

Sue Ryder

TRUSTEES' REPORT AND ACCOUNTS 2014–15

Year ending 31 March 2015



AT A GLANCE

Sue Ryder provides incredible hospice and neurological care for people facing a frightening, life-changing diagnosis. We do whatever we can to be a safety net for our patients and their loved ones at the most difficult time of their lives. We see the person, not the condition.



We provide 2.7m hours of care to thousands of people every year.



We treat more conditions than any other UK charity.



We need to raise almost £40m a year to keep services running.



One in four of us is living with a life-changing condition.

Across the charity the time, effort and skills of our 12,000 volunteers help make it possible for us to deliver 2.7m hours of expert medical, practical and emotional support.

We have almost 2,400 volunteers at our hospices, and their contribution has a value of £3.4m per year. We also have 366 volunteers at our neurological care centres, and they help reduce operating costs by £520,000 per year.

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FOREWORD

Whether you are a patient, supporter, customer or a member of our team, it's our pleasure to present you with our Annual Report for 2014–15.



Last year, we saw a large degree of organisational change as we removed costs from the organisation and really focussed on our core activities. We are now in the third year of our ambitious five year strategy.

We've really set the foundations to create a successful and sustainable future for the organisation and we delivered much in 2014–15. Just some of the things we achieved include:

- Introducing new healthcare structures and giving hospices and care centres greater control of their services and responsibility to raise income.
- Our partnership with Morrisons raised over £2.2m, which has funded new services, including our Hospice at Home service, in Gloucestershire, seven day community nurse specialists, family support teams and the development of our Online Community and Support.
- Our capital appeal for Thorpe Hall Hospice, Peterborough, raised £3m towards the building of a new purpose built hospice in the grounds of the existing building.
- We launched our first national campaign, *Dying doesn't work 9–5, so why do support services?* calling for nationwide provision of co-ordinated support, care and advice for people and their loved ones at the end of life.
- We opened 21 shops last year and with over 450 shops we are now one of the largest charity retailers in the UK.

This year we're increasing patient services, developing plans to increase our neurological service offering and investing in new technologies to help us become more efficient and effective.

We're also excited to be launching our new Online Community and Support this year. It's a fantastic opportunity for Sue Ryder to extend the reach of our incredible care across the UK, engage with people earlier at the end of life and increase awareness of who we are and what we do to a wider audience.

We've come a long way since the launch of our five year strategy and we've refined the goals we set ourselves as part of our plan to provide a greater focus on what we do best, which is providing incredible hospice and neurological care. Our six goals for 2015–16 and beyond are to:

