

WE PROVIDE HEALTH AND SOCIAL CARE

Sue Ryder Care 

Working Together Making a Difference

Trustees' Annual Report
and Accounts 2008/09



We care for people with end of life
and long-term conditions:

**Cancer, Stroke, Brain Injury,
Multiple Sclerosis, Dementia,
Huntington's Disease,
Parkinson's Disease and
Motor Neurone Disease**

For more information
about Sue Ryder Care:

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

Who we are and what we do

Sue Ryder Care provides compassionate health and social care for people with life-limiting and long-term conditions.

We are a national charity that delivers services within local communities through day care, respite care, homecare, hospices and hospice-at-home, long-term residential care, sheltered housing and community reintegration.

Contents

Who we are and what we do	01
Our 10-year goal and business drivers	03
Chairman's report	05
Chief Executive's report	06
Delivering health and social care – making a difference	07
Summary of activities 2008/09	09
Aims for 2009/10	12
Supporting the delivery of health and social care	13
Financial results	17
Financial accounts 2008/09	19
Management and policies	39
Legal and administration	42
Donors	45

- Sue Ryder Care has 14 care centres across the UK
- Sue Ryder Care provides four million hours of care per year
- Sue Ryder Care provides 1.4 million home visits per year to people in need
- Sue Ryder Care is one of the largest providers of specialist palliative and end of life care in the UK
- Sue Ryder Care provides over 100,000 days of long-term residential neurological care each year
- There are currently 6,500 volunteers supporting our work

Specialist palliative care

This is care centred on the needs of the individual, their families and carers and can be offered from our in patient and day facilities and through our teams that provide care into your home.

Our aim is to help each person to maximize their quality of life and support their choices and their independence, caring for them in their place of choice.

Neurological care

This includes day care, respite care, homecare, long-term residential care sheltered housing and community reintegration.

Our comprehensive neurological services are developed to meet the changing needs of our service users. We understand the continuum of needs of people with a neurological diagnosis and we deliver care in conjunction with health and social services, disease-specific societies and housing associations.

Research

We support programmes that encourage research into the care of individuals with neurological conditions and those receiving care at the end of their lives. This includes funding for the Chair in Palliative Care and End of Life Studies at Nottingham University.

Campaigning

Sue Ryder Care plays an active part in campaigning for better services for people with end of life and long-term care needs by opening constructive dialogue with commissioners, the Department of Health, NHS and Government.

International

We support affiliate partners delivering care in Europe and Africa through grants and professional support. We support the sharing for mutual benefit of clinical and managerial practice.



Our 10-year goal and business drivers

Sue Ryder Care is working to a ten year strategic plan, conceived in 2008, which has five key drivers for success.

Against this plan, across each area of our operations, we have identified five key drivers, each with three-year targets, which will help us deliver the strategy.

1. Service development and growth

We will plan for and pursue opportunities to provide high quality, environmentally responsible services using long term, medical and nurse-led plans.

We will provide services across the continuum of care, from supported living in the home to end-of-life, serving every health board in the UK.

Care services will be designed to have significant impact on health and social care, local and national priorities and to meet need.

We will deliver care using highly skilled staff who have access to structured training and development programmes.

2. The Sue Ryder Care way of working

We will create a distinct Sue Ryder Care way of doing things led by a clear sense of purpose and direction and observing high levels of governance to ensure consistency and good quality.

Focusing on skills, learning and adaptability, we will take a structured approach to change including integrating volunteers fully into our workforce.

We will rigorously implement well defined processes supported by the latest and most appropriate information to create understanding across functions and with partner organisations.

3. Partnering

To help the speed of the development of care services and to increase the impact the charity has we will establish and grow well-structured partnerships with external agencies and individuals including:

- Commissioners and NHS providers
- Housing associations and developers
- Academics and clinicians
- The private sector and other charities
- Suppliers

4. Communication and marketing

We will aim to create high levels of awareness and understanding of Sue Ryder Care and what we do by providing distinct messages in easily understood, plain English.

We will focus on providing the appropriate information to different groups in a timely and easily accessible way.

We will work to build a strong and trusted Sue Ryder Care brand.

5. Financial sustainability

We will seek to develop reliable and predictable levels of income matched with accurately forecast and controlled expenditure to create a sustainable financial position (including appropriate moderate reserves).

This will create confidence in donors, supporters, commissioners and those who use our services and enable us to invest in both the UK and internationally.

Our overall strategic goal is: To significantly increase our hours of care by being the partner of choice for our commissioners and the preferred provider of care and information for users because we offer:

- **Specialist, high quality care with interventions that are of greatest value to users;**
- **An economic, innovative and integrated approach to local need, working closely with partner organisations;**
- **Services across the continuum of our selected conditions i.e. care that ranges from supportive care in the home, facilitated discharge from hospital or hospice to complex care in a care centre to end-of-life and bereavement support;**
- **Highly skilled, adaptable and collaborative staff operating within a well-informed international federation.**

Case study: Stephen

In January 2009, Stephen's wife Sue received specialist palliative care at a Sue Ryder Care hospice.

"Initially Sue was very apprehensive about being admitted to the hospice. While we had both chosen Sue Ryder Care because we had heard about the high quality care offered, it was still difficult to accept.

The staff did all they could to help us feel at ease. They were available round the clock to support both Sue and our family."

Sue and Stephen received support from the hospice's multidisciplinary team including consultants in palliative medicine and a team of doctors, registered nurses and support workers.

"We were so impressed and grateful to the specialist nursing team who eased Sue's pain and respected her dignity. After Sue died we found a card in her bedside drawer addressed to the nurses. She had written, 'Thank you for looking after me and keeping me smiling'."



Chairman's report



Discovery, admiration and challenge

My first six months as the new Chair of Trustees of Sue Ryder Care has been one filled with discovery, admiration and challenge.

My first task was to get to know the organisation and see first hand as many of the services we provide as possible.

What I discovered was outstanding care covering a wide range of complex conditions, delivered with compassion and professionalism in the home, through day and respite care, long-term residential care and, ultimately, in superb hospices where dignified end of life care is a given, not a privilege.

I discovered a passion for care coupled with innovation. A '5Rs neurological programme' – 're-energise, re-integrate, rebuild, relax and regenerate' – run in Suffolk and nationally recognised as a beacon of good practice; a ground-breaking Palliative Initiatives in Neurological Care (PINC) programme that brings a new perspective to end of life care; and a commitment to even higher standards as the organisation makes a strong bid for kitemark recognition under the exacting NHS Information Accreditation Scheme.

The traditional care centre and hospice-based care on which Sue Ryder Care was built and is renowned is now being augmented by an exciting and fast-growing Homecare service which is helping to support people in their wish to live independent lives at home.

The ten year strategic plan to accommodate myriad changes in healthcare delivery as personalised care plans and budgets become the norm is being honed to make sure that Sue Ryder Care is a 'first choice' provider across the country. New models of care are being developed to create a health and social care offering that will place Sue Ryder Care at the forefront of care delivery for the foreseeable future.

Throughout this period of discovery my admiration for the staff and volunteers at Sue Ryder Care has grown and grown. Under immense day-to-day pressures they continue to deliver superb care professionally and with passion. They have succeeded in growing our service provision in a difficult environment by remaining committed and open to innovation. They continue to be the difference for those most in need who Sue Ryder Care aspires to support.

It is a real privilege to join as Trustee a charity dedicated to delivering much-needed services across such a diverse range of conditions across the length and breadth of the United Kingdom. It is also a real challenge to maintain and grow these important services in such a difficult economic climate.

There is no denying that in the beginning of 2009 as the financial year end drew closer, some tough decisions needed to be made to secure the future of the charity. The Council of Trustees took the decision to insist that the charity return a break-even budget for 2010/11 and, in order to achieve this, the charity began to tighten its financial controls and reduce its overheads.

This was a difficult but necessary decision to ensure the long-term health of the charity. The next year will be a challenge and we may not always get things right. But with the determination, professionalism, passion and commitment I have witnessed so far, I am confident that we will build an even stronger Sue Ryder Care of which everyone can be proud.

Roger Paffard
Chairman

Chief Executive's report



There is no escaping the fact that the past year has been difficult. The health and social care environment in which we operate is in a state of great change and, at the same time, the economic downturn has added to the pressures on our already burdened services.

Despite this, Sue Ryder Care continues to provide over four million hours of care through its home care, day care, respite care, residential and palliative care services. A staggering figure which, in context, is more than some charities far bigger and better known than Sue Ryder Care.

With such success you might think that we are doing well, and on one hand you would be correct. Our care services remain at a high standard and our reputation is strong. However, the reality check is that we still face significant problems with funding, managing our direct costs and our ability to develop new services at the speed we would prefer.

