices. The contribution of these volunteers to our retail operation in financial terms was worth more than £380,000. We were highly commended by Business in the Community for the work we do in supporting rehabilitation and employment of offenders.

We attracted more young people, both through the Duke of Edinburgh Scheme and through work experience, and hope to grow these numbers further next year with the introduction of National Citizenship Schemes. The numbers of volunteers in both the 18–24 and 35–45 age groups increased, and we will target both these groups for growth in the coming year. The number of volunteers aged 65 and over remained stable.

Volunteering – the year ahead

In 2011/12, we aim to grow our volunteer base so that we can offer care to service users in such everyday activities as shopping, visiting the pub or cinema, dog walking, or just chatting.

Fundraising and retail

Fundraising and retail activities, achievements and performance

Fundraising worked closely with Retail in breaking our income targets for our 2010 Christmas raffle. This was Sue Ryder's second ever national raffle and raised more than £135,000 gross, with our existing donors buying more than £90,000 worth of tickets. Ride for Ryder was another successful event, with 218 of our shops taking part, compared to 106 shops in 2009. Fundraising also worked

closely with the Retail gift aid team to develop a communications and cross selling strategy for our retail gift aid donors. This has ensured that these donors receive all the latest news from us and have every opportunity to support different areas of our work. With more than 360,000 supporters, this area of our work has huge potential for generating additional income for Sue Ryder.

One of our main fundraising objectives was to grow the contribution from regional fundraising by 10 per cent (£550,000). We sought to do this in three ways. First, we always tried to ask donors for a second donation and looked to increase the number of committed givers. Second, we focused on identifying and developing relationships with 10 key high value donors at each care centre. Third, we made staff led events more efficient, ensuring that these generated at least £5,000 net profit each, increasing individual sponsorship for each event compared with previous years.

Our objectives for our major donor fundraising (covering trusts, legacies and individuals) were to generate income of £7.25 million while not spending more than £640,000; to continue to strengthen relationships with our existing legacy pledgers; and to assist in recruiting new pledgers and converting prospect pledgers. We achieved all these, and our legacy income was £7,019,000, which is a record for Sue Ryder.

Our very successful partnership with Gala Coral – which their staff had voted to extend for another 12 months – ended this year and has succeeded in raising more than £1.5 million over the course of the relationship with Sue Ryder which began in May 2008.

However, despite all Sue Ryder's regional fundraising activity, we saw a fall in fundraising income, mirroring the overall reduction reported by both the Charities Aid Foundation (CAF) and the National Council for Voluntary Organisations (NCVO). There was increased competition from other charities, with some of the largest becoming increasingly sophisticated and targeted in their fundraising. The state of the world's economy and UK public sector cuts affected our ability to raise funds for our international work, too, and will continue to do so.

Our retail operation generated a net profit of £4.5m. Growth in sales of donated goods was up 7 per cent compared with the previous year, ahead of the growth experienced by high street retailers generally. During tough economic times we were still able offer great value and quality to our customers,

despite donations being harder to attract, exacerbated by the work of bogus collectors. During the year we began a programme of shop expansion, opening 24 new shops and extending five existing ones. We closed 21 shops where the lease expired or which were not sufficiently profitable. At the end of the year we had 353 shops in our retail estate.

Retail income is now worth £33.4 million, including gift aid, which was worth £2.6 million. Gift aid has continued to grow and has earned us £8 million since we started the programme.

Fundraising and retail – the year ahead

We believe that conditions will continue to be difficult for fundraising. However, over the coming year we will build on the objectives we set for 2010/11, with further emphasis on key income streams and a focus on exploiting our most consistent fundraising projects, namely *Midnight Walks*, *In Memoriam*, and the *Big Wigs Business Challenge*. We are also looking to develop a nurse sponsorship programme for each of our care centres.

We have recognised the need to refocus our fundraising activities on the areas where our centres are located, where awareness of our charitable activities is highest. We will work to ensure that every pound raised locally is spent on the local centre, and we believe that if we are successful in getting this message across to potential donors our income will increase.

Fundraising will also continue to be a priority for Sue Ryder's International team, in order to continue grant making and supporting thousands of people receiving care they would not otherwise get.

In retail, we will have to work hard to increase gift aid revenue over the next financial year as the reclaimable amount fell from 28p to 25p in April 2011.

Also in retail, our programme of new shop openings, plus increased online shopping, will hopefully see our retail income expand by £3 million by 2015 and our retail presence grow to around 500 stores, including more specialist stores selling books, furniture, and vintage and retro. The aim of our ambitious shop opening programme is to generate significant revenue that we will reinvest in our charitable activities.

Financial results

Despite the challenging economic conditions, the charity improved its operating position, delivering an operating surplus of £1.5 million, compared with the previous year's surplus of £0.7 million. Total movement on funds after investment gains was a surplus of £2.0 million, compared with the previous year's surplus of £2.8 million.

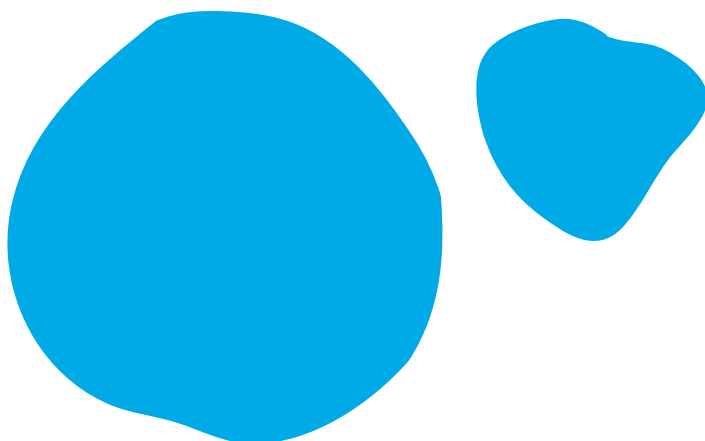
The improved operating results were achieved from increased retail income combined with profit from the sale of the Ely neurological centre.

Financial summary

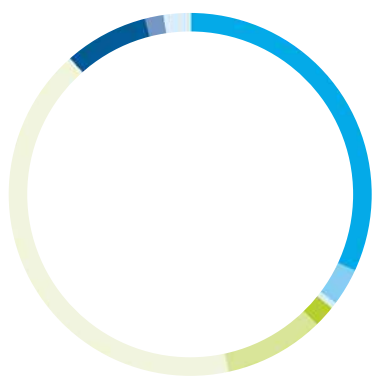
- Income has been increasing steadily for the last three years, driven by retail income growth. Year on year income grew by 5%.
- Healthcare income fell by £1.2 million from £29.9 million to £28.7 million due to the closure of our Ely neurological centre
- The charity is continuing to reduce its reliance on Government funding as retail income continues to grow. Income from retail operations increased by £2.4 million from £31 million to £33.4 million.
- In the year the charity received a grant of £1.6m from the Department of Health to be spent on improvements in three of our palliative centres.

- Legacies increased from £5.5 million to £7.0 million.
- Donations and other voluntary income declined from £7.1 million to £5.9 million.
- Fundraising event income also declined by £0.3 million to £1.5 million.
- In line with the tough economic conditions, income from investments fell by 2.5%, from £358,000 to £349,000.
- At the same time operating costs (resources expended) for the year increased by £3.1 million from £75.5 million to £78.6 million.
- Direct expenditure on care activities grew by £1.1 million from £38.0 million to £39.1 million. Direct expenditure on Palliative care and Homecare increased by £2.0 million and £1.3 million respectively. Expenditure on Neurological care fell by £2.2 million due to the closure of our Ely neurological centre.
- Direct expenditure on retail activities increased by £0.9 million from £25.7 million to £26.6 million.
- The growth of support costs from £6.8 million to £8.1 million has strengthened the charity's resources for organisational development and infrastructure.

The Sue Ryder balance sheet has been strengthening, with reserving levels stabilising at around four months worth of spending. The free reserves of the charity have grown by £1.2million, from £22.7 million to £23.9 million.



Income – Income is received from the following sources:



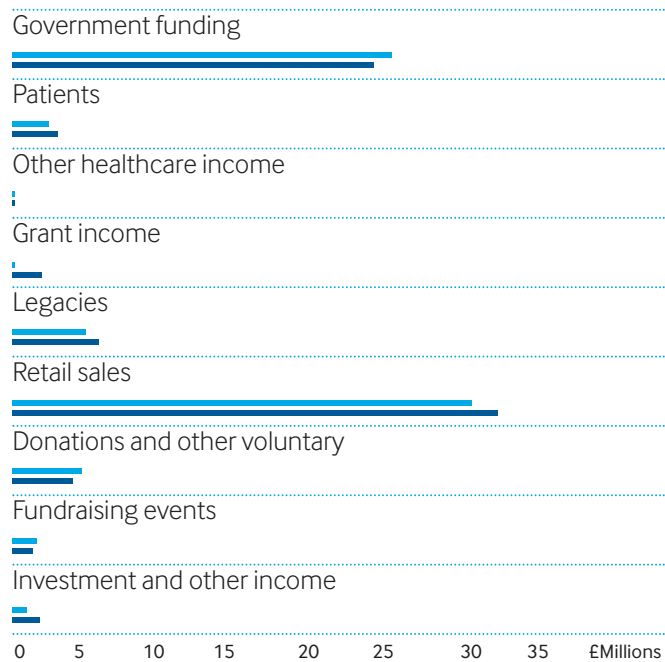
Charity income 2010/11 (£Millions)

Government funding	25.6
Patients	2.8
Other healthcare income	0.3
Grant income	1.7
Legacies	7.0
Retail sales	33.4
Donations and voluntary income	5.9
Fundraising events	1.5
Investment and other income	1.8

The table below shows our income compared to previous year.