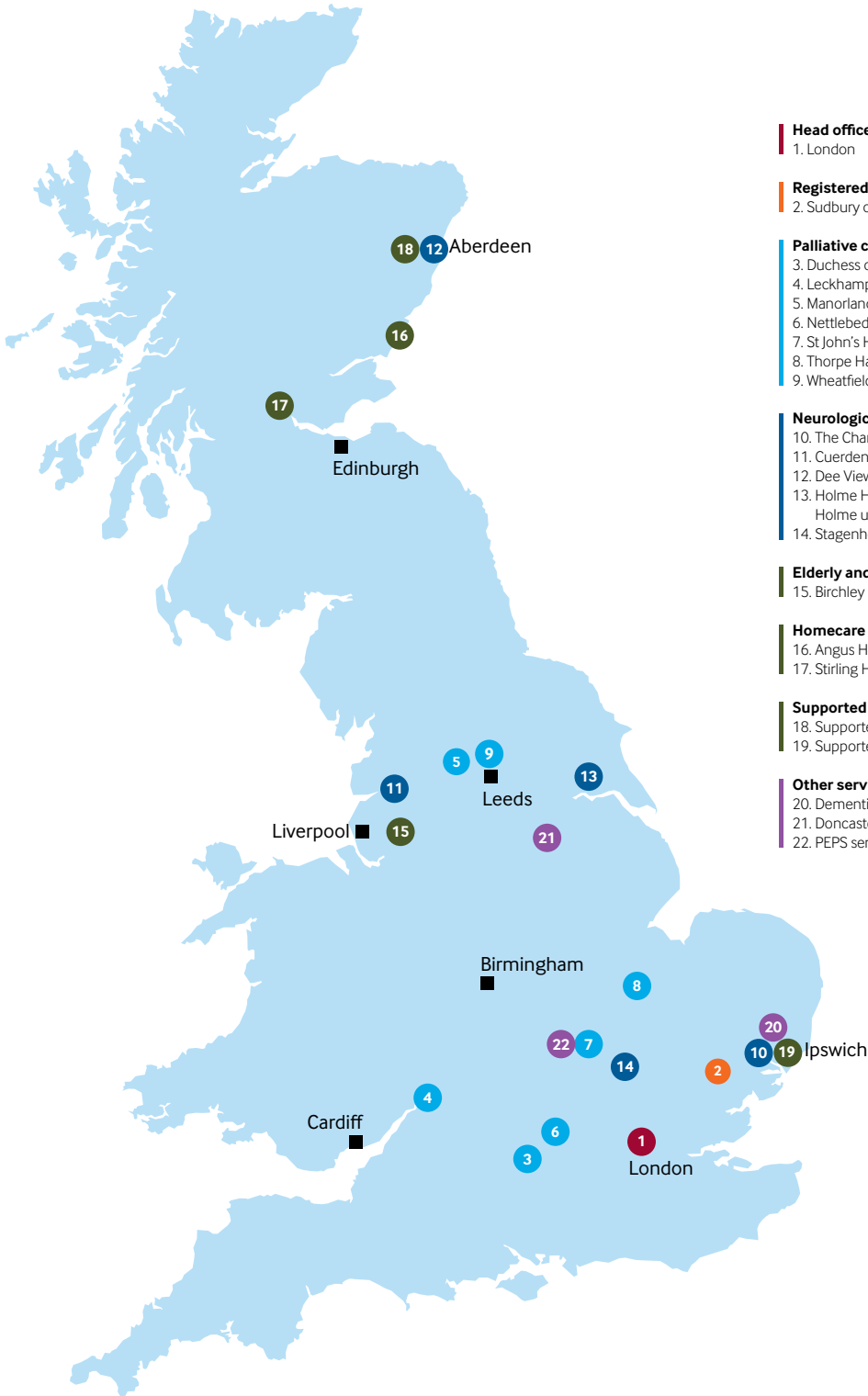
- increase patient services
- develop our national voice
- develop plans for fit-for-purpose centres
- use our networks to grow income
- act as one team
- increase our IT capability

We're looking forward to an exciting year ahead and we'll keep you involved and informed as we continue on our journey.

Heidi Travis (CEO)

Roger Paffard (Chair of Trustees)

OUR INCREDIBLE CARE



Head office

- 1. London

Registered office

- 2. Sudbury office, Sudbury

Palliative care

- 3. Duchess of Kent Hospice, Reading
- 4. Leckhampton Court Hospice, Cheltenham
- 5. Manorlands Hospice, Keighley
- 6. Nettlebed Hospice, Henley-on-Thames
- 7. St John's Hospice, Bedford
- 8. Thorpe Hall Hospice, Peterborough
- 9. Wheatfields Hospice, Leeds

Neurological care

- 10. The Chantry Neurological Care Centre, Ipswich
- 11. Cuerden Neurological Care Centre, Preston
- 12. Dee View Court Neurological Care Centre, Aberdeen
- 13. Holme Hall Neurological Care Centre, Holme upon Spalding Moor
- 14. Stagenhoe Neurological Care Centre, Hitchin

Elderly and dementia (residential care)

- 15. Birchley Hall, Billinge

Homecare services

- 16. Angus Homecare, Arbroath
- 17. Stirling Homecare, Stirling

Supported living

- 18. Supported Living Unit, Aberdeen
- 19. Supported Living Unit, Ipswich

Other services

- 20. Dementia Helpline, Suffolk
- 21. Doncaster Community Services, Doncaster
- 22. PEPS service, Bedfordshire

ABOUT SUE RYDER

Our vision

We aspire to create a world where everyone has access to personalised and compassionate care.