At the same time, funding shortfalls and rising costs have meant a further draw on reserves this year which is disappointing. As a result, in February, I announced a series of cost cutting measures that would help move Sue Ryder Care towards a break-even budget in 2010/11. The decisions were tough, but necessary. As a result we saw a number of staff leave the charity (some as a result of redundancy), a proposal to restructure healthcare staff unsocial hours pay enhancements (which was in consultation as the financial year ended) and tighter controls over other spending.

There are, at the same time, some very positive and encouraging outcomes too.

Against very difficult economic pressures, our fundraising grew by 31.6% year on year and our overall income increased by 8.3%, which is a marvellous achievement. We have invested in the development still further of our fundraising teams as we strive to improve our income from regular giving and to generate greater returns from the benefits of tax efficiency on donations.

Our homecare and community care services continue to grow rapidly providing 675,000 hours of care regionally, an impressive 18% increase year-on-year. We have opened a supported living facility in Ipswich, been recognised by the London Procurement Programme (a framework agreement for the provision of fully NHS funded, long-term adult nursing care placements) and a number of our care centres continue to receive the highest praise following inspection by our regulators. We have also been able to launch a Hospice-at-Home service from Leckhampton Court Hospice, near Cheltenham.

Outside of healthcare, our retail division continues to innovate and has clocked up an staggering £3m in additional income since the introduction of its innovative Gift Aid scheme a little over two years ago. Never wishing to stand still, the retail team are now working hard to be recognised as a 'green' retailer through recycling and other projects.

Meanwhile our Prisoner Volunteer Programme has seen us engage with the probation service to offer work placements to 250 offenders who are on a rehabilitation scheme prior to release. This continues to grow as does our volunteer support with numbers increasing by 30% during the year as we offer more and more benefits to volunteering for Sue Ryder Care.

So where to from here? We are working hard to develop our health and social care strategy to ensure we are best placed to meet the needs of commissioners and, of course, service users in the ever-shifting modern healthcare environment.

Our goal is to offer the best possible care to those who need it, delivering best value to those who commission it.

It is my firm belief that having faced up to some difficult challenges during the year we are now stronger and better placed to be able to deal with whatever comes next and I am confident that together, everyone who has any involvement with Sue Ryder Care will work hard to help us achieve our goals.

Paul Woodward
Chief Executive

Delivering health and social care – making a difference

Sue Ryder Care continues to enjoy a reputation gained from providing professional, compassionate and innovative health and social care for over 55 years.

The development of flexible, out reach programmes focused on the needs of the service users and community-based service from the traditional hospice and care centre base means the charity is best placed to meet new demands from commissioners as the move towards personalised budgets and patient choice unfold.

New community care provision, including a hospice-at-home service delivered from Leckhampton Court Hospice in Gloucestershire, outreach neurological care in Arbroath, a supported living programme in Suffolk and new homecare contracts in Macclesfield and Doncaster are part of the essential development of integrated care models that will continue to make Sue Ryder Care a preferred provider of care.

Importantly it is a vision for service development through partnership working that sees a mix of the traditional and the innovative to ensure that Sue Ryder Care is closely aligned to the needs of both individuals and commissioners.

With such a diverse and integrated health and social care capability it is the way Sue Ryder Care will continue to make a difference.

Case study: Nick

Shona's husband, Nick, has motor neurone disease. He has limited mobility and restricted use of his hands. When Nick's GP referred him to Sue Ryder Care he began attending day care sessions once a week.

"Since Nick's diagnosis three years ago, life has become very difficult for both of us. We've had to come to terms with Nick's increasing disability and dependence, while I've had to learn to balance caring for Nick with full-time work.

"Nick's weekly visits to Sue Ryder Care are an absolute lifeline. At the hospice he receives high quality care and has access to qualified professionals who advise him on his treatment needs. It's also a great social opportunity. Nick meets people who know and understand his everyday difficulties. Some weeks it is the only day he leaves the house.

"Home visits by Sue Ryder Care's Community Matron, Liz, have been critical in helping us access the support services that make our lives that little bit easier. With Liz's help we have been able to access funding for carers so I can continue to care for Nick in our own home."

Our Community Matron role has been recognised by the Department of Health as an example of making change happen.



Summary of activities 2008/09

Making a difference in specialist palliative care

- We cared for over 2,000 people as in-patients
- We facilitated over 11,000 visits to our day therapy and day treatment sessions
- Our hospice community teams delivered 3,732 home visits and we made over 6,500 telephone calls supporting people in their homes
- Bereavement councillors attended 2,228 face-to-face conversations and made over 4,200 telephone calls supporting families and carers
- Sue Ryder Care's six hospices achieved an occupancy level of 72% with an average in-patient stay of 11.5 days, consistent with the previous year
- In partnership with St Gemma's Hospice in Leeds, Sue Ryder Care Wheatfield's Hospice developed a joint day-care service which has been recognised as good practice and which received additional funding to expand the service
- A satellite day-care service has been developed in South Leeds in partnership with Marie Curie, Leeds PCT and St Gemma's Hospice providing drop-in facilities and access to medical out patients, nursing team, physiotherapy and education sessions
- A proposal was prepared for the development of rapid response services in consultation with Bedfordshire PCT. This project will continue to develop during 2009/10

Achievements

- We continued to strengthen relationships with partners and those who commission services. A continuum of care (from supported living in the home to complex residential care and end of life care) has been developed and used successfully in discussions initially with commissioners in projects at Thorpe Hall Hospice and St John's Hospice
- Consultants from Sue Ryder Care Nettlebed Hospice and West Berkshire PCT have jointly developed a 24-hour specialist advice and support service to the Hospice
- Reprovision of Thorpe Hall Hospice in Peterborough is part of the service development opportunities that the Peterborough Palliative Care Project Board and Sue Ryder Care are progressing to meet current national policy and the Department of Health's End of Life Care Strategy
- Nettlebed Hospice and Oxfordshire Primary Care Trust have completed the three-year pilot of a Community Matron for Palliative Care. The evaluation has demonstrated that the post has made a significant difference to patients achieving their preferred place of care and is given as an example of making change happen on the Department of Health End of Life Care web site

Making a difference in neurological care

- Over 400 people benefit each year from long-term neurological and respite care at our eight care centres and 296 inpatient beds
- We completed the first year of occupation of supported living unit in Ipswich, Suffolk, providing four people with the ability to move from full-time residential care into more independent living accommodation
- There were over 5,000 visits to our neurological day therapy sessions
- Occupancy in our neurological care centres averaged 92%, slightly lower than the previous year due to a greater number of referrals of individuals with higher levels of dependency and of those nearer to the end of their lives and therefore requiring less time in our care. There were also some bed closures and difficulty in securing referrals from commissioners

Achievements

- Lottery funding (£157,498) obtained to extend the 5Rs programme ('re-energise, re-integrate, rebuild, relax and regenerate') at the Chantry, Suffolk for a further five years
- 5Rs programme has been recognised as a model of best practice by the Department of Health
- Secured agreement and input to the development of our funding strategy from world-leading neurologists

Ongoing activities

- Expansion of 5Rs programme to two additional care centres has been delayed due to lack of secured funding
- Opening of two additional supported living units, supported by local Commissioners in partnership with a housing association in St Helens, Merseyside, remains live and is to be progressed in 2009/10
- Sue Ryder Care withdrew its interest in tendering for the provision of acute neuro-rehabilitation in Cambridgeshire due to changes in the service specification which we felt we could not meet

Making a difference in social support and community-based care (homecare)

Achievements

- Homecare services increased its hours of care to 675,000 hours, exceeding our target of 620,000 hours. This is an increase of 18% on the previous year
- We expanded into new markets and Sue Ryder Care is working with Arena Options, a housing association, to deliver Housing with Care (due to commence in September 2009) at a 92 apartment 'retirement village'
- Our domiciliary care services were expanded including new services provided in Wolverhampton and Doncaster
- All Sue Ryder Care homecare services were awarded accreditation with the Investor in People scheme
- Hospice-at-Home is now a mainstream-funded service at Leckhampton, Gloucestershire, integrated with the service delivered from the hospice

- Outpatient and day services were expanded at Nettlebed Hospice, near Henley, providing increases in patients seen for blood transfusions and other planned episodes of care

Ongoing activities

- We were disappointed that we failed to secure a block contract for care provision in St Helen's, Merseyside. This was due to the payments available for the service being below that which we felt would enable us to provide care to the level required. The development team continues to be alert to tender opportunities and will review the feasibility of adding to domiciliary services attached to care centres throughout 2009/10
- A palliative care Rapid Response Service model was developed in consultation with Bedfordshire PCT to prevent those with palliative/end of life care needs being inappropriately admitted directly to the acute hospital and to enable individuals to be discharged early. This service commenced in September 2009

Research

The charity supports and carries out research both internally and through the Sue Ryder Care Centre for Palliative and End of Life Studies at the University of Nottingham.