Charity income 2010/11 (£Millions)

● 2010/11 ● 2009/10



Expenditure – The Charity's resources were expended on the following activities:



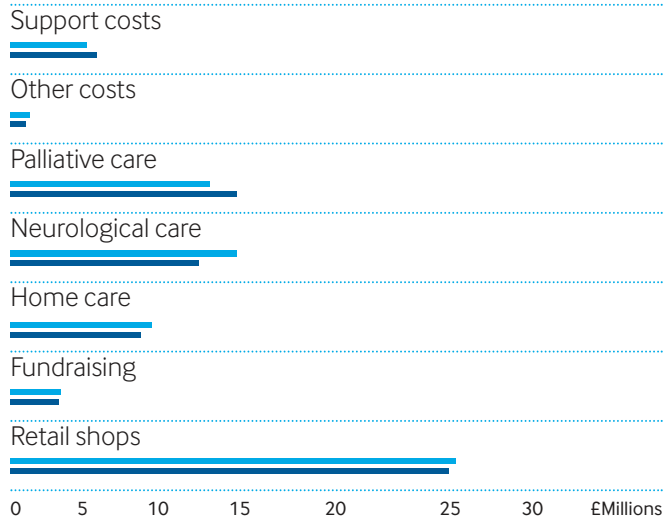
Charity expenditure 2010/11 (£Millions)

Support costs	8.1
Other costs	0.9
Palliative care	15.9
Neurological care	13.2
Homecare	10.0
Fundraising	3.9
Retail Shops	26.6

The table below shows our income compared to previous year.

Overall operating expenditure for 2010/11 (£Millions)

● 2010/11 ● 2009/10



Goals for 2011/12

- To deliver a financial operating surplus before depreciation.
- To continue to invest in people, provision of services, new shop openings and system improvements.
- To start the re-provision of one of our hospices and continue with our care centre enhancement programme.
- The charity is in its second year of its new strategy – more personalised care being provided in the community.
- Our key financial goal is the continued development of the strategic financial plan.
- The asset review programme has been completed and has informed decisions on provision and enhancement.

Subsidiary Undertakings

Sue Ryder has two subsidiary undertakings:

- Sue Ryder Direct Limited
(formerly Sue Ryder Care Direct Limited)
- Sue Ryder Care (Chantry).

Sue Ryder Direct Limited is the charity's trading arm for new goods sold in the shops and via the internet to raise funds for Sue Ryder. Over the trading period to 31 March 2011 its net contribution to the charity was £1.1 million, an increase of £0.4 million from the previous year contribution of £0.7 million.

Sue Ryder Care (Chantry) was set up in 2000 as a subsidiary linked charity with the same charity number as Sue Ryder (1052076). The purpose of this charity is to hold money from a defunct Suffolk charity that closed in 2000. This is referred to in Note 26 of the audited accounts.

Investments

The Council of Trustees sets the overall performance and ethical parameters under which our investment managers operate. The investment managers report regularly to the finance and audit sub-committee and meet at least annually to review performance and outlook. The primary objectives of our investment portfolio are:

- Generate long-term income
- Provide capital growth to fund new activities
- Maintain an appropriate balance between equities, bonds, other investments and cash in order to spread and manage risk.

Investment restrictions

The Trustees have declared that the charity will not invest in armaments (based on 5% of total income and whole) weapons systems, tobacco or pornography.

Reserves

The Trustees annually review the level of reserves held by the charity to ensure they are adequate.

Free reserves of the charity, which it considers to be its unrestricted funds not represented by tangible fixed assets, stood at £23.9 million at 31 March 2011.

This represents approximately four months of expenditure. The Trustees recognise this is currently in excess of the reserves policy of three months and plan to reduce the reserves by expanding the retail estate as detailed in the Year Ahead section for Retail and Fundraising.

Current investment range and benchmark are as follows:

	Range	Benchmark
UK Equities	31 – 44%	37.5%
Overseas Equities	9 – 16%	12.5%
Bonds	12.5 – 27.5%	20%
Other options (e.g. hedge funds)	5 – 25%	15%
Cash	Balance	15%
Total	100%	100%

Structure, governance and management

Objects of the charity

Sue Ryder is an international charity whose objectives are to:

- relieve poverty
- relieve sickness and any form of mental disability of individual persons
- relieve the consequences of old age through the provision of facilities of any kind for the care of the elderly
- provide education relating to the causes of and the means of relief of poverty, sickness, physical or mental disability and old age
- promote religious teaching and in particular the beliefs and principles of the Christian faith while recognising and serving the spiritual needs of all whatever their religious beliefs
- care for any person who has become a refugee within or without his or her country of birth because of aggression, oppression or natural disaster and who thereby is in need
- to preserve for the public benefit buildings of aesthetic, historic, architectural, structural or scientific interest and importance.

While the charitable objectives provide the framework for the work the charity is permitted to conduct and the beneficiaries of that work under its charitable status, it is not incumbent upon the charity to engage in activities related to all the objectives concurrently. Rather, the objectives provide a clear set of parameters for the work it may choose to engage in, not what it must do. Hence, the Trustees believe that the charity should focus on:

- relieving sickness and any form of mental disability of individual persons
- relieving the consequences of old age through the provision of facilities of any kind for the care of the elderly
- providing education relating to the causes of and the means of relief of sickness, physical or mental disability and old age.

While the preservation of buildings is not a primary objective of the charity, significant sums are spent on maintaining the charity's estate.

Council of Trustees

The Council of Trustees, a minimum of seven and a maximum of 12 persons (plus Chairman), is responsible for the overall governance of Sue Ryder. Trustees are appointed by Council for three years and can be reappointed for

further terms of three years up to a maximum of nine years. Responsibility for the day to day running of the charity is delegated to the Chief Executive. The Chief Executive is supported by a group of executives and senior managers. The Chief Executive attends all Council meetings and other executives attend as required.

New Trustees are recruited through national advertisements and personal contacts so as to maintain a balance of skills and experience appropriate to the charity's activities.

The Trustees, in Council, meet four times a year to review the performance of the charity both financially and in meeting its charitable objectives. To discharge its governance responsibilities effectively, Council has created a number of Sub Committees (Trustees form the membership with managers in attendance).

These committees and their remits are:

Sub Committees of Council

- These committees have delegated powers from the main Council of Trustees.
- Finance and Audit Sub Committee (quarterly) – reviews and approves financial results, budgets and other financial governance matters
- Integrated Governance Sub Committee – formerly the Compliance Sub Committee (quarterly) – ensures that the charity complies with the appropriate legislation and monitors non financial risk within the charity
- Property Sub Committee (quarterly) – reviews and approves major acquisitions and developments on property matters
- Health and Social Care Sub Committee (quarterly) – supports and develops a sustainable healthcare strategy
- Retail Sub Committee (quarterly) formerly a Management Advisory Group – reviews the strategic development of retail and reviews business cases
- Fundraising Sub Committee (quarterly) oversees fundraising strategy. This is a new committee, and it held its first meeting in January 2011
- Nominations Sub Committee (as required) – selects new members of Council
- Remuneration Sub Committee (as required) – reviews and agrees changes to terms and conditions of executive management team

Management Advisory Groups

Management Advisory Groups have been set up to enable Trustees to offer their skills and expertise to managers in the day to day delivery and organisation of services.

- People (quarterly)
- Spiritual (quarterly)
- Sue Ryder International (quarterly)

Corporate governance

Risk

The Trustees have a risk policy which sets out the structure of risk reporting and risk governance within the charity and sets our roles and responsibilities for risk management. The overall risk policy and strategy are set by the Trustees and a high level corporate risk register has been produced which will be reviewed annually. The annual review will include: a review of the risks the charity may face; the establishment of systems and procedures to manage those risks identified in the plan; and the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Integrated Governance Sub Committee of Council is the risk committee for the charity and reports to Council. The Chief Executive has overall accountability to the Council for risk management within the charity, but operationally he has delegated responsibility for implementation to the Director of Finance (financial risk management), Company Secretary (non financial operational risk), and Director of Healthcare (clinical risk management).

The principal risks facing the charity, which are monitored by the various Sub Committees of Council and other committees on which Trustees are represented, can be summarised as follows:

Strategy – the charity’s development strategy is designed to meet the needs of our beneficiaries and is tied in closely with Government policy. This introduces a vulnerability to change in policy, and the charity is therefore active in engaging policymakers in dialogue.

Human resources – there is a very competitive employment market, and recruitment and retention are major concerns for the organisation. The charity strives to be an employer of choice in its area of operations, and closely monitors the profile of its competitors in this arena.

Finance – the charity is concerned that best use is made of charitable donations and statutory fees. Control of expenditure is as important as raising funds in this regard. There are robust controls on purchasing and a good system of authorities in use, which have contributed to a much improved trading position over the last financial year.