Our mission

To provide incredible care for people with life changing illnesses and end of life care needs and to campaign to improve the lives of everyone living with these conditions.

Our values

At Sue Ryder, we're passionate about giving people the care they want, that's why we:

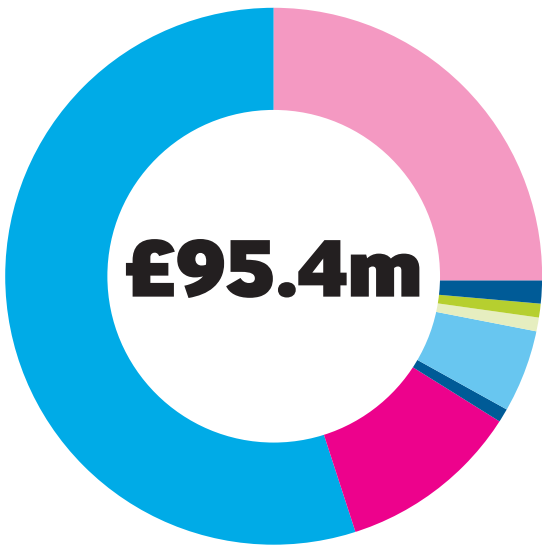
Push the boundaries – constantly looking at ways to improve what we do and how we do it, with creativity and innovation.

Do the right thing – working with honesty and integrity, having courage and resilience to face the challenges in delivering our goals.

Make the future together – sharing our knowledge with each other and collaborating with our volunteers, supporters and people who use our services to deliver positive outcomes.

HOW WE RAISE AND SPEND OUR MONEY

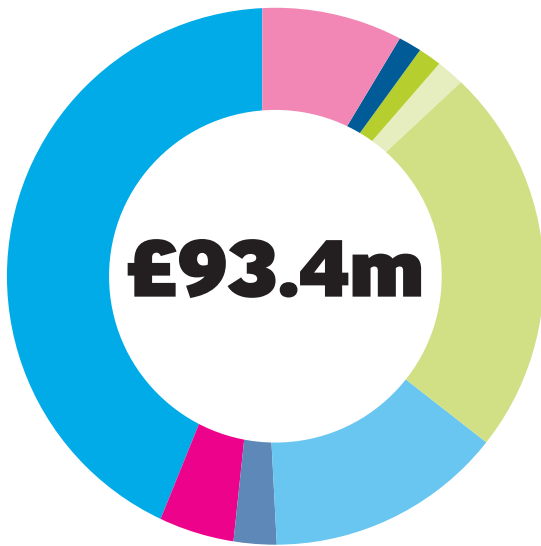
Charity income 2014–15



Charity income key

- Government funding £24.4m
- Patient fees £1.4m
- Other healthcare income £0.5m
- Grant income £0.1m
- Legacies £4.9m
- Investment and other income £0.4m
- Fundraising income £10.7m
- Retail sales £53m

Charity expenditure 2014–15



Charity expenditure key

- Support costs £8.5m
- Governance £0.4m
- Property investments costs £0.03m
- International £0.5m
- End of life care £21.9m
- Neurological care £13m
- Homecare £2.4m
- Fundraising £4.3m
- Retail shops £42.4m





1

Deliver an increased range of high quality, flexible and responsive care services



We understand that when you or someone you care for has a life-changing or terminal condition, each day matters. Not only do we provide incredible hospice and neurological care, we go the extra mile to help people to live the fullest life possible – not dwelling on what they can't do, but focusing on what they can.

Throughout last year our healthcare teams continued to provide the incredible care we are well known for. We established our national service offer, developed new and innovative approaches to delivering our incredible care and were recognised for their high quality.