Achievements

- Stage one of the Mental Capacity Act audit was undertaken in April 2008 and stage two fieldwork completed by Nottingham University with additional funding from the Social Care Institute for Excellence
- The charity continues to focus on evidence-based practice and to develop expertise in end of life care. Our Palliative Initiatives in Neurological Care (PINC) programme was cited as best practice in the national End Of Life Care strategy
- The Care Of The Dying Pathway has been expanded to include all our neurological care centres. It encourages a multi-professional approach to the delivery of care that focuses on the physical, psychological and spiritual comfort of patients and their relatives in a variety of care settings
- A further five years funding has been secured for the Nottingham University research chair

Campaigning for better services

Through its active engagement with Government, Department of Health and senior civil servants, Sue Ryder Care continues to campaign and lobby support on a range of issues on behalf of the beneficiaries of the charity.

Achievements

- We continued to challenge for increases in statutory funding and for transparency in pricing for care where it is commissioned which would provide charity providers with equal opportunities to tender for services
- We highlighted our best practice and forward looking approach to care through the publication and launch at the House of Commons of Filling The Void, an evidence-based paper on innovation in care, including the 5Rs programme and Palliative Initiatives in Neurological Care (PINC)
- We developed and provided input to a number of Government consultations including the End of Life Care Strategy and the Darzi Review

Quality in healthcare

Ensuring quality in healthcare is a fundamental part of how Sue Ryder Care delivers its services. Our quality and clinical governance team is constantly reviewing our services and looking for new ways to improve the experience for service users.

Achievements

- We continued to develop our clinical governance processes, maintaining a clear focus on the quality of our services. A new clinical supervision policy was agreed and is in the process of implementation
- A Clinical Pathway project has been completed and piloted at Leckhampton Court Hospice. This provides evidence-based documentation to improve the care for service users
- We have developed a systematic approach to clinical risk management to improve the quality of service. This included the appointment of a Full Service User Involvement Lead to establish a programme working with service users to help develop services
- An updated and strengthened written controls policy and system has been designed and implemented in healthcare and across the whole organisation

Aims for 2009/10

The core healthcare objectives for 2009/10 are:

To transform services to new models of care continuing to influence and reflect national policy on health and social care.

- To offer an integrated model of End of Life Care that ranges from supportive care in the home, facilitated discharge from hospital/hospice to complex care in a specialist centre and bereavement support 2009/10 (ref Continuum of Care)
- To provide an integrated Sue Ryder Care Bereavement Service model for homecare, neurological centres and hospices in line with national guidelines and best practice models 2009/10
- To develop supported living models for people with neurological conditions
- To continue to significantly expand homecare and day care services
- Explore different models of funding taking account of personal and individual budgets, offering service users the ability to access care from a menu of services

To develop a workforce that better supports Sue Ryder Care business objectives.

- To continue to implement the Learning Development and Workforce strategy
- To develop a clinical leadership training programme
- To ensure that all identified staff receive training and development in line with their needs so that they are skilled in the provision of palliative care and support to those at the end of life

To improve our healthcare integrated governance programme.

- To deliver work programmes for an integrated healthcare governance plan through:
 - Evidence Based Practice plan
 - Risk plan
 - Learning, Development and Workforce plan
 - Quality Action Group plan
 - Service User Involvement Strategic plan
 - Link to Health Safety & Executive
 - Service Quality Improvement Programme
- To continue to develop quality improvement processes that ensure practice is based on best evidence and best outcomes for the people in our care
- To develop and implement Research Governance Policy
- To work in partnership with service users to deliver a high quality service that is improving and developing and that can truly be described as service user focused
- To implement the new risk strategy and develop a systematic approach to clinical risk management to improve the quality of service, achieve high levels of user satisfaction and promote confidence in the service

Supporting the delivery of health and social care

Sue Ryder Care has at its heart the delivery of the very best health and social care.

Just as the healthcare team rightly focus on delivering the very best specialist palliative and specialised neurological care in a range of settings, there are many people staff and volunteers working to raise the funds needed to support our care delivery providing a range of professional services to the charity.

While all areas are important to running the business aspect of the charity, there are two areas of activity that are fundamental to the success of the organisation: generating income and managing our people.

In addition to the statutory income we receive for providing services, we must raise more cash to support and maintain our operations. This comes from fundraising and our chain of high street shops.

In respect of our people, they are our most precious resource and we have invested heavily in providing a professional human resources team to develop how we manage our staff.

Retail activities

Generating income from the high street

- The contribution from our 350 shops from the sales of donated and new goods has grown by 5% on the previous year from £2.851m to £2.997m
- Sue Ryder Care re-uses, recycles and re-sells over 10,000 tonnes of goods that may otherwise end up in land fill sites
- Sue Ryder Care is an award winning retailer within the charity sector on both innovation and the environment
- Sue Ryder Care has over 4,500 volunteers within its retail outlets
- Having pioneered the introduction of Gift Aid in our retail operations the charity continues to see incremental growth in income from this revenue stream with the 2008/09 figure at £1.6m and the cumulative Gift Aid claim now at around £3million

Creativity and flexibility on the high street has been a key driver of this growth with the opening of larger 'superstore' sized units specialising in furniture new clothing and white goods. The 'credit crunch' and shortage of quality donated goods undoubtedly continue to be the key issues for the development of our business but by being innovative on the high street we aim not just to protect a stable income, but grow revenue by finding new ways of engaging with our customers.

The cost of running the retail chain was also a factor in the net contribution to the charity, with operating costs increasing by 5.8% mostly accounted for in investment in shop refurbishments, new shop openings (our superstore concept), pressure on margins and investment in the quality of managers through appropriate salaries.

Additional achievements in retail were seen in recycling, community integration and establishing further the charity as a serious retailer, one which takes its place in the community and its environmental considerations seriously.

Recycling

- Through donated goods sales of £22m, the charity returned to the community approximately seven million garments/ceramics/books that otherwise would have gone to landfill
- We sent over 3,300 tons of excess clothing to other agencies to profit developing countries abroad. This merchandise would also have gone to landfill in the UK

- The retail division started on its mission to become the best charity green retailer by beginning the work on achieving the ISO15001 standard in its Daventry warehouse. By using the outer cardboard as internal stuffing, Sue Ryder Care Direct is recycling waste product and reducing packaging costs

Community integration

- We are proud to be a good employer. Through 350 shops, our retail presence represents the charity on the high street. By setting new procedures for recruitment and decent salary levels, our shop managers are strong ambassadors for the brand. This also had the significant effect of reducing our labour turnover by 50%
- With enhanced management standards, we provided more satisfactory environments for volunteering opportunities and grew our volunteer numbers by 25%
- Retail helped secure funding to aid the rehabilitation of offenders through its Prisoner Volunteer Programme (PVP). This initiative has now spread to other parts of the charity and Sue Ryder Care is seen as a valuable partner in the PVP scheme. The impact has been to provide all parties involved with an understanding of the issues of offender rehabilitation and set Sue Ryder Care as a progressive employer. We have also been able to provide full-time employment for individuals who have completed the PVP scheme with the charity

Reputation

- Sue Ryder Care generated just over £1.6m in Gift Aid in 2008/09 through its retail operations. It has established such a reputation that it was consulted by Treasury officials on how the system could be made more simple and the Gift Aid manager made several formal presentations to national conferences/ meetings and was consulted on a regular basis by smaller charities
- The charity's Head of Environment was elected to the Board of the Furniture ReUse Network and appeared on Radio 4 as the sector's expert on recycling matters, further strengthening the charity's engagement with wider interest groups

The continued growth and strength of the retail operation is reflected in the ability of staff and volunteers to be flexible, innovative and passionate in their desire to support the charity's work

Key goals

In this context there is a great deal of confidence that we will achieve the four objectives of Sue Ryder Care Retail:

- To generate a net profit of £4.85m
- To achieve £2m income from Gift Aid
- To establish a management training function within the retail division
- To secure BS 8450 in Environmental Practice in New Goods as part of the ten year programme to achieve IS15001

Fundraising activities

Building our donor base, growing our income

Compared to the previous year gross income grew from £10.413m to £13.706m, a rise of 31.6%. This significant increase was achieved against the pressure of the economic down turn and was secured as a result of investment in the fundraising team.

The notable contributors to the increase in income were the enhancement in legacy income to £6.661m, a rise of 30% on the previous year (£5.110m) and the contribution from our growing relationships as charity of the year partners with Gala Coral and BAE Systems which added £546,000. Investment in legacy marketing and the efforts of a dedicated team who have focused on communicating the importance of donors leaving a gift in their will have been the reasons for this. It is anticipated that this will continue to rise for the next five years.

During the period Sue Ryder Care received £2.090m in voluntary giving on which we claimed £318,763 through tax recovery. Our aim is to grow this recovery rate in 2009/10.