Income from charitable activities – although we believe that the charity offers a quality product, we operate in a competitive environment, especially in the provision of specialised neurological care. Our non voluntary funding comes from two principal sources: local authorities and the NHS. Therefore, we are affected by any changes in central government funding of these organisations.

Operational – good service user and worker safety is essential to maintain the charity’s position as a provider of choice, as well as meeting the moral obligations incumbent on an organisation which seeks public and donated funds. Healthcare and operational risks are effectively managed and are supported by a robust system of governance.

Risk management

Risk management is a key objective for the Trustees and there is much work to be done in the charity. This year we have taken our first step forward on this journey and Sue Ryder is now aware of its major risks and is developing mitigation plans at a high level which will be implemented and managed.

The Integrated Governance Sub Committee has been given delegated authority by the Trustees to oversee compliance within the charity and to assure itself that the charity has in place, or is developing, effective governance arrangements. Governance and non financial risk issues from all Sub Committees are referred to the Integrated Governance Sub Committee.

Financial risk is covered by the Finance and Audit Sub Committee. This committee is responsible for monitoring the financial risks and performance of the charity and reports directly to the Council of Trustees.

Infrastructure development is covered by the Property Sub Committee. This Sub Committee monitors and approves major capital projects to ensure that they meet the needs of the charity both from service and financial viewpoints. This committee has the authority to approve purchase of land and construction contracts. This committee reports directly to Council. However, a number of members are also members of the Finance and Audit Sub Committee.

Healthcare risk is covered by the Healthcare Governance Committee. This committee, whose members represent all relevant areas of the charity, enables Sue Ryder's Council of Trustees to assure itself that the charity has in place, or is developing, effective governance arrangements to enable the organisation to do its reasonable best in providing high quality healthcare to the people it serves. This committee reports directly into the Integrated Governance Sub Committee.

Financial risk management

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency. Performance is monitored and appropriate management information is prepared and reviewed regularly together with proposed corrective actions by both the Chief Executive and the Trustees.

The charity currently produces an annual budget and reports monthly against that budget, requiring senior management to comment on variances and outline corrective action. Updated financial forecasting is undertaken during the year to reflect changes in the operating environment and their impact on income and expenditure.

During the period to 31 March 2011, the Trustees continued to require the charity's planning and reporting processes to be represented through ten, three and one year plans that support the charity's strategic objectives. These encompassed both financial and non financial goals.

Non financial risk management

The charity operates in a highly regulated environment and is subject to inspection by various regulatory authorities. The charity employs a quality and risk manager whose responsibility is to review clinical risk as part of the clinical quality team whose work is monitored by the Healthcare Governance Committee through an agreed annual plan.

An annual report on the Healthcare Governance Committee activity is created by the clinical quality team for the Trustees and provides assurance that all aspects of service delivery are being monitored and reported against with actions as appropriate.

The charity's critical risks have been identified and processes for risk management in the charity are being introduced by the Head of Internal Audit and the Head of Risk and Safety. Risk management and safety compliance are reported in to the Integrated Governance Sub

Committee. The risk plan is being developed to cover all aspects of operations. This plan will form the basis of exception reports to the integrated Governance Sub Committee.

Internal Audit

The Internal Audit service started operating in November 2010 and will carry out a programme of internal audits to cover the major risks identified by the Trustees and management. The Finance and Audit Sub Committee has approved the internal audit plan. Audit reports will be presented to the Finance and Audit Sub Committee, together with progress on the implementation of recommendations.

Management and policies

Grant making

Sue Ryder awards grants to support the work of Sue Ryder affiliate organisations overseas. All organisations bearing Sue Ryder's name are eligible, although we focus on those where we already have a relationship and can be assured of their standard of care.

Grants are awarded on the basis of written budget submissions received from Sue Ryder organisations. These submissions are approved via the normal budget authorisation process, the detail having been agreed within the International Management Advisory Group.

All Sue Ryder organisations seeking a grant from Sue Ryder must demonstrate that they are operating with clear objectives and with a proven track record of service delivery and financial management.

Priority is given to Sue Ryder services being delivered in resource poor countries where there is little or no prospect of obtaining funds nationally. Additionally, capacity building grants may be available where it is felt there will be a significant impact.

Exceptionally, Sue Ryder will also award capacity building grants to Sue Ryder organisations operating in wealthier countries where there is a clear case for investment, notably in developing fundraising and retail income.

Awards made by Sue Ryder take account of the wider financial position of Sue Ryder and the charity's ability to allocate funds for international work.

Sue Ryder also applies for and administers funding from external organisations, public and private, for Sue Ryder organisations overseas, and ensures in these cases that controls and reporting frameworks are as robust as is the case with our own grant making.

Foreign exchange

The charity's trading subsidiary, Sue Ryder Direct Limited, purchases new goods from overseas suppliers that require payment in US Dollars. These US Dollars are purchased at the spot rate to satisfy short term contractual commitments.

Policy and practice on the payment of creditors

The company complies with best practice and always endeavours to meet the payment terms agreed with suppliers through our procurement and tendering process.

Pensions

Sue Ryder operates the following pension schemes:

- *The Sue Ryder Care Pension Scheme (1992)*
This defined contribution group pension scheme with Equitable Life is now closed to new members and Sue Ryder no longer makes contributions to this scheme.
- *Group personal pension plan*
Sue Ryder contributes to individual personal pension plans, under a group personal pension plan, operated by Aviva (formerly Norwich Union) up until 31 March 2010, and by Zurich from 1 April 2010.

Sue Ryder also contributes to a defined benefit contributory pension scheme on behalf of certain former National Health Service Employees. As it is not possible to identify the surpluses or deficits that relate to Sue Ryder, this scheme is treated as a defined contribution scheme under FRS 17.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without negative discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the charity.

Where a current employee or volunteer becomes disabled due to illness or injury the charity, wherever possible and reasonable, will provide assistance with rehabilitation, adaptation to premises, modification of equipment, provision of special aids, job restructuring, retraining and/or redeployment opportunities.

Employees/volunteers involvement

Information about aims and activities is disseminated to all staff and volunteers through management briefings, extended use of our intranet, email and printed publications.

Auditors

A resolution proposing that BDO LLP be reappointed as auditors of the charitable company will be put to the annual general meeting.

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

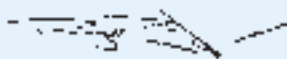
Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Trustees' responsibility also extends to the ongoing integrity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

Public benefit

The Council of Trustees has given regard to the legislative and regulatory requirements for disclosing how its charitable objectives have provided benefit to the public. The Council of Trustees has complied with the duties set out in section 4 of the Charities Act 2006 (and under the equivalent Charities regulatory regime in Scotland). This report outlines how our achievements during 2010/11 have benefited the public, either directly or indirectly.

Approved and authorised for issue by the council of trustees on 26 July 2011

Signed



Roger Paffard
Chairman

Dated: 26 July 2011

Legal and administrative details

For the year ended 31 March 2011

Status

Sue Ryder (formerly Sue Ryder Care) is a charitable company limited by guarantee, incorporated on 28 November 1968 (last amended on 28 July 2009) and registered as a charity in England and Wales on 17 January 1996 and in Scotland on 14 May 2008. The charity changed its name to Sue Ryder on 10 February 2011.

Governing document

Sue Ryder was established under a memorandum of association and is governed under its articles of association, which establish the objects and powers of the organisation.

Company number – 943228

Charity number – 1052076

Scottish charity number – SC039578

Registered office:

Kings House, King Street, Sudbury, Suffolk CO10 2ED

Principal office:

114 – 118 Southampton Row, London WC1B 5AA

Royal patron:

Her Majesty The Queen

Council of Trustees

Unless otherwise indicated the Trustees below were in post from 1 April 2010 to the date of the Trustees' Report. Membership of Sub Committees and/or Management Advisory Groups (MAG) is also indicated.

Roger Paffard

Chair of Trustees

Chairman of Integrated Governance Sub Committee

Chairman of Nominations Sub Committee

Roger's career has spanned the business, public and voluntary sectors in a variety of chief executive and non-executive roles. His commercial experience is in the consumer goods and retail sectors starting in marketing with Lever Bros and Bristol Myers in the 1970s and then as chief executive of Alberto toiletries, Staples office superstores and Thornton's chocolates.

In the last decade he has worked in the public and voluntary sectors – initially as chief executive of Remploy (a non-departmental public body supporting disabled people in employment) and then as chief executive of United Lincolnshire NHS Trust. Over this period he has also been a trustee and policy advisor for Marie Curie Cancer Care, a trustee for WRVS, a strategy consultant and trustee for a number of educational and funding charities.

Sub Committees/MAGs: Health and Social Care; Nominations; Integrated Governance; Finance and Audit; Retail; Remuneration, International, People.

Dame Elizabeth Fradd MBE RGN RSCN RM HV (resigned 31 August 2010)

Dame Elizabeth is an independent health service adviser. The focus of her work and abiding passion is the continuous improvement of health care. She was until April 2004 the Nurse Director and lead Director for the Review and Inspection programme in the Commission for Health Improvement (CHI). Prior to this appointment she was Assistant Chief Nurse in the DH. She is a registered sick children's nurse, a registered general nurse, midwife and health visitor.