Our care services are flexible and responsive

- Last year we developed a national service offer. This set out the key healthcare services that we provide and standardised the terminology we use to describe the incredible care we deliver across the UK. The national service offer will support the continuing development of a national voice and help those who we support understand the incredible care that we provide.
- Last year we secured £237,776 funding from the Cabinet Office to partake in a national study to measure the impact of befriending at the end of life. The study will run from April 2015 to March 2016 and a befriending service will be established at each of our hospices.
- We launched the 5Rs programme; a 10 week course for stroke survivors and people living with multiple sclerosis to help them relax, rebuild, re-energise, re-integrate, and regenerate through a series of activities held weekly. It's currently running at The Chantry in Ipswich and at Dee View Court in Aberdeen.

Our care services are high quality

- Angus Homecare in Scotland received top marks from the Care Inspectorate in Scotland in January 2015, gaining particular praise for the way it involved service users in its service provision. It also received top marks in all six categories under review including quality of care and support, quality of management, quality of staffing and quality of environment.
- In Suffolk we're directly addressing local needs with our Synergy Cafés. They offer people suffering from dementia and their carers the opportunity to meet in a safe environment to socialise, learn how to manage their condition and discover other services that are available to help them. And it received a resounding thumbs-up from a service user survey with 90% of people feeling better able to cope on a daily basis with their condition.

Looking ahead:

- We're launching our Online Community and Support in June 2015. Developed with funding from Morrisons, the platform will help us to extend our support to the whole country for the first time. It will offer advice and support to people at the end of life, their carers and loved ones and allow them to share experiences, as well as access to practical support and information 24 hours a day, seven days a week.
- In April 2015, we'll be launching befriending services at each of our hospices. As part of the study, we're aiming to demonstrate the positive impact that befriending can have on combating loneliness and isolation at the end of life. The study will continue until March 2016 and we'll be reporting back on the findings of the study throughout the year.
- In the long term, we're looking to expand the neurological services that we provide. This year we'll be developing plans to expand our centres at Dee View Court in Scotland, and developing plans for new fit for purpose centres at Cuerden Hall in Preston and Stagenhoe in Hitchin.
- We have secured funding in Doncaster to provide a respite and drop-in service for people living with dementia and their carers from a Sue Ryder retail shop due to open in July 2015. The new large high-street Sue Ryder shop is designed with space for people to meet, take part in activities and share experiences and information. It is the first of its kind for Sue Ryder where space is available within a retail shop for the provision of health and social care services.
- Our new hospice at Thorpe Hall in Peterborough will be completed in June 2015, with the first patients using the new hospice expected in July. The building of the new hospice is the result of a two year capital appeal and the new building will offer a better environment and facilities for patients, their carers and families as well as our staff.
- Research shows that 70% of people would prefer to die at home yet 50% of people die in hospital, which may not be their preference. So we're introducing Hospice at Home services as part of our national service offer, to provide support for people who want to die or stay at home for as long as possible. We've already launched a full Hospice at Home service from Leckhampton Hospice in Cheltenham and this year we are looking to grow this service from our other hospices around the country.
- We're responding to feedback from healthcare commissioners that they'd like to see more localised information in our quality accounts. So from this year, we've committed to producing local healthcare quality accounts from each of our healthcare locations to complement our annual statutory National Quality Account. These are also available on our website www.sueryder.org

“I put my progress down to encouragement from staff and volunteers at Sue Ryder and the facilities that I have access to, like stimulating activities and opportunities to socialise with people my own age.”

For people who have life-changing conditions affecting the brain and nervous system, our neurological centres offer specialist care and support. By focusing on health, wellbeing, and what each person can do, not what they can't, we enable people to live their lives as fully as possible.

People just like Romana who, whilst pregnant with her second child, had a brain haemorrhage in 2004. She underwent a six-hour operation but her injury left her paralysed and unable to talk. Thankfully her daughter survived. Romana said “I spent three years at the hospital recovering. I was on an older people's ward and, while the nurses were lovely, I was only 25 years old. I had little stimulation, no physiotherapy and it wasn't a great place for my children to visit.