We generated a total of £8.507m of tax efficient giving out of a total of £13.706m of overall income. Hence more than 50% of our income is tax efficient which is an encouraging improvement.

Despite this significant increase in our income, we must also acknowledge that we did not achieve all of our ambitious fundraising targets.

We continue to strive to increase our tax efficiency and the level of regular giving through increasing the number of covenants. Our target was to ensure that 10% of gross income was committed giving. This was not realised and that impacted on our ambitious income forecast.

The rise in operating costs (12.7%) was due to continued planned investment in building the fundraising team and in developing Charity of the Year relationships. This has affected the original forecast net contribution to the charity.

Looking forward, we are working towards better data management in order to improve our donor stewardship. This has already led to improved donor relations and increased direct marketing response rates.

Key goals

- Despite the economic downturn our aim is to maintain a gross income of at least £13.5m
- To increase covenanted giving to create stronger donor relationship which will lead to increased legacy revenue
- To improve the efficiency of our events-based fundraising to increase revenue and to build our donor base
- To build upon existing relationships and develop new initiatives with major private sector partners to increase income and to provide opportunities for Charity of the Year status

Human resources

Taking care of staff and volunteers

Our staff

Our aim

The Values remain at the core of the charity and our main aim is to have highly skilled and engaged staff that feel well led and choose to continue to deliver high performance and standards.

The last year (2008/09) presented some difficult challenges: We are focussed on the sustained financial future for the charity and to this end the goal of delivering a break even budget.

Our aim is to engage staff in the development process in a fair, sensitive and professional manner allowing staff to input to the consultation and influence the outcomes as appropriate against the targets.

Investing in learning and development

Learning and Development is more important when costs are being tightly controlled.

Sue Ryder Care values its employees and recognises that to retain and develop its assets it has to invest in core skills and potential. The performance management process has identified some of these requirements through improved quality end of year reviews and development plans. A central learning and development team is now in place and a programme of training for the coming year is underway.

Wherever possible the human resources team is looking to utilise the skills of staff and volunteers to support training delivery. A development programme specific to healthcare is also underway, working with the Royal College of Nursing (RCN).

Policies and procedures

There have been some significant steps in the development, standardisation and the governance of policies and procedures. Recruitment skills continue to be developed along with other core management skills to drive a continually improving standard.

Volunteers

- Sue Ryder Care has over 500 unique volunteering roles available on our website
- Sue Ryder Care has over twice as many volunteers (6,500) as paid staff
- Volunteering with Sue Ryder Care is not just rewarding – it can provide people with transferable skills that help them back into the workplace
- Sue Ryder Care aspires to be recognised as the leading not for profit organisation to make volunteering seen as 'professional' and we will be seeking Investors in Volunteers status in 2010

The Prisoner Volunteer Programme

This innovative programme provides work placements for offenders as they approach the end of their sentence and are preparing for release.

So far 250 prisoner volunteers have been through the scheme and from this 10% have gone on to be employed full time by the charity. It is estimated that the programme provides over £200,000 per year in benefit to the charity.

We are grateful to Lloyds TSB, The Bromley Trust, The John Paul Getty Trust and Action For Volunteers (Scotland) who have collectively provided £200,000 in grants to support the project for three years.

Support functions

The wide range of charitable activities in which Sue Ryder Care engages relies on professional back-up and support. So often the less visible costs of running a charity are found in the need for legal, estates, IT and communications services, all vital to the effective operation of the organisation. Often, too, these costs are the ones rightly scrutinised for their impact on the operating budget.

Hence during the period careful account was taken of the costs of support functions and, in some areas, costs savings were made through natural loss or redundancy. Tighter controls on disbursements were also introduced and a review of supplier costs undertaken.

Overall, during the period, support costs were £6.2m and this compares with last year of £5.9m, an increase of 5%. These costs support all the activities including the Retail. There were small increases in HR staff/agency costs and investment in marketing development. In the same period there were savings in the finance and IT functions and in central management.

Case study: Michael

Michael has a neurological condition that affects his ability to control his muscles. He moved to Sue Ryder Care when his mother was no longer able to care for him at home.

"At Sue Ryder Care, I enjoy the company of other residents my age. I find it easy to talk with them as I know they can understand how I feel."

At Sue Ryder Care Michael receives complex nursing care and social support. Through the recreational unit at the centre which offers daily activities, Michael takes part in art, craft and IT classes.

"I like using the computer to paint. It helps me relax and keep my mind busy. I have learnt how to write emails to my brother and now I am learning to use Word."

Michael uses specialised IT equipment to enable him to use a computer. His condition makes it difficult for him to use a mouse so Sue Ryder Care has adapted a head set and a long-arm device to enhance his control.

Derek, recreational therapist at Sue Ryder Care explains: "It's a real pleasure to see Michael so engaged with the IT equipment. It's a great way for him to communicate regularly with his friends and family and keep him in touch with life outside Sue Ryder Care."



Financial results

Despite a difficult economic climate, the charity improved its Net Operating position producing a deficit of £2.0m, this compared with the previous year's deficit of £2.7m.

Income has grown by 8.3% while at the same time the cost of running the charity has increased by 6.9%.

Goals for 2009/10

- **To achieve a breakeven operating budget by 2010/11 and reduce the deficit in 2009/10 below £2.0m.**

The Trustees have set a clear requirement for cost controls and the charity has embarked upon a Strategic Review of its Health Care Provision and methods of delivery.

- **To increase income from commissioners.** In an ongoing process to remain efficient and competitive there are programmes to increase bed occupancy and to develop new and innovative community based care delivery.

- **To reduce operating costs.** During the year, consultation with Healthcare staff resulted in a reduction to the overtime and unsocial hours enhancement payments and elsewhere salaries were held at 2008 levels. 19 posts in support and overhead areas were made redundant.

Financial summary

During the year:

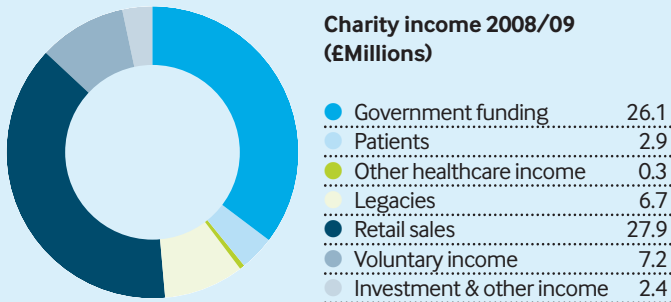
- **Operating income has grown** by £5.6m, from £67.9m to £73.5m a growth of 8.3%
- **Income from retail operations increased** by £1.2m from £26.7m to £27.9m
- **Voluntary (fundraised) income increased** by £3.3m from £10.4m to £13.7m
- **Healthcare income increased** by £2.2m from £27.1m to £29.3m

In line with the turbulent economic climate, income from investments reduced by a total of 23.8%, from £781,000 to £595,000.

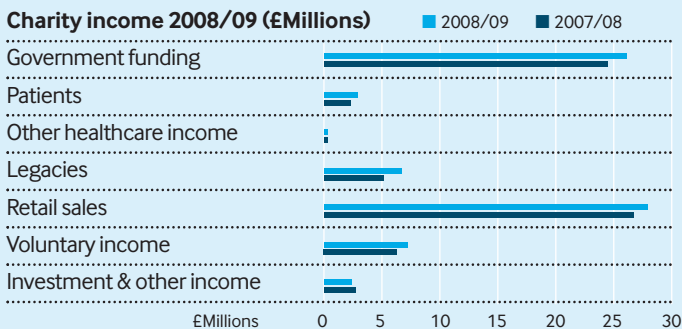
At the same time, operating costs (resources expended) for the period increased by £4.9m, from £70.6m to £75.5m, an increase of 6.9%. The majority of the increase is in our retailing activity and investments in our growing community care provision.

Income

The charity's income is received from the following sources:

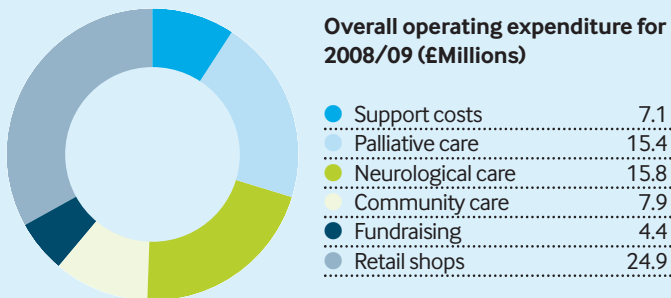


The tables below shows our income compared to previous year.