In 2004, she was made a fellow of the RCN, which complements her honorary fellowships of the Royal College of Paediatrics and Child Health, the Faculty of Public Health and the Queen's Nursing Institute. She was a member of the independent panel scrutinising the implementation of commissioning a patient led NHS, and is also a member of the following: DH external reference group for quality; the DH Advisory group for Essence of Care; the CfH Advisory

Group for the Summary Care Record; and the National Information Governance Board for Health and Social Care. She was also a commissioner on the Prime Minister's Commission for the future of nursing and midwifery.

Sub Committees/MAGs: Nominations, Health and Social Care; International, Integrated Governance

Christina Edwards CBE

Vice Chair

Chair of Health & Social Care Sub Committee

Christina has a wide experience in the NHS and Department of Health. She qualified and worked for many years as an Acute Nurse and then as a Health Visitor, having previously worked in Morocco after a varied career in administration. She moved into management in 1980 and worked in various areas of the NHS including Acute, Community and Learning Disabilities, becoming a Director of Business Development and Nursing for a trust in North Essex in 1992.

She was formerly a Regional Director of Training, Education and Nursing, working closely with deaneries, universities and trusts to develop training and development for all health staff across the Northern and Yorkshire Region of the Department of Health. For the past five years Christina has worked with organisations to help, support and drive through improvement, leading multi disciplinary teams to assist very diverse trusts and PCTs.

Sub Committees/MAGs: Health and Social Care, Fundraising, Integrated Governance.

Sam Nevin MA FCA

Chairman of Finance and Audit Sub Committee

Director and Chairman of Sue Ryder Direct Limited.

Sam spent his career at KPMG, the international accountancy firm, where he was a partner for over 15 years. He acted as auditor and advisor to a wide range of corporate clients in the UK but also in the USA, Europe, the Middle East and Far East and most recently concentrated his activities in the retail sector.

Sub Committees/MAGs: Finance and Audit, Property, Retail

Giles Shedden

Giles is a retired solicitor and continues in practice as a notary public. For a number of years he was the senior partner of Charsley Harrison in Windsor and is consultant to the firm. In his professional life, he acted mainly in the fields of commercial, land and trust law, with significant charity work. He was previously a Trustee of the Thames Valley Hospice (now Thames Hospice Care) in Windsor.

Sub Committee/MAGs: Property

Caroline Stockmann FCA DchA

(resigned 17 April 2011)

Director of Sue Ryder Direct Limited

Caroline Stockmann has previously held posts as the Finance and Commercial Director at Southbank Centre, London, Head of Global Business Planning for Novartis Pharma AG, CFO/CIO of Unilever in Thailand and VP Finance/Controller for Unilever Bestfoods Europe.

Prior roles in finance include CFO for Bestfoods Benelux, as well as other roles within Bestfoods, Granada plc and Cadbury Schweppes. Before training and qualifying as a Chartered Accountant with KPMG (1990 – 1994), Caroline was a professional musician, as well as working in the youth training and development area.

Sub Committees/MAGs: Integrated Governance, Finance and Audit, International, Retail

Reverend David Stoter MBE AKC JP

Spiritual advisor

Rev. David Stoter has had more than 40 years' experience as a clergyman. Thirty of these were spent as a whole time chaplain in the NHS. He managed a large team of chaplains and volunteers. He set up the first comprehensive bereavement service in the hospital world and the first hospital multi faith centre. He is the author of two books, and a contributor to a number of books relating to health care. He has lectured widely in the UK and Europe.

Sub Committees/MAGs: Nominations, Remuneration, People, International, Integrated Governance, Fundraising, Spiritual.

Tony Wilkinson FRSA

(resigned 31 August 2010)

Tony was Chairman of Wilkinson Hardware stores from 1971 to 2005. He is also a Council Member of Nottingham University. He was appointed Fellow Commoner for Pembroke College Cambridge. In October 2006 he was made Vice President of Focus on Young People in Bassetlaw. He is a Fellow of the Royal Society of Arts and Science and is Deputy Lord Lieutenant of Nottinghamshire and was High Sheriff of Nottinghamshire from 2005 to 2006.

Sub Committee/MAG: Retail

Richard Hodgson FRSA FNAEA FICBA

(resigned 8 February 2011)

Richard Hodgson has been a Commercial Property Surveyor since 1964. He was a former senior partner of a leading firm of surveyors and estate agents. He is currently chairman and director of various investment and development companies. Richard is also a Freeman of the City of London and Liveryman of the Worshipful Company of Feltmakers, as well as a Fellow of the Royal Society of Arts.

Sub Committees/MAGs: Property, Finance and Audit, Retail

Lucinda Riches

Chair Fundraising Sub Committee

Lucinda Riches is a non executive director of UK Financial Investments Limited (since 2009), The Diverse Income Trust plc (appointed March 2011) and an Advisor to the Board of The British Standards Institution (appointed May 2011).

Lucinda was formerly an investment banker. She began her career at Chase Manhattan Bank. Lucinda worked at UBS and its predecessor firms for 21 years. At UBS, she was a Managing Director, Global Head of Equity Capital Markets and a member of the Board of the Investment Bank

Sub Committee/MAG: Finance and Audit, Fundraising

Dr Diana Walford CBE

Dr Diana Walford has been Principal of Mansfield College, Oxford University, since 2002. After qualifying in medicine in 1968, Diana trained as a clinical haematologist before moving to the Department of Health in 1976.

Diana has been an Honorary Consultant Haematologist to the Central Middlesex Hospital and was appointed Deputy Chief Medical Officer for England and Director of Healthcare on the NHS Management Executive in 1989. In 1993, she took up the post of Director (CEO) of the Public Health

Laboratory Service, a non departmental public body with responsibility for the surveillance and prevention of infections in England and Wales.

She is a Governor of the London School of Hygiene and Tropical Medicine, a Governor of the Ditchley Foundation, a Member of the Advisory Board of ESRC Genomics Policy and Research Forum and a Fellow of the RSA and of the RSM.

Sub Committee/MAG: Health and Social Care, Fundraising

Keith Cameron

Chair Retail Sub Committee

Chair Remuneration Sub Committee

Director of Sue Ryder Direct Limited.

Keith brings a wealth of experience in high level, high street retail management to the Council of Trustees. He has previously been the chief operating officer for The Burton Group plc/Arcadia Group plc and latterly HR Director for Marks and Spencer plc.

He is currently a non executive director of Work Group plc, Affinity Group Limited, Chairman of Nickleby & Co Ltd and independent director of the Barclays Bank pension fund

Sub Committees/MAGs: Nominations, Remuneration, People, Retail, Property, Spiritual.

John Wythe BSc FRICS

(appointed 8 February 2011)

Chair Property Sub Committee

John has over 30 years' experience in the property industry and has spent the whole of his career with Prudential Corporation's property investment management subsidiary, PRUPIM. During this time he has filled a number of roles covering the management, investment and development of commercial property both in the UK and overseas. On his retirement in December 2010, he was a member of PRUPIM's Board and Head of Fund Management. In this role he led the team of fund and investment managers responsible for the strategies and investment decisions for the entire £15.5bn of PRUPIM's 17 managed funds globally. He was chairman of PRUPIM's Investment Committees in London and Singapore.

In 2007, John was appointed as a Church Commissioner and in this role he serves on the Board of Governors, the Assets Committee and Chairs the Property Group. He is also a Director of the Pollen Estate and Chairman of the Investor Committee of ING's Lionbrook Property Unit Trust.

During his career, John has worked with a number of industry bodies including the Association of British Insurers and the Royal Institution of Chartered Surveyors.

He has an Honours Degree in Estate Management from Reading University and is a Fellow of the Royal Institution of Chartered Surveyors.

Sub Committees/MAGs: Property, Retail

Michael Attwood

(appointed 8 February 2011)

Mike has spent over 25 years as an NHS Leader. He took on the leadership of the Total Place Programme for Coventry Solihull and Warwickshire in December 2009 and from there was asked to lead the wider collaborative "better for less" transformation programme across 15 public sector organisations on the patch.

He joined Coventry PCT as Joint Chief Executive in June 2005 with job share partner Stephen Jones and was previously Chief Executive at Slough Teaching Primary Care Trust from 2001 to 2005. At Coventry PCT Mike took the organisation through financial turnaround and worked closely with Coventry City Council to establish a newly funded, innovative Health Improvement Partnership as well as agreement on plans for a major city centre new health facility.

During his time at Slough, Mike established the organisation as a Teaching PCT and achieved strong commissioning and financial performance despite being the most deprived PCT in the south east. Mike achieved a national and parliamentary profile for the PCT through a radical partnership project "Action Diabetes" with Dr. Foster which transformed engagement with black and minority ethnic communities and their access to services in the town.

Prior to working in Slough, Mike was Director of Operations for community services in Brent and has many years' experience of working in partnership with whole systems.

Sub Committees/MAGs: Health and Social Care, People, Fundraising

Murray Duncanson

(appointed 1 April 2011)

Murray began his NHS career in the late 70s as a fast track graduate trainee with spells in London teaching hospitals followed by further management posts in London and Essex. In 2007 Murray left the NHS after 30 years' service. For the previous 16 years, Murray had been Chief Executive of three different Trusts in Colchester, Barnet and latterly Lothian in Scotland, with a year at the Department of Health on a Prison Health Task Force. Outside of the NHS he was a Trustee of Elizabeth Fitzroy Support, a national charity for people with learning disabilities for over seven years.

He currently runs his own coaching and consultancy company based in North Berwick in Scotland and is Vice Chairman of NHS Education Scotland and is Chairman of a UK trade association, the Company of Chemists Association Limited.

Sub Committee/MAG: Health and Social Care, Finance and Audit, Integrated Governance.

The Executive

Chief Executive
Paul Woodward

Company Secretary
Helen Organ

Director of Finance
Jeanette Wilkins

Director of Fundraising*
Andy Taylor
(to January 2011)

**Director of Health
and Social Care**
Steve Jenkin

Director of People**
Christina Searle
(to May 2010)
Sally Smith
(from May 2010)

**Director of Marketing*
and Communications**
Steve Taylor
(to August 2010)
David Grint
(interim from August 2010
to January 2011)

**Director of Strategic
Initiatives**
Julia Sutton-McGough
(to November 2010)

Director of Retail
Heidi Travis

Director of Property
Stephen Brimfield

**Director of Fundraising
and Marketing**
David Grint (interim from
January to March 2011)

* The two directorates were
merged in January 2011.
** Formerly Human
Resources

Auditors
BDO LLP, Emerald House,
East Street, Epsom, Surrey
KT17 1HS

Bankers
Lloyds TSB plc, Cornhill,
Ipswich IP1 1DG

Solicitors
Eversheds, Cloth Hall Court,
Infirmary Street,
Leeds LS1 2JB

Charles Russell, Compass
House, Lypiatt Road,
Cheltenham,
Gloucestershire GL50 2QJ

Investment Advisers
Cazenove Capital,
12 Moorgate,
London EC2R 6DA

Independent Auditor's Report to the Members and Trustees of Sue Ryder

We have audited the financial statements of Sue Ryder for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and 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 charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on page 26), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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.

TSDO LLP

Don Bawtree (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor

Epsom

United Kingdom

Date: 26 July 2011

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

Financial statements

For the year ended
31 March 2011



Consolidated statement of financial activities

Incorporating consolidated income and expenditure account to 31 March 2011

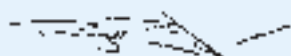
	Note	Unrestricted funds £000s	Restricted funds £000s	Endowment funds £000s	Total 2010/11 £000s	Total 2009/10 £000s
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	5,940	8,685	–	14,625	12,730
Activities for generating funds	3	34,982	–	–	34,982	32,871
Investment income	4	348	–	1	349	358
Incoming resources from charitable activities	5	28,691	–	–	28,691	29,853
Other incoming resources						
Gains on disposal of assets	6	1,210	–	–	1,210	215
NHS contribution to pension costs	19	206	–	–	206	201
Total Incoming resources		71,377	8,685	1	80,063	76,228
Resources expended						
Cost of generating funds						
Fundraising		4,406	–	–	4,406	4,126
Shops' costs		28,946	–	–	28,946	27,631
Investment management costs		37	–	–	37	27
		33,389	–	–	33,389	31,784
Charitable activities						
Palliative care		9,697	8,013	–	17,710	15,401
Long term neurological care		14,209	743	1	14,953	17,143
Homecare		11,584	–	–	11,584	9,858
International	8	534	56	–	590	941
Funding and encouraging research		5	–	–	5	1
Campaigning for better services		42	–	–	42	96
Total expenditure on charitable activities		36,071	8,812	1	44,884	43,440
Governance costs		300	–	–	300	322
Total resources expended	7	69,760	8,812	1	78,573	75,546
Net incoming/(outgoing) resources before transfers		1,617	(127)	–	1,490	682
Other recognised gains						
Realised on investment assets		36	–	–	36	11
Net income/(expenditure) for the year		1,653	(127)	–	1,526	693
Unrealised in investment assets	12	500	–	–	500	2,088
Net movement of funds		2,153	(127)	–	2,026	2,781
Reconciliation of funds:						
Total funds brought forward						
Opening balance		41,749	1,196	88	43,033	40,252
Net movement of funds		2,153	(127)	–	2,026	2,781
Total funds carried forward as at 31 March 2011		43,902	1,069	88	45,059	43,033

The Statement of Financial Activities includes all gains and losses recognised in the 12 month period. All incoming resources and resources expended derive from continuing activities.

Balance sheet as at 31 March 2011

	Note	Consolidated		Charity	
		2011 £000s	2010 £000s	2011 £000s	2010 £000s
Fixed assets					
Tangible assets	11	19,975	19,037	19,835	18,862
Investments	12	12,524	12,056	12,524	12,056
		<u>32,499</u>	<u>31,093</u>	<u>32,359</u>	<u>30,918</u>
Current assets					
Programme related investments					
Due in more than one year	13	700	700	700	700
Freehold properties held for resale		–	–	–	–
Stocks – new goods for resale		976	1,109	–	–
Debtors	14	11,545	11,135	12,279	12,037
Cash at bank and in hand		7,338	4,725	7,261	4,691
		<u>20,559</u>	<u>17,669</u>	<u>20,240</u>	<u>17,428</u>
Creditors: amounts falling due within one year	15	(7,999)	(5,729)	(7,648)	(5,442)
Net current assets		<u>12,560</u>	<u>11,940</u>	<u>12,592</u>	<u>11,986</u>
Total assets less current liabilities and net assets		<u>45,059</u>	<u>43,033</u>	<u>44,951</u>	<u>42,904</u>
Income funds					
Unrestricted funds:					
Capital reserve fund	16	19,975	19,037	19,835	18,862
Investment revaluation	16	3,122	2,157	3,122	2,157
Unrestricted general fund	16	20,805	20,555	20,925	20,689
		<u>43,902</u>	<u>41,749</u>	<u>43,882</u>	<u>41,708</u>
Restricted funds	17	1,069	1,196	1,069	1,196
Endowment fund	26	88	88	–	–
		<u>45,059</u>	<u>43,033</u>	<u>44,951</u>	<u>42,904</u>

Approved and authorised for issue by the council of trustees on 26 July 2011 and signed on its behalf by



Roger Paffard
Chairman

Company Registration Number 943228

Consolidated cash flow statement to 31 March 2011

	Note	Consolidated 2010/11 £000s	2009/10 £000s
Net cash inflows from operating activities	23	3,267	2,224
Returns on investments and servicing of finance			
Interest received		75	25
Dividends received		274	333
Net cash inflow from returns on investments and servicing of finance		349	358
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	11	(2,281)	(849)
Net receipts from sales of fixed assets/held for sale		1,210	215
Purchase of investments	12	(1,455)	(1,319)
Receipts from sale of investments		1,523	1,275
Net cash outflow from capital expenditure and financial investment		(1,003)	(678)
Increase in cash	24	2,613	1,904
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		2,613	1,904
Opening net funds		4,725	2,821
Net funds at 31 March	24	7,338	4,725

Notes to the accounts

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" 2005, applicable accounting standards and the Companies Act 2006.

(b) Consolidated financial statements

Consolidated financial statements have been prepared in respect of Sue Ryder, its wholly owned trading subsidiary, Sue Ryder Direct Limited and Sue Ryder Care (Chantry). No charity Statement of Financial Activity is presented as permitted by section 408 of the Companies Act 2006 and by the SORP paragraph 397. All members of the group have been consolidated using the acquisition method of accounting. The charity's surplus for the financial period is £2,047,000. The subsidiary's profits are remitted to the charity under Gift Aid regulations.

(c) Restricted funds

Restricted funds are those which are subject to specific conditions imposed by donors or grant making organisations.

(d) Designated funds

Designated funds are those which have been set aside at the discretion of the Trustees for specific purposes, the Capital Fund being equivalent to the net book value of fixed assets.

(e) Unrestricted General Fund

The General Fund is comprised of accumulated surpluses and deficits in the Statement of Financial Activities after transfers to and from the Designated Funds and transfers to Restricted Funds.

Notes to the accounts

(f) Income

Income for the provision of care services, principally from Primary Care Trusts and Local Authorities, is recorded on a receivable basis.

Interest receivable is accrued on a day to day basis, and other investment income is recognised on receipt.

Voluntary income and legacies are included in the financial statements when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty.

Income from the charity's wholly owned subsidiary is included under activities for generating funds. Income is accounted for on an accruals basis.

Tax rebates under Gift Aid are accrued for in accordance with the appropriate Gift Aid rules.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

(g) Expenditure

All expenditure is accounted for on an accruals basis.

Costs are allocated to the Cost of Generating Funds, Charitable Activities and Governance on the basis of direct allocation and apportionment of support costs as detailed in note 7.

Costs of Generating Funds include fundraising, all retail activities and the costs of managing the investment portfolio.

Charitable Activities include the costs of care provided, grants to the independent Sue Ryder charities abroad and funding for research and service improvement.

Governance costs include those costs associated with regulatory compliance.

(h) Fixed assets

Tangible fixed assets are included in the financial statements at cost less depreciation.

Items with a value of £1,000 or more and with a useful life of more than 1 year are capitalised. Where assets are valued at less than £1,000 but form part of a group of assets (e.g. a computer network) which totals more than £1,000 they are capitalised.