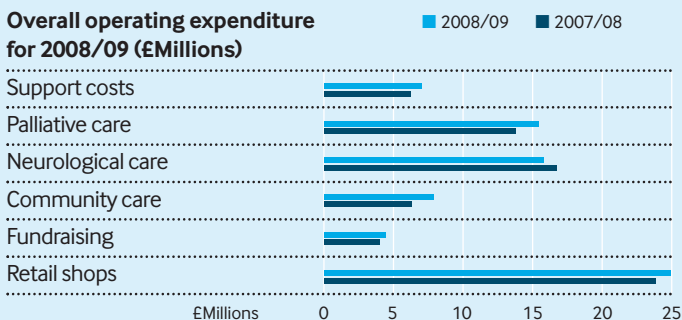


Expenditure

The charity's resources were expended on the following activities:



The tables below shows our costs compared to previous year.



Subsidiary undertakings

Sue Ryder Care has two subsidiary undertakings:

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

Sue Ryder Care 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 Care. Over the trading period to 31 March 2009 its net contribution to the charity was £618,000, down from just over one million in the previous year (2007/08). This was due to general retail market trading conditions and pressure on margins.

Sue Ryder Care (Chantry) was set up in 2000 as a subsidiary linked charity with the same charity number as Sue Ryder Care (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 17 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 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

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 (eg hedge funds)	5-25%	15%
Cash	Balance	15%
Total	100%	100%

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 review annually 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 £19.2m at 31 March 2009. This represents approximately three months expenditure.

The Trustees have set a one year target to maintain the charity's free reserves at a level equal to three months of operating expenditure for the following year.

Consolidated statement of financial activities

Consolidated statement of financial activities to 31 March 2009

	Note	Unrestricted funds £000s	Restricted funds £000s	Endowment funds £000s	Total 2008/9 £000s	Total 2007/8 £000s
Incoming resources:						
Incoming resources from generated funds						
Voluntary income	2	7,632	6,074	–	13,706	10,413
Activities for generating funds	3	29,376	–	–	29,376	27,734
Investment income	4	592	–	3	595	781
Incoming resources from charitable activities	5	29,085	223	–	29,308	27,083
Other incoming resources:						
Gains on disposal of assets	6	303	–	–	303	1,673
NHS contribution to pension costs	19b	199	–	–	199	201
Total Incoming resources		67,187	6,297	3	73,487	67,885
Resources expended						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising		4,829	–	–	4,829	4,285
Activities for generating funds						
Shops' costs		26,481	–	–	26,481	25,012
Investment management costs		47	–	–	47	21
Charitable activities:						
Inpatient palliative care		11,590	5,181	–	16,771	15,103
Residential neurological care		17,285	239	3	17,527	18,115
Community based services		8,888	–	–	8,888	6,950
International	8	247	188	–	435	518
Funding and encouraging research		273	–	–	273	344
Campaigning for better services		63	–	–	63	55
Total expenditure on charitable activities		38,346	5,608	3	43,957	41,085
Governance costs		202	–	–	202	228
Total resources expended	7	69,905	5,608	3	75,516	70,631
Net (outgoing)/incoming resources before transfers		(2,718)	689	–	(2,029)	(2,746)
Other recognised gains						
Realised on investment assets		(376)	–	–	(376)	66
		(3,094)	689	–	(2,405)	(2,680)
Unrealised on investment assets	18	(1,304)	–	–	(1,304)	(301)
Net movement of funds		(4,398)	689	–	(3,709)	(2,981)
Reconciliation of funds:						
Total funds brought forward						
Opening balance		43,164	709	88	43,961	46,942
Net movement of funds		(4,398)	689	–	(3,709)	(2,981)
Total funds carried forward as at 31 March 2009		38,766	1,398	88	40,252	43,961

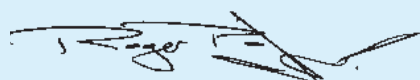
The Statement of Financial Activities includes all gains and losses recognised in the 12 month period. All incoming resources and resources expended derive from continuing activities.

Balance sheets

Balance sheets as at 31 March 2009

	Notes	Consolidated 2009 £000s	Consolidated 2008 £000s	2009 £000s	Charity 2008 £000s
Fixed assets					
Tangible assets	11	19,568	20,462	19,555	20,429
Investments	12	9,913	11,333	9,913	11,333
		29,481	31,795	29,468	31,762
Current assets					
Programme related investments	13				
Due in more than one year		700	700	700	700
Freehold properties held for resale		–	574	–	574
Stocks – new goods for resale		1,581	1,495	–	–
Debtors	14	10,510	9,907	11,729	11,835
Cash at bank and in hand		2,821	3,723	2,791	2,928
		15,612	16,399	15,220	16,037
Creditors: amounts falling due within one year	15	(4,841)	(4,233)	(4,510)	(3,926)
Net current assets		10,771	12,166	10,710	12,111
Total assets less current liabilities and net assets		40,252	43,961	40,178	43,873
Income funds					
Unrestricted funds:					
Capital reserve fund	16	19,568	20,462	19,555	20,429
Investment revaluation	12	69	1,857	69	1,857
Unrestricted general fund	16	19,129	20,845	19,156	20,878
		38,766	43,164	38,780	43,164
Restricted funds	17	1,398	709	1,398	709
Endowment fund	17	88	88	–	–
		40,252	43,961	40,178	43,873

Approved and authorised for issue by The Council of Trustees on 13 October 2009 and signed on its behalf by



Roger Paffard
Chairman

Consolidated cash flow statement

Consolidated cash flow statement 12 months to 31 March 2009

	Note	2008/9 £000s	Consolidated 2007/8 £000s
Net cash outflow from operating activities	23	(1,480)	(3,036)
Returns on investments and servicing of finance			
Interest received		249	371
Dividends received		346	410
Net cash inflow from returns on investments and servicing of finance		595	781
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	11	(634)	(497)
Net receipts from sale of fixed assets/held for sale		877	4,193
Purchase of investments	12	(2,202)	(1,996)
Receipts from sale of investments		1,942	1,963
Repayment of programme related investments		–	942
Net cash inflow from capital expenditure and financial investment		(17)	4,605
Increase/(decrease) in cash	24	(902)	2,350
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period		(902)	2,350
Opening net funds		3,723	1,373
Net funds at 31 March	24	2,821	3,723

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 1985.

(b) Consolidated financial statements

Consolidated financial statements have been prepared in respect of Sue Ryder Care, its wholly owned trading subsidiary, Sue Ryder Care Direct Limited and Sue Ryder Care (Chantry). No charity Statement of Financial Activity is presented as permitted by section 230 of the Companies Act 1985 and by the SORP paragraph 397. All members of the group have been consolidated using the acquisition method of accounting. The charity's deficit for the financial period is £3,696,000. 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.

(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.

Notes to the accounts

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 built or acquired by Sue Ryder Care are depreciated on a straight line basis over 40 years
- Freehold land
Freehold land is not depreciated
- Leasehold buildings
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

The value of the property contained in the financial statements is reviewed on an annual basis by the Trustees for impairment.

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.

(i) Stock 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 Care and the members. The contributions are charged to expenditure in the year they are payable to the scheme.

Sue Ryder Care 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 Care, and as a result of this, the scheme is treated as a defined contribution scheme under FRS 17.

(k) VAT

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

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.

(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 Care 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 it is incurred.

(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.

Notes to the accounts

2 Voluntary income

	2008/9 £000s	2007/8 £000s
Legacies	6,661	5,110
Donations and other voluntary income	5,723	5,303
Grants	1,322	–
Total	13,706	10,413

3 Activities for generating funds

	2008/9 £000s	2007/8 £000s
Income		
Fundraising events	1,448	1,002
Shop income from selling donated and bought in goods	27,915	26,685
Property letting and licensing	13	47
Total	29,376	27,734

4 Investment income

	2008/9 £000s	2007/8 £000s
Dividends	346	410
Bank interest receivable	249	371
Total	595	781

5 Income from charitable activities

	2008/9 £000s	2007/8 £000s
Provision of inpatient palliative care:		
NHS and local authorities	6,792	6,251
Private care	316	315
Other	157	154
Provision of residential neurological care:		
NHS and local authorities	11,570	12,001
Private care	1,748	1,609
Other	123	150
Community care:		
Local authorities and other commissioners	7,728	6,285
Private care	828	316
Other	6	2
Funding and encouraging research	40	–
Total	29,308	27,083

6 Disposal of fixed assets

During the period Sue Ryder Care disposed of 3 properties (Cavendish, West Lodge and freehold shop – Bradford) with gross sale proceeds of £999,000 (2007/8, £4,429,000) yielding a net surplus of £303,000, (2007/8, £1,673,000), after disposal costs. Carry value for Cavendish was held for disposal in current assets as at 31 March 2008. The costs associated with closing the care centres, (such as staff redundancies), have been included under the appropriate charitable activity.