Depreciation is provided to write off assets over their estimated useful lives at the following annual rates:

- *Freehold buildings* Building costs of care centres and shops built or acquired by Sue Ryder are depreciated on a straight line basis over 40 years.
- *Freehold land* Freehold land is not depreciated.
- *Leasehold buildings* Leasehold improvements are depreciation over the lesser of the term of the lease or the life of the asset in its current use.
- *Care Centres' fixtures and fittings* 10% – 25% of the reducing balance.
- *Motor vehicles* 25% of the reducing balance.
- *Computer equipment and software* 33.33% of the original cost.

1. Accounting policies (continued)

Profits or losses on disposal of fixed assets are calculated as proceeds after any legal and other associated costs less the net book value at time of disposal.

Freehold and leasehold properties no longer being used are shown at NBV or realisable value, whichever is the lower, at the point the decision was made to dispose of the asset. Any properties that are on the market at the year end are transferred to current assets.

(i) Stocks – new goods for resale

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

No value is attributed in the balance sheet to stocks of goods for sale acquired by gift.

(j) Pension costs

A defined contribution scheme is available to eligible employees with contributions payable by both Sue Ryder and the members. The contributions are charged to expenditure in the year they are payable to the scheme.

Sue Ryder contributes to defined benefit contributory pension schemes on behalf of certain former National Health Service employees. These contributions are fixed by reference to quinquennial valuations by the Government actuary. The contributions are charged to expenditure on the basis of ensuring a level charge over the remaining service lives of employees. Information is not available to identify the surpluses or deficits that relate to Sue Ryder, and as a result of this, the scheme is treated as a defined contribution scheme under FRS 17.

(k) VAT

Sue Ryder bears Value Added Tax to the extent that there is no recovery in respect of the Care Centres' expenditure of a revenue or capital nature and only partial recovery in respect of administrative expenditure. Irrecoverable VAT is allocated across the expenses that give rise to the tax.

Sue Ryder Direct Limited, the charity's trading subsidiary was registered for VAT under a separate registration number until 31 December 2008, from 1 January 2009 a new VAT Group registration became effective including Sue Ryder Direct Limited and the Sue Ryder charity. All input VAT incurred by Sue Ryder Direct Limited is recoverable.

(l) Investments

Investments are stated at market value at the Balance Sheet date. Unrealised surpluses are credited to a revaluation reserve. Realised profits or losses are calculated based on the market value at which the investments were recorded in the financial statements.

(m) Leasing

Plant and machinery/fixtures and fittings Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenditure as incurred.

Property Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenditure as incurred.

Property lease premiums are expensed over the primary period of the lease. The effect of any rent free period is spread over the primary period of the lease.

Rent received under operating leases where substantially all of the benefits and risks of ownership remain with the lessee are recognised as income when due.

(n) Taxation

The company is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax provision is made on behalf of the charity's trading subsidiary Sue Ryder Direct Limited as it Gift Aids all its taxable profit to the charity.

(o) Grants

Grant income

Grants are recognised on a receivable basis. The charity receives both government and 3rd party grants.

Grant expenditure

Sue Ryder awards grants to support the work of Sue Ryder organisations overseas. Expenditure is accrued for as soon as a legal or constructive liability exists.

(p) Foreign currency transactions

Charity

The charity accounts for foreign currency at the rate prevailing at the time the currency is purchased.

(q) Deferred tax

No provision for deferred tax is made in the subsidiary's accounts, as in the view of the trustees the subsidiary will never pay tax as it Gift Aids its taxable profits to the charity.

2. Voluntary income

	2010/11 £000s	2009/10 £000s
Legacies	7,019	5,519
Donations and other voluntary income	5,928	7,114
Grants	1,678	97
Total	14,625	12,730

3. Activities for generating funds

	2010/11 £000s	2009/10 £000s
Income		
Fundraising events	1,533	1,848
Shop income from selling donated and bought in goods	33,440	31,012
Property letting and licensing	9	11
Total	34,982	32,871

4. Investment income

	2010/11 £000s	2009/10 £000s
Dividends	274	333
Bank interest received	75	25
Total	349	358

5. Income from charitable activities

	2010/11 £000s	2009/10 £000s
Provision of palliative care:		
NHS and local authorities	7,383	7,220
Private care	21	15
Other	202	194
Provision of long term neurological care:		
NHS and local authorities	10,486	11,572
Private care	1,666	1,601
Other	44	82
Homecare:		
Local authorities and other commissioners	7,737	8,284
Private care	1,149	878
Other	3	7
Total	28,691	29,853

6. Disposal of fixed assets

During the period Sue Ryder disposed of a Neurological centre at The Old Palace, Ely with gross sale proceeds of £1,250,000 yielding a net surplus of £1,210,000 after disposal costs.

7. Resources expended

	Activities Undertaken Directly £000s	Grant funding of activities £000s	Support Costs £000s	Total 2010/11 £000s	Total 2009/10 £000s
Charitable activities					
Palliative care	15,887	–	1,823	17,710	15,401
Long term neurological care	13,247	–	1,706	14,953	17,143
Homecare	9,999	–	1,585	11,584	9,858
Support for International	161	417	12	590	941
Funding and encouraging research	5	–	–	5	1
Campaigning for better services	35	–	7	42	96
Total charitable activities	39,334	417	5,133	44,884	43,440
Cost of generating funds					
Fundraising	3,864	–	542	4,406	4,126
Retail shops	26,598	–	2,348	28,946	27,631
Investment management	37	–	–	37	27
Total cost of generating funds	30,499	–	2,890	33,389	31,784
Governance	269	–	31	300	322
Total resources expended	70,102	417	8,054	78,573	75,546

7. Resources expended (continued)

No emoluments are payable to any Trustee in their capacity as a Trustee and only directly incurred travel expenses are reimbursed. During the period, travel expenses of £1,889 (2009/10: £4,000) were reimbursed to Trustees. The charity also incurred expenditure of £4,200 in respect of Directors' and Officers' liability insurance for the period (2009/10: £4,000). During the period, 4 Trustees (2009/10: 5) claimed expenses.

During the period £2,440 was paid to the Chief Executive in expenses claimed (2009/10: £2,000).

Analysis of support costs allocated

Activity	2010/11						
	Total £000s	Central Management & Admin £000s	Finance £000s	Human Resources £000s	IT £000s	Legal & Property Services £000s	Marketing & Comms £000s
Palliative care	1,823	274	159	267	302	544	277
Long term neurological care	1,706	257	149	250	283	507	260
Homecare	1,585	238	138	232	263	473	241
Campaigning for better services	7	1	1	1	1	2	1
Retail shops	2,348	353	205	344	389	700	357
Fundraising	542	81	47	79	90	163	82
Support for international	12	2	1	2	2	3	2
Governance	31	5	3	5	5	8	5
Total support costs allocated 2010/11	8,054	1,211	703	1,180	1,335	2,400	1,225
Total support costs allocated 2009/10	6,802	1,045	619	907	1,247	2,156	828

Proportionate to the gross salary costs of the support activities

Resources expended included:

	2010/11 £000s	2009/10 £000s
Auditors' remuneration		
Audit		
Charity	53	53
Trading subsidiary	10	10
Other services		
Tax	21	16
Depreciation	1,340	1,380
Operating Leases:		
Land and buildings	5,308	5,003
Motor vehicles	514	456

8. International grant expenditure

An independent Sue Ryder charity operates in each of the countries shown below. The programmes are independent of Sue Ryder but bear the name Sue Ryder.

	2010/11 £000s	2009/10 £000s
Grants awarded		
Albania	95	48
Czech Republic	15	15
Malawi	307	273
Poland	0	435
Other	0	0
Total grants	417	771
General support, monitoring and administration expenditure	173	170
Total international	590	941

Grants made to Albania, Kosovo and Malawi represent grants in respect of service provision only. The grants to the Czech Republic represent local administrative support. Grants to Poland in 2009/10 related to legacy income transferred to Poland.

Grants are notified to prospective recipient programmes in March of each year.

9. Taxation

The charity is registered for VAT and £1,345,000 out of £2,688,000 incurred (2009/10: £1,047,000 out of £1,852,000) was recoverable. All VAT incurred by Sue Ryder Direct Ltd, the wholly owned subsidiary of the charity is fully recoverable.

10. Staff costs

	2010/11 £000s	2009/10 £000s
Wages and salaries	45,692	43,191
Social security costs	3,197	3,117
Pension costs	785	827
Total	49,674	47,135

Included within the wages and salaries figure above are the costs of £3,414,000 (2009/10: £1,564,000) for employing agency and contract staff. The majority of the increase in wages and salaries relate to additional expenditure in agency and contract staff. No remuneration was paid to any Trustee during the period (2009/10, Nil).

During the period higher paid employees comprised the following:

	2010/11 No.	2009/10 No.
£60,001 – £70,000pa	3	4
£70,001 – £80,000pa	2	3
£80,001 – £90,000pa	1	2
£90,001 – £100,000pa	2	2
£100,001 – £110,000pa	1	1
£110,001 – £120,000pa	1	–

Contributions to pension schemes for these employees amounted to £27,019 (2009/10 £27,913).

The average number of employees during the period, as adjusted to reflect full-time equivalents, comprised the following:

	2010/11 No.	2009/10 No.
Care services	1,230	1,248
Retail	764	738
Support services	197	198
Total	2,191	2,184

11. Tangible fixed assets

	Leasehold property £'000s	Freehold property £'000s	F&F and equipment £'000s	Motor vehicles £'000s	Total £'000s
Consolidated					
Cost					
At 1 April 2010	8,501	23,775	4,628	596	37,500
Additions	298	289	1,680	14	2,281
Disposals	(4,447)	–	(35)	(8)	(4,490)
Transfer	(1,810)	1,810	–	–	–
At 31 March 2011	<u>2,542</u>	<u>25,874</u>	<u>6,273</u>	<u>602</u>	<u>35,291</u>
Depreciation					
At 1 April 2010	6,621	7,814	3,530	498	18,463
Charge for the year	228	559	528	25	1,340
Eliminated on disposal	(4,447)	–	(32)	(8)	(4,487)
Transfer	(839)	839	–	–	–
At 31 March 2011	<u>1,563</u>	<u>9,212</u>	<u>4,026</u>	<u>515</u>	<u>15,316</u>
NBV					
At 31 March 2011	<u>979</u>	<u>16,662</u>	<u>2,247</u>	<u>87</u>	<u>19,975</u>
At 31 March 2010	<u>1,880</u>	<u>15,961</u>	<u>1,098</u>	<u>98</u>	<u>19,037</u>

Of leasehold properties a net book value of £516,000 (31 March 2010: £746,000) relates to property leases with more than 50 years to run.

The transfer of asset classification relates to the purchase of the freehold of a building that was originally leasehold.

11. Tangible fixed assets (continued)

	Leasehold property £'000s	Freehold property £'000s	F&F and equipment £'000s	Motor vehicles £'000s	Total £'000s
Charity					
Cost					
At 1 April 2010	8,500	23,775	4,359	596	37,230
Additions	298	289	1,676	14	2,277
Disposals	(4,447)	–	(14)	(8)	(4,469)
Transfer	(1,810)	1,810	–	–	–
At 31 March 2011	<u>2,541</u>	<u>25,874</u>	<u>6,021</u>	<u>602</u>	<u>35,038</u>
Depreciation					
At 1 April 2010	6,621	7,814	3,435	498	18,368
Charge for the year	228	559	489	25	1,301
Eliminated on disposal	(4,447)	–	(11)	(8)	(4,466)
Transfer	(839)	839	–	–	–
At 31 March 2011	<u>1,563</u>	<u>9,212</u>	<u>3,913</u>	<u>515</u>	<u>15,203</u>
NBV					
At 31 March 2011	<u>978</u>	<u>16,662</u>	<u>2,108</u>	<u>87</u>	<u>19,835</u>
At 31 March 2010	<u>1,879</u>	<u>15,961</u>	<u>924</u>	<u>98</u>	<u>18,862</u>

Included in Freehold properties is an amount of £664,000 (31 March 2010, £481,000) relating to freehold land.

The charity rents out surplus accommodation at its freehold and rented properties, mainly accommodation above retail shops. It is not possible to separate the values out from the main asset and in the opinion of the Trustees the value is unlikely to be significant.

12. Investments

	Consolidated		Charity	
	2011 £000s	2010 £000s	2011 £000s	2010 £000s
Opening balance at 1 April	12,056	9,913	12,056	9,913
Less:				
Disposals at book value	(1,487)	(1,264)	(1,487)	(1,264)
Add:				
Acquisitions at cost	1,455	1,319	1,455	1,319
Net gains/(losses) on revaluation at 31 March	500	2,088	500	2,088
 Market value at 31 March	<u>12,524</u>	<u>12,056</u>	<u>12,524</u>	<u>12,056</u>

The investments are made up as follows:

	Consolidated		Charity	
	2011 £000s	2010 £000s	2011 £000s	2010 £000s
UK equities	5,142	4,226	5,142	4,226
Overseas equities	2,893	2,182	2,893	2,182
UK fixed interest and gilts	1,725	1,550	1,725	1,550
Overseas fixed interest and gilts	1,428	1,272	1,428	1,272
Others	1,336	2,826	1,336	2,826
 Total	<u>12,524</u>	<u>12,056</u>	<u>12,524</u>	<u>12,056</u>

The investment shown above includes an investment of £5 held by the charity in its subsidiary undertaking.

The excess of market value over cost of £3,122,000 (31 March 2010: £2,157,000) is accounted for in an unrestricted designated fund as shown in note 16.

No individual investment exceeded 5% of the total value as at 31 March 2011 (31 March 2010: None).

13. Programme related investments

	Consolidated		Charity	
	2010/11 £000s	2009/10 £000s	2010/11 £000s	2009/10 £000s
Due after one year				
Due from The Sue Ryder Foundation (Ireland) Limited (interest free, secured)	700	700	700	700

Sue Ryder Foundation (Ireland)

The balance of £700,000 is due on 31 December 2015. The full amount of the loan is secured against one of their freehold properties.

14. Debtors

	Consolidated		Charity	
	2010/11 £000s	2009/10 £000s	2010/11 £000s	2009/10 £000s
Amounts owed by group undertakings	–	–	921	1,123
Debtors for care services	2,349	2,518	2,349	2,518
Accrued income – legacies	4,800	4,389	4,800	4,389
Other debtors	2,697	2,464	2,653	2,464
Prepayments	1,699	1,764	1,556	1,543
	<u>11,545</u>	<u>11,135</u>	<u>12,279</u>	<u>12,037</u>

In addition to the £4,800,000 of legacy accrued income, there were 59 (31 March 2010: 44) legacies that have been notified to the charity that have not been valued due to the uncertainty of the amount due.

15. Creditors: amounts falling due within one year

	Consolidated		Charity	
	2010/11 £000s	2009/10 £000s	2010/11 £000s	2009/10 £000s
Trade creditors	4,062	2,000	3,826	1,710
Other creditors	98	24	197	112
Accruals	2,934	2,878	2,720	2,793
Other taxes and social security	905	827	905	827
Amounts due to group undertakings	–	–	–	–
	<u>7,999</u>	<u>5,729</u>	<u>7,648</u>	<u>5,442</u>

16. Unrestricted funds

	Balance at 31 March 2010 £000s	Surplus (deficit) for the period after transfers and investment gains £000s	Utilised/ realised £000s	Balance at 31 March 2011 £000s
Unrestricted funds				
Capital reserve fund				
Charity	18,862	–	973	19,835
Subsidiary	175	–	(35)	140
Total capital reserves funds	19,037	–	938	19,975
General funds				
Investment revaluation reserve	2,157	500	465	3,122
Charity retained funds	20,689	1,676	(1,438)	20,927
Subsidiary's retained funds	(134)	(23)	35	(122)
Total General funds	22,712	2,153	(938)	23,927
Total unrestricted funds	41,749	2,153	–	43,902

The capital reserve fund represents the net book value of the fixed assets of the charity. These are designated for replacing existing assets and expanding the charity's investments.

17. Restricted funds

The income funds of the charity include restricted funds comprising the following:

	Balance at 31 March 2010 £000s	Movement in funds		Balance at 31 March 2011 £000s
		Incoming resources £000s	Expenditure and transfers £000s	
Funds held at care centres and centrally	1,196	7,084	(7,273)	1,007
Department of Health	–	1,566	(1,504)	62
Big Lottery (SR's project)	–	30	(30)	–
Summerfield Charitable Trust	–	5	(5)	–
	1,196	8,685	(8,812)	1,069

The funds held at Care Centres and Centrally comprise the unexpended balances of donations and grants held on trust for specific projects.

The Department of Health grants was received to allow refurbishments to the physical environment of three hospices, St John's, Wheatfields and Manorlands. The £62,000 balance remaining at the year end relates to expenditure at St John's that will be spent during the first two months of 2011/12.

18. Analysis of net assets across funds

	Unrestricted funds £000s	Restricted funds £000s	Endowment funds £000s	Total funds £000s
Consolidated				
Fund balances at 31 March 2011 are represented by:				
Tangible fixed assets	19,975	–	–	19,975
Investments	12,524	–	–	12,524
Programme related investments	700	–	–	700
Current assets	18,702	1,069	88	19,859
Current liabilities	(7,999)	–	–	(7,999)
Total net assets	43,902	1,069	88	45,059

Unrealised gains included above

On investments assets (see note below)	3,122	–	–	3,122
--	-------	---	---	-------

Reconciliation of movements in unrealised gains on investment assets

Unrealised gains at 31 March 2010	2,157	–	–	2,157
Add: On disposal of investments	465	–	–	465
Add: Net gains arising on revaluations in period	500	–	–	500

Unrealised gains at 31 March 2011

3,122	–	–	3,122
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	Unrestricted funds £000s	Restricted funds £000s	Total funds £000s
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Charity

Fund balances at 31 March 2011 are represented by:

Tangible fixed assets	19,835	–	19,835
Investments	12,524	–	12,524
Programme related investments	700	–	700
Current assets	18,471	1,069	19,540
Current liabilities	(7,648)	–	(7,648)
Total net assets	43,882	1,069	44,951

Unrealised gains included above

On investments assets	3,122	–	3,122
-----------------------	-------	---	-------

Reconciliation of movements in unrealised gains on investment assets

Unrealised gains at 31 March 2010	2,157	–	2,157
Add: On disposal of investments	465	–	465
Add: Net gains arising on revaluations in period	500	–	500

Unrealised gains at 31 March 2011

3,122	–	3,122
--------------	----------	--------------

The parent charity's gross income for the year was £76.1 million (2009/10, £71.8 million) and its expenditure was £74.6 million (2009/10, £71.1 million).