7 Resources expended

	Activities Undertaken Directly £000s	Grant funding of activities £000s	Support Costs £000s	Total £000s	2007/8 £000s
Charitable activities					
Inpatient Palliative care	15,344	–	1,427	16,771	15,103
Residential Neurological care	15,780	–	1,747	17,527	18,115
Community based support services	7,923	–	965	8,888	6,950
Support for International	127	298	10	435	518
Funding and encouraging research	242	–	31	273	344
Campaigning for better services	55	–	8	63	55
Total charitable activities	39,471	298	4,188	43,957	41,085
Fundraising:					
On-going	4,439	–	390	4,829	4,285
Retail shops	24,918	–	1,563	26,481	25,012
Investment management	47	–	–	47	21
Governance	183	–	19	202	228
Total resources expended	69,058	298	6,160	75,516	70,631

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 £7,000 (2007/8, £8,000) were reimbursed to Trustees. The charity also incurred expenditure of £5,000 in respect of Directors' and Officers' liability insurance for the period (2007/8, £5,000).

During the period, 7 Trustees (2007/8, 6) did not claim expenses.

During the period £3,000 was paid to the Chief Executive in expenses claimed.

Analysis of support costs allocated

31 March 2009	Total	Central Management and Admin £000s	Finance £000s	Human Resources £000s	IT £000s	Legal and Property Services £000s	Marketing & Communi- cations £000s
Activity							
Inpatient Palliative care	1,427	266	132	201	275	338	215
Residential Neurological care	1,747	325	163	246	337	413	263
Community based support services	965	180	90	136	186	228	145
Support for international	10	2	1	1	2	2	2
Funding and encouraging research	31	6	3	4	6	7	5
Campaigning for better services	8	1	1	1	2	2	1
Fundraising	390	73	36	55	75	92	59
Retail shops	1,563	291	145	220	302	370	235
Governance	19	3	2	3	4	4	3
Total support costs allocated	6,160	1,147	573	867	1,189	1,456	928
Allocation basis							Proportionate to the gross salary costs of the support activities

Notes to the accounts

7 Resources expended (continued)

Resources expended includes:

	2008/9 £000s	2007/8 £000s
Auditors remuneration		
Audit		
Charity	39	45
Trading subsidiary	15	2
Other services		
Tax	–	53
Other advice	–	19
Depreciation	1,528	1,637
Other consultancy services	34	–
Operating leases:		
Land and buildings	4,508	4,583
Motor vehicles	464	450
(Gain)/loss on foreign exchange	–	(7)

8 International grant expenditure

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

	2008/9 £000s	2007/8 £000s
Grants awarded		
Albania	92	78
Czech Republic	31	64
FYR Macedonia	–	3
Malawi	153	143
Poland	20	5
Kosovo	2	52
Ireland	–	19
Total grants	298	364
General support, monitoring and administration expenditure	137	154
Total international	435	518

The Grant made to Ireland was the balance of the programme related investment due 31 December 2005. Grants made to Albania, Kosovo and Malawi represent grants in respect of service provision only. Grants to all other programmes represent revenue support for ongoing services and a small element of administrative support.

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

9 Taxation

The charity is registered for VAT but only £1,092,000 out of £1,909,000 incurred (2007/8, £1,096,000 out of £2,235,000) was recoverable. All VAT incurred by Sue Ryder Care Direct, the wholly owned subsidiary of the charity is fully recoverable.

10 Staff costs

	2008/9 £000s	2007/8 £000s
Wages and salaries	41,444	39,599
Social security costs	3,194	3,013
Pension costs	1,509	903
Total	46,147	43,515

Included within the wages and salaries figure above are the cost of 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, (2007/8, Nil).

During the period higher paid, employees comprised the following :

	2008/9 No.	2007/8 No.
£60,001 - £70,000pa	3	2
£70,001 - £80,000pa	4	3
£80,001 - £90,000pa	—	1
£90,001 - £100,000pa	—	—
£100,001 - £110,000pa	1	1

Contributions to pension schemes for these employees amounted to £21,310 (2007/8, £26,956).

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

	2008/9 No.	2007/8 No.
Care services	1,320	1,322
Retail	637	636
Support services	173	173
Total	2,130	2,131

Notes to the accounts

11 Tangible fixed assets

	Leasehold properties £000s	Freehold properties £000s	Fixtures Fittings & Plant £000s	Motor Vehicles £000s	Total £000s
Consolidated					
Cost					
At 1 April 2008	7,990	23,760	3,912	565	36,227
Additions	260	6	366	2	634
Disposals	–	–	(210)	–	(210)
At 31 March 2009	8,250	23,766	4,068	567	36,651
Depreciation					
At 1 April 2008	5,457	6,776	3,098	434	15,765
On disposals	–	–	(210)	–	(210)
Charge for the period	677	517	301	33	1,528
At 31 March 2009	6,134	7,293	3,189	467	17,083
Net book value					
At 31 March 2009	2,116	16,473	879	100	19,568
At 31 March 2008	2,533	16,984	814	131	20,462

Of leasehold properties a net book value of £698,000 (2007, £854,000) relates to property leases with more than 50 years to run.

	Leasehold properties £000s	Freehold properties £000s	Fixtures Fittings & Plant £000s	Motor Vehicles £000s	Total £000s
Charity					
Cost					
At 1 April 2008	7,990	23,760	3,820	565	36,135
Additions	260	6	366	2	634
Disposals	–	–	(210)	–	(210)
At 31 March 2009	8,250	23,766	3,976	567	36,559
Depreciation					
At 1 April 2008	5,457	6,776	3,039	434	15,706
On disposals	–	–	(210)	–	(210)
Charge for the period	677	517	281	33	1,508
At 31 March 2009	6,134	7,293	3,110	467	17,004
Net book value					
At 31 March 2009	2,116	16,473	866	100	19,555
At 31 March 2008	2,533	16,984	781	131	20,429

Included in Freehold properties is an amount of £481,000 (2008, £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 2008/9 £000s	2007/8 £000s	2008/9 £000s	Charity 2007/8 £000s
Opening balance at 1 April	11,333	11,535	11,333	11,535
Less:				
Disposals at book value	(2,318)	(1,897)	(2,318)	(1,897)
Add:				
Acquisitions at cost	2,202	1,996	2,202	1,996
Net gains/(losses) on revaluation at 31 March	(1,304)	(301)	(1,304)	(301)
Market value at 31 March	<u>9,913</u>	<u>11,333</u>	<u>9,913</u>	<u>11,333</u>

The investments are made up as follows:

	Consolidated 31 March 2009 £000s	31 March 2008 £000s	31 March 2009 £000s	Charity 31 March 2008 £000s
UK equities	2,927	3,957	2,927	3,957
Overseas equities	1,120	1,513	1,120	1,513
UK fixed interest and gilts	1,697	808	1,697	808
Overseas fixed interest and gilts	1,266	1,298	1,266	1,298
Others	2,903	3,757	2,903	3,757
Total	<u>9,913</u>	<u>11,333</u>	<u>9,913</u>	<u>11,333</u>

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

The excess of market value over cost of £69,000 (2008, £1,857,000) is accounted for as an unrestricted designated fund as shown in note 16.

No individual investment exceeded 5% of the total value as at 31 March 2009 (2008, None).

13 Programme related investments

	Consolidated 2008/9 £000s	2007/8 £000s	2008/9 £000s	Charity 2007/8 £000s
Due after one year				
Due from The Sue Ryder Foundation (Ireland) Limited (interest free, secured)	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>

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.

Notes to the accounts

14 Debtors

	Consolidated			Charity
	2008/9	2007/8	2008/9	2007/8
	£000s	£000s	£000s	£000s
Amounts owed by group undertakings	–	–	1,266	1,979
Debtors for care services	2,293	2,015	2,293	2,015
Accrued income – legacies	4,521	4,494	4,521	4,494
Other debtors	1,978	1,844	1,978	1,844
Prepayments	1,718	1,554	1,671	1,503
	10,510	9,907	11,729	11,835

In addition to the £4,521,000 of legacy accrued income, there were 41 (2007/8, 38) 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
	2008/9	2007/8	2008/9	2007/8
	£000s	£000s	£000s	£000s
Trade creditors	1,454	2,097	1,181	1,883
Other creditors	148	225	236	225
Accruals	2,340	1,012	2,214	983
Other taxes and social security	899	899	879	835
Amounts due to group undertakings	–	–	–	–
	4,841	4,233	4,510	3,926

16 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 31 March 2008 £000s	Surplus/(deficit) for the period after transfers and investment gains £000s	Utilised/ released £000s	Balance at 31 March 2009 £000s
Unrestricted funds				
Capital reserve fund				
Charity	20,429	–	(874)	19,555
Subsidiary	33	–	(20)	13
Total capital reserves funds	20,462	–	(894)	19,568
Investment revaluation reserve				
Charity	1,857	(1,304)	(484)	69
Total designated funds	22,319	(1,304)	(1,378)	19,637
General funds				
Charity	20,878	(3,081)	1,359	19,156
Subsidiary's retained funds	(33)	(13)	19	(27)
Total General funds	20,845	(3,094)	1,378	19,129
Total unrestricted funds	43,164	(4,398)	–	38,766

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.

The investment revaluation reserve is part of the investment funds (being the difference of historical cost and market value) and reflects the unrealised element of the charity's investments.

17 Restricted funds

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

	Balance at 31 March 2008 £000s	Movement in funds		Balance at 31 March 2009 £000s
		Incoming resources £000s	Expenditure and transfers £000s	
Consolidated and charity				
Funds held at care centres and centrally	709	4,977	(4,286)	1,398
Dignity in Care	–	1,322	(1,322)	–
	709	6,297	(5,608)	1,398

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

The Dignity in Care was a grant received by the DoH to enable improvements to the physical environment of four hospices, they are Nettlebed, Thorpe Hall, St.John's and Leckhampton Court.

Notes to the accounts

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 2009 are represented by:				
Tangible fixed assets	19,568	–	–	19,568
Investments	9,913	–	–	9,913
Programme related investments	700	–	–	700
Current assets	13,426	1,398	88	14,912
Current liabilities	(4,841)	–	–	(4,841)
Total net assets	38,766	1,398	88	40,252

Unrealised gains included above

On investment assets (see note below)	69			69
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Reconciliation of movements in unrealised gains on investment assets

Unrealised gains at 31 March 2008	1,857	–	–	1,857
Less: On disposal of investments	484	–	–	484
Add: Net gains arising on revaluations in period	(1,304)	–	–	(1,304)

Unrealised gains at 31 March 2009	69	–	–	69
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	Unrestricted funds £000s	Restricted funds £000s	Total Funds £000s
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Charity

Fund balances at 31 March 2009 are represented by:

Tangible fixed assets	19,555	–	19,555
Investments	9,913	–	9,913
Programme related investments	700	–	700
Current assets	13,122	1,398	14,520
Current liabilities	(4,510)	–	(4,510)
Total net assets	38,780	1,398	40,178

Unrealised gains included above

On investment assets	69	–	69
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Reconciliation of movements in unrealised gains on investment assets

Unrealised gains at 31 March 2008	1,857	–	1,857
Less: on disposal of investments	(484)	–	(484)
Add: net gain arising on revaluations in period	(1,304)	–	(1,304)

Unrealised gains at 31 March 2009	69	–	69
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19 Pension costs

(a) Defined contribution schemes of Sue Ryder Care

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 Aviva, into which the charity pays matched contributions to 5% of pensionable pay for eligible employees who choose to join.

(b) National Health Service pension scheme

Sue Ryder Care 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 Care 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 £199,000 (2007/8, £201,000) from the NHS as a contribution towards our NHS pension contributions.

20 Lease obligations

	2008/9 £000s	2007/8 £000s
Consolidated and charity		
Operating leases:		
Land and buildings		
Annual commitments which expire:		
Within one year	566	325
In the second to fifth years inclusive	1,734	1,411
After more than five years	1,480	1,953
	3,780	3,689
Other		
Annual commitments which expire:		
Within one year	38	24
In the second to fifth years inclusive	346	387
	384	411
Total	4,164	4,100

21 Other commitments

Sue Ryder Care Direct Limited has outstanding foreign currency commitments of USD \$844,000 (2008, \$552,000) which are due to mature within 12 months.

Notes to the accounts

22 Related party disclosures

The company has a wholly owned subsidiary, 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 Care. The charity awards grants to these entities and the amounts for the year are shown in Note 8.

The financial statements of the group consolidate the results of its 100% subsidiary company, Sue Ryder Care 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 outflow from operating activities

	Consolidated	
	2008/9	2007/8
	£000s	£000s
Changes in resources before revaluations	(2,405)	(2,680)
Depreciation (note 11)	1,528	1,637
Gain on sale of assets	(303)	(1,673)
Loss on sale of investment asset	376	–
Net gain on sale of shares	–	(66)
Increase in stocks	(86)	(531)
(Increase)/decrease in debtors	(603)	257
(Decrease)/increase in creditors	608	801
Investment income	(595)	(781)
Net cash outflow from operating activities	<u>(1,480)</u>	<u>(3,036)</u>

24 Analysis of changes in net funds

	Cash Flows	
	2008/9	2007/8
	£000s	£000s
Consolidated		
Opening cash balances	3,723	1,373
Movement	(902)	2,350
Cash at bank and in hand at 31 March 2009	<u>2,821</u>	<u>3,723</u>

25 Net Income from trading activities of subsidiary

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

The results for the periods ended 31 March were:

	2008/9 £000s	2007/8 £000s
Turnover	4,438	4,962
Cost of sales	(2,575)	(2,883)
Gross profit	1,863	2,079
Other expenses	(1,245)	(1,031)
Net profit before covenant	618	1,048
Amount covenanted to Sue Ryder Care	(631)	(1,052)
Retained (loss)/profit for the period	(13)	(4)
Tangible fixed assets	13	32
Net current assets/(liabilities)	(27)	(33)
Net assets	(14)	(1)
Share capital (£5)	–	–
Profit and loss account	(14)	(1)
	(14)	(1)

A subsidiary charity exists, Sue Ryder Care (Chantry), to administer a permanent endowment passed to Sue Ryder Care by the Charity Commission as disclosed in Note 27.

26 Ultimate controlling party

The ultimate controlling party is the Board of Trustees collectively.

Notes to the accounts

27 Endowment fund

	Balance at 31 March 2008	Movement in funds		Balance at 31 March 2009
		Incoming resources	Expenditure and transfers	
	£000s	£000s	£000s	£000s
Consolidated and charity				
Endowment Fund (Consolidated only)	88	3	(3)	88

Sue Ryder Care received an endowment fund of £88,000 from the Sir William Alfred Churchman for Nursing Home for the general benefit of the Chantry care centre. As Sue Ryder Care cannot hold this money as it is a limited company, it is held in trust by a separate charity set up for the purpose called Sue Ryder Care (Chantry) but is administered by Sue Ryder Care. The income which is applied for the benefit of the care centre at The Chantry, Ipswich.

28 Contingent liabilities

Domiciliary care

As part of the charity's delivery of homecare services, we have been required to provide bank guarantees to the respective councils. The guarantees will be called upon should there be any default on our delivery of services. The Trustees are not aware of any such default to date that is likely to result in a call upon these guarantees. The three bank guarantees in place at 31 March 2009 have total value of £113,827, £65,280 and £31,000 respectively.

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.

Independent auditor's report

We have audited the financial statements of Sue Ryder Care for the year ended 31 March 2009 which the Consolidated Statement of Financial Activities, the Consolidated and charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 1985 and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity and other members of the group is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Trustees' Annual Report, the Chairman's Report and the Chief Executive's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and the Charities and Trustee Investment (Scotland) Act 2005 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or the Charities and Trustee Investment (Scotland) Act 2005 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report

to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable parent company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 March 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The parent charitable company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent charitable company's affairs as at 31 March 2009;
- The financial statements have been prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006; and
- The information given in the Trustees' Annual Report is consistent with the financial statements.



**BDO LLP – Chartered Accountants and Registered Auditors
Eligible to act as an auditor in terms of section 25 of the
Companies Act 1989, Epsom, Surrey, United Kingdom**

Date: 13 October 2009

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

Management and policies

Grant making

Sue Ryder Care awards grants to support the work of Sue Ryder affiliate organisations overseas. All organisations bearing Sue Ryder's name are eligible.

Grants are awarded on the basis of written budget submissions received from Sue Ryder organisations. These submissions are approved by the Trustees.

All Sue Ryder organisations seeking a grant from Sue Ryder Care 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.

Exceptionally, Sue Ryder Care 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 Care take account of the wider financial position of Sue Ryder Care and the charity's ability to allocate funds for international work.

Financial exchange

The charity's trading subsidiary, Sue Ryder Care Direct Limited, purchases new goods from overseas suppliers which require payment in US Dollars. During the year the charity changed its policy with regard to the purchasing of foreign currency.

Previously the charity hedged its exposure by buying forward on each purchase. It now buys forward against a three month forecast.

Pensions

Sue Ryder Care operates the following pension schemes:

The Sue Ryder Care Pension Scheme (1992)

This defined contribution group pension scheme (managed by Equitable Life) is now closed to new members and Sue Ryder Care no longer makes contributions to this scheme.

Sue Ryder Care contributes to individual personal pension plans operated by Aviva (formerly Norwich Union).

Sue Ryder Care 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 Care, this scheme is treated as a defined contribution scheme under FRS 17.