19. Pension costs

(a) Defined contribution schemes of Sue Ryder

A defined contribution group pension scheme was introduced with effect from 1 December 1992, administered by Equitable Life. This scheme is now closed although some members have opted to leave their benefits with Equitable Life.

Following the closure of the Equitable Life scheme in October 2001, personal pension plan facilities were arranged with pension providers, currently Zurich, into which the charity pays matched contributions up to a maximum of 5% of pensionable pay for eligible employees who choose to join.

(b) National Health Service pension scheme

Sue Ryder also contributes to a defined benefit contributory pension scheme on behalf of certain former National Health Service employees.

These contributions are fixed by reference to quinquennial valuations by the Government actuary which is currently 14% of earnings. The latest available report relates to the period from 1994 – 1999.

It is not possible to identify the surpluses or deficits that relate to Sue Ryder and therefore this scheme is treated as a defined contribution scheme under FRS 17, with costs recognised in accordance with contributions payable.

The charity received £205,726 (2009/10, £201,000) from the NHS as a contribution towards our NHS pension contributions.

20. Lease obligations

	2010/11 £000's	2009/10 £000's
Consolidated		
Operating leases:		
Land and buildings		
Annual commitments which expire:		
Within one year	656	654
In the second to fifth years inclusive	2,874	2,848
After more than five years	834	604
	<u>4,364</u>	<u>4,106</u>
Other		
Annual commitments with expire:		
Within one year	28	177
In the second to fifth years inclusive	261	149
	<u>289</u>	<u>326</u>
Total	<u>4,653</u>	<u>4,432</u>

21. Other commitments

Sue Ryder Direct Limited has outstanding foreign currency commitments of USD \$109,231 (31 March 2010, \$264,336) which are due to mature within 12 months.

22. Related party disclosures

The company has a wholly owned subsidiary, Sue Ryder Direct Limited (formerly Sue Ryder Care Direct Limited), incorporated in the UK, as disclosed in Note 25 to these financial statements.

There are a number of independent foundations operating in various countries and which share the main objectives of Sue Ryder. The charity awards grants to these entities as shown in Note 8.

The financial statements of the group consolidate the results of its 100% subsidiary company, Sue Ryder Direct Limited, and exemption has therefore been claimed under FRS 8 not to disclose transactions between the charity and the subsidiary company.

23. Reconciliation of deficit to net cash inflow/(outflow) from operating activities

	Consolidated	
	2010/11 £000s	2009/10 £000s
Changes in resources before revaluations	1,526	693
Depreciation (note 11)	1,340	1,380
Gain on sale of assets	(1,210)	(215)
Gain on sales of investment assets	(36)	(11)
Decrease in stocks	133	472
Increase in debtors	(410)	(625)
Increase in creditors	2,273	888
Investment income	(349)	(358)
Net cash outflow from operating activities	3,267	2,224

24. Analysis of changes in net funds

Consolidated	Cash flows	
	2010/11 £000s	2009/10 £000s
Opening cash balances	4,725	2,821
Movement	2,613	1,904
Cash at bank and in hand at 31 March 2011	7,338	4,725

25. Net Income from trading activities of subsidiary

Sue Ryder has one wholly owned subsidiary which is incorporated in the UK. The principal activities of the subsidiary, Sue Ryder Direct Limited, are the sale of new goods and the running of the donated goods gift aid scheme. The company gifts its taxable profits to Sue Ryder.

The results for the periods ended 31 March were:

	2010/11 £000s	2009/10 £000s
Turnover	5,084	5,044
Cost of sales	(2,995)	(3,234)
Gross profit	2,089	1,810
Other expenses	(2,099)	(1,730)
Net profit before covenant	(10)	80
Amount covenanted to Sue Ryder	(13)	(25)
Retained profit for the period	(23)	55
Tangible fixed assets	140	175
Net liabilities	(122)	(134)
Net Assets	18	41
Share capital (£5)	0	0
Profit and loss account	18	41
Shareholder's funds	18	41

A subsidiary charity exists, Sue Ryder Care (Chantry), to administer a permanent endowment passed to Sue Ryder by the Charity Commission as disclosed in Note 26.

26. Endowment fund

	Balance at 31 March 2010 £000s	Incoming resources £000s	Expenditure and transfers £000s	Balance at 31 March 2011 £000s
Consolidated and charity				
Endowment Fund (Consolidated only)	88	1	(1)	88

27. Contingent liabilities

Freehold land and buildings

A charge of £481,000 exists against the care centre in Aberdeen. This stems from a grant from Scottish Homes for the purchase of land.

This becomes repayable in the event of Sue Ryder ceasing to provide neurological care from the site before 6 November 2011.

28. Post balance sheet events

Following a strategic review, a decision was made to exit the traditional local authority purchased homecare market in England. A sale of the English homecare business completed on 21 July 2011. Consideration for the sale is based on the performance of the businesses in the three months subsequent to the transfer date and therefore cannot be estimated at the time of signing the accounts.

Thank you

AM Fenton Trust
AM Pilkington Trust
Amelia Chadwick Trust
Balmain Charitable Trust
Bartlett Taylor Charitable Trust
Big Lottery Fund
Bowcocks Trust Fund for Keighley
Charles Brotherton Trust
Charles Irving Charitable Trust
Cumberland Building Society
D & H E W Gaunt Charitable Settlement
David and Patricia Gibbons Trust
DC Leggats Charitable Trust
Deirdre Palk Charitable Trust
Department of Health
DfID
Dinam Charity
Dove Trust
E H Smith Charitable Trust
Elizabeth Jane Pigott
FAF Charitable Trust
Faithful Companions of Jesus
Fookes Trust
Freemasons Grand Charity
G B Mason Trust
Gale Family Trust
Gay & Peter Hartley's Hillards Charitable Trust
Gerald Bentall Charitable Trust
Halcrow
Harrison and Potter Trust
Hesco Bastion Fund
Hospice Aid UK
Howberry Trust
Hugh Fraser Foundation
Ilkley Charitable Trust
Irwin Mitchell Charities Foundation
J Paul Getty Jnr. Charitable Trust
Jack Patston Charitable Trust
James Reckitt Charity
Jean Burrows Charitable Trust
John Clayton Charity
John Slater Foundation
Joseph & Annie Cattle Charitable Trust
Langford Welfare Trust
Leathersellers Company
Leyland Trucks Helping Hands Charity
Linden Charitable Trust
Lloyds TSB Foundation
Louis Baylis Charitable Trust
Lovering Trust
Macdonald Buchanan Charitable Trust
Madeline Mabey Trust
Maria Holland & St Joseph's Charity
Marjorie Viggars Charitable Trust
Mason Bibby 1981 Trust
Mazar's Charitable Trust
Meadow House Trust
Mrs L D Rope Third Charitable Settlement
Norman Collinson Trust
P F Charitable Trust
Pennycrest Trust
Peter and Sheila Gosden Charitable Trust
RAF Benevolent Fund
RB Gray Charitable Trust
RE Chadwick Charitable Trust
Reading St Laurence Church Lands
Robert Clutterbuck Charitable Trust
Rotary Club of Skipton Trust Fund
RS MacDonald Charitable Trust
Ruth Walker Charitable Trust
Scoloudi Foundation
Sharegift
Shears Foundation
Skipton Building Society Charitable Foundation
Thames Wharf Charitable Trust
The Albert Hunt Trust
The Astor of Hever Trust
The Balney Charitable Trust
The Bramhope Trust
The Christine Hall Trust
The Christopher Laing Charitable Trust
The Clover Trust
The Colston Education Trust
The Coulthurst Trust
The Coward Trust
The Earl Fitzwilliam Trust
The Florence Reiss Trust for Old People
The Ganzoni Charitable Trust
The GC Armitage Charitable Trust
The Ibbett Trust
The Jean S Innes Charitable Trust
The Kenneth Hargreaves Charitable Trust
The LAPA Charitable Trust
The Martin Connell Charitable Trust
The Martin Isherwood Memorial Trust
The MEB Charitable Trust
The Morningfield Association
The Niniski Trust
The Phyliss Morley Trust
The Rowlands Trust
The Shanti Charitable Trust
The Smith Trust
The Souter Charitable Trust
The Summerfield Trust
The Thomas J Horne Memorial Trust
The Van Geest Foundation
The Vandervell Foundation
The Walter Graham Forsyth Charitable Trust
Thomas Kirke Charity
Tom Hall Charitable Trust
Tony Rampton Trust
Viscount Mountgarret Trust
Voluntary Action Fund
W L Pratt Charitable Trust
West Lancashire Freemasons Charity
William Gerrard Trust
Wing Commander HM Sinclair Deceased and Mrs MH Sinclair Deceased 1964 Charitable Trust
Wixamtree Trust
Worshipful Company of Girdlers
Yorkshire Building Society Charitable Foundation



For more information

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**This document is available in
alternative formats on request.**

Living through life's challenges

Sue Ryder is a charity registered in England and Wales (1052076) and in Scotland (SC039578).
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