Structure, government and management

Sue Ryder Care, a company limited by guarantee, is governed by its Memorandum and Articles of Association adopted on 28 November 1968 and last amended on 28 July 2009.

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 Care. Trustees are elected by Council for three years and can then seek re-election 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 assisted 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 charity intends to devise a more formal training plan for Trustees designed to assist them in discharging their duties.

The Trustees, in council, meet five 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 remit are:

Sub-committees of Council

These committees have delegated powers from the main Council of Trustees.

Finance and Audit Sub-Committee (quarterly) — to review and approve financial results, budgets and other financial governance matters

Integrated Governance Sub-Committee (formerly the Compliance Sub-Committee) (quarterly) — to ensure that the charity complies with the appropriate legislation and monitors risk within the charity

Trustee Recruitment and Development Sub-Committee (as required) — to select new members of Council

Property sub-committee (quarterly) — to review and approve major acquisitions and developments on property matters

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.

Healthcare (three times a year) (as from July 2009 this has become a sub-committee)

Fundraising (quarterly)

Human Resources (quarterly)
Marketing & Communications (inc Public Affairs) (quarterly)
Retail (quarterly) (as from July 2009 has been combined with the Sue Ryder Care Direct board meeting)
Sue Ryder International (quarterly)

Executive committees that Trustees attend are:
Healthcare Governance (every four months)

Corporate governance

Risk

The Trustees have a risk management strategy which includes an annual review of the risks the charity may face, the establishment of systems and procedures to mitigate 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 principal risks facing the charity, which the Trustees believe are monitored by the various sub-committees of Council and other committees on which Trustees are represented can be summarised as follows:

Regulatory – the framework with which we need to comply in the delivery of our services

Investment – this covers areas that are outside the control of the charity and includes such areas as exchange rates, financial markets that affect the return on the charity's investment portfolio

Currency – the charity sources the majority of its bought-in goods from overseas markets which are denominated in US Dollars. Movement in the exchange rate can affect the margin achieved

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

Salary costs – In order to attract staff, the charity has to develop a framework and benefits package to compete with the NHS, its main competitor for clinical staff.

The charity is in the process of preparing a risk policy for the whole charity ensuring that all major risks are monitored.

The charity monitors risk using the following structure:

- Council has overall responsibility for both monitoring of and setting acceptable levels of risk for the charity
- The Integrated Governance of Council is the risk committee for the charity and reports to Council

Risk management

Two sub-committees and two management committees report to the Integrated Governance Sub-Committee on risk matters. These are:

Financial – Finance and Audit Sub-Committee (FASC)

This committee is responsible for monitoring the financial risks and performance of the charity and reports directly to the Council of Trustees.

Infrastructure development – Property Sub-Committee (PSC)

This 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 FASC.

Healthcare – Healthcare Governance Committee (HGC)

This committee enables Sue Ryder Care'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.

Integrated Governance Sub-Committee

The terms of reference are:

- To ensure compliance with all laws that govern the activities of Sue Ryder Care
- To ensure compliance with all other legislation, regulations or directives that govern the activities of Sue Ryder Care
- To report compliance to the full Council of Trustees

The Health Governance Committee (responsible for monitoring Healthcare) and Head of Health and Safety and Risk report to the Integrated Governance Sub-Committee and financial risk is monitored by the Finance and Audit Sub-Committee (FASC).

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.

Management and policies

During the period to 31 March 2009 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. This 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 (HGC) through an agreed annual plan. The membership of HGC committee includes a Trustee.

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

The HGC has recently updated its Healthcare Risk Management strategy to cover the period 2008-11.

Auditors

A resolution proposing that BDO LLP be appointed 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

Trustees are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees, as directors, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the financial activities of the group for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom accounting standards and statements of recommended practice have been followed, subject to any 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 operation

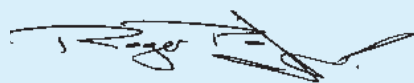
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and the group and for their proper application as required by charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The charity and subsidiaries are operating efficiently and effectively
- All assets are safeguarded against unauthorised use or disposition and are properly applied
- Proper records are maintained and financial information used within the charity, or for publication, are reliable
- Sue Ryder Care and its subsidiaries comply with relevant laws and regulations

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

Approved on behalf of the Council of Trustees

Signed



Roger Paffard

Chairman

Dated: 13 October 2009

Legal and administration

Objects, objectives and principal activities, charitable objectives

Sue Ryder Care 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; the majority of which is of national interest.

Reference and administration

Registered office

King's House, King's Street, Sudbury, Suffolk CO10 2ED

Principal office

114-118 Southampton Row, London WC1B 5AA

Royal patron

Her Majesty The Queen

Sue Ryder Care is a charity registered in England and Wales (1052076) and in Scotland (SC039578). Company limited by guarantee registered in England and Wales (943228) Registered office: Kings House, King Street, Sudbury, Suffolk CO10 2ED.

Council of Trustees

Current – Unless otherwise indicated the Trustees below were in post from 1 April 2008 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 (Appointed October 2008)

Roger is a trustee of WRVS and brings a wealth of experience to Sue Ryder Care having been a trustee of Marie Curie Cancer Care and was formerly CEO of United Lincolnshire Hospitals NHS Trust, CEO of Remploy Ltd, CEO of Thorntons plc and Managing Director of Staples Office Superstores.

Sub-committee/MAG: Trustees Recruitment & Development, Property, International, Marketing Communications (inc Public Affairs), Integrated Governance

Dame Elizabeth Fradd MBE RGN RSCN RM HV

Vice Chair

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 Queens 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 is also a commissioner on the Prime Minister's Commission for the future of nursing and midwifery.

Sub-committee/MAG: Trustees Recruitment & Development, Healthcare, International, Integrated Governance

Christina Edwards CBE

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.

Formerly Regional Director of Training and 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. 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-committee/MAG: Healthcare Sub-Committee, Marketing MAG

Sam Nevin MA FCA

(Chairman of Finance and Audit Sub-Committee)

Chairman of the Finance and Audit sub-committee, sits on the Property Committee and is a Director and Chairman of Sue Ryder Care Direct Limited.

He 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-committee/MAG: Finance and Audit, Property

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/MAG: Integrated Governance

Caroline Stockmann FCA DchA (Appointed 17 April 2008)

Director of Sue Ryder Care Direct Ltd

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-committee/MAG: Integrated Governance, Finance and Audit, International

Reverend David Stoter MBE AKC JP

Spiritual advisor

Rev. David Stoter has had more than 40 years experience as a clergyman. 30 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 U.K. and Europe.

Sub-committee/MAG: HR

Tony Wilkinson FRSA

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

Since 1964 Richard Hodgson has been a Commercial Property Surveyor. 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. He is a Freeman of the City of London and Liveryman of the Worshipful Company of Felt makers. He is a Member of Nettled PCC. Fellow of the Royal Society of Arts.

Sub-committee/MAG: Fundraising, Property, Finance and Audit, Retail

Lucinda Riches (Appointed 1 December 2008)

Lucinda is a senior investment banker with almost 25 years experience. A graduate of Oxford and Pennsylvania universities, she began her career at Chase Manhattan Bank. Lucinda joined SG Warburg (subsequently UBS) in 1986 and became involved in its equity capital markets business in 1988 and became European Head of Equity Capital Markets in 1995 and Global Head of Equity Capital Markets in 1999. She chose to leave UBS in 2007.

Widely recognised for her sound business judgement and her ability to develop cross-cultural relationships with senior executives in corporate and Government sectors overseas, Lucinda was named one of thirty most powerful women in the business world in 2001. She has recently been appointed to the board of the UK Financial Investments.

Sub-committee/MAG: Finance and Audit, Fundraising

Dr Diana Walford CBE (Appointed 11 December 2008)

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: Healthcare

Keith Cameron (appointed 22 March 2008)

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 the Britannia Building Society, Work Group plc, Tact Ltd and Chairman, Nickleby & Co Ltd

Sub-committee/MAG: Integrated Governance, HR, Retail

Dr Alison Evans (Resigned 12 September 2008)

David Stronach (Resigned 13 November 2008)

Naomi Smith (Resigned 5 January 2009)

The Executive

Chief Executive: Mr Paul Woodward

Company Secretary: Ms Helen Organ

Director of Finance: Mr Peter Fei (Resigned 31 May 2009)

Ms Jeanette Wilkins (Appointed 13 July 2009)

Director of Fundraising: Mr Eric Grounds JP

Director of Healthcare: Mrs Bridget Riches

Director of Human Resources: Mrs Christina Searle

Director of Marketing and Communications: Mr Steve Taylor

Director of Retail: Mr Alan Hodges

Director of Development: Dr Julia Sutton-McGough

(Post revised to: Director of Strategic Initiatives, June 2009)

Director of Property: Mr Stephen Brimfield (Appointed 13 July 2009)

Advisers

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

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