“In 2007 I moved to a Sue Ryder neurological care centre and I really started to improve. Thanks to the care and therapy I received I was soon able to talk and walk using a frame. I have my own room and on sunny days I go into the garden – which is also a great place for the children to run around when they visit me. I help out in the local community cafe which has boosted my confidence and increased my independence. I even travel there on my own using public transport.



Sue Ryder
Jo Cloke
Staff Nurse
Lark Hall, Doncaster, South Yorkshire



2

Use the experience of our service users to develop a national voice and campaign to improve the lives of everyone living with end of life and complex conditions



Every day we provide incredible care to people in our hospices and neurological care centres. We see beyond the condition to the individual, supporting people to have choice and control over their care. We listen to our service users, using their feedback and experience to help shape the services we offer, influence new services and to help inform our campaigning.

Last year, we launched our first national campaign, *Dying doesn't work 9 to 5, so why do support services?* We've also worked in coalition with other national charities, campaigning for improved provision of palliative care. And we've developed our national voice, influencing politicians on the development of national healthcare strategies.

- In October 2014 we launched our first national campaign, *Dying doesn't work 9–5, so why do support services?* The focus of the campaign has been to raise awareness of the lack of 24/7 co-ordinated support for people and their carers at the end of life. Following the campaign launch, we asked the public to sign a petition to support the campaign. So far, over 45,000 people have pledged their support and the campaign was also supported by an Early Day Motion (EDM) in Parliament.
- In partnership with Hospice UK and the Charity Tax Group, we campaigned to stop an anomaly that saw charitable hospices having to pay VAT. In contrast, the NHS does not have to pay VAT on the provision of services. The government will now provide a rebate to all hospices from 2015/16, meaning that the costs can now be reinvested into providing incredible care.
- We worked with the Government to influence and inform their end of life care review. From our experience of providing incredible care to people at the end of life we know that a key factor for people is choice, both in the care delivered and when, where and how it is received. The end of life care review provides a recommended framework to enable both the better commissioning of high quality care and better delivery of these services by health and care organisations, and their staff.
- We continued to engage and work with our patients regularly through local service user groups. It's just one of our opportunities to understand the most pressing issues affecting our patients and other service users, which is then fed back into our national user group, Acorns.

Looking ahead:

- Following the general election in May 2015, we'll be handing our petition for our *Dying doesn't work 9 to 5, so why do support services?* campaign over to the new government. We're aiming to show that this issue truly resonates with the public and we will continue to campaign on the issue.
- We'll be monitoring progress made by the new government and seeking to use our influence to hold them to their promises that were made in their manifesto.

Dying doesn't work 9 to 5, so why do support services? – the facts. Using a Freedom of Information request in August 2014 we asked each Clinical Commissioning Group (CCG) what 24/7 co-ordinated advice, and support services were available to people at the end of life and their loved ones in their areas.

Out of 180 responses, we found:

- **56% of areas do not offer a dedicated 24/7 palliative helpline or co-ordination centre**
- **34% of areas have some out of hours palliative advice, support and co-ordination**
- **8% of areas have a dedicated 24/7 palliative helpline for patients and carers, as well as a 24/7 co-ordination centre.**

These facts demonstrate the need for our campaign, and by March 2015 over 45,000 people had signed our petition agreeing with us.



“Everything started with Bea and worked back to give her what she needed and what our family needed. It was wonderful.”

Not only do we provide incredible hospice and neurological care, we go the extra mile to help people to live the fullest life possible – not dwelling on what they can't do, but focusing on what they can. And we campaign to make this level of care a reality for everyone with a life changing condition in the future. Last year our first national campaign *Dying doesn't work 9 to 5, so why do support services?* was launched to campaign for co-ordinated support, care and advice for people and their loved ones at the end of life. People just like Stephen Lock, whose partner Bea suffered a life-changing cancer diagnosis in 2014.

Stephen told us that from the point of Bea's diagnosis there was “a co-ordinated team of medical staff and support staff services who worked together to help us prepare for Bea's return home.” The Sue Ryder Manorlands' Hospice at Home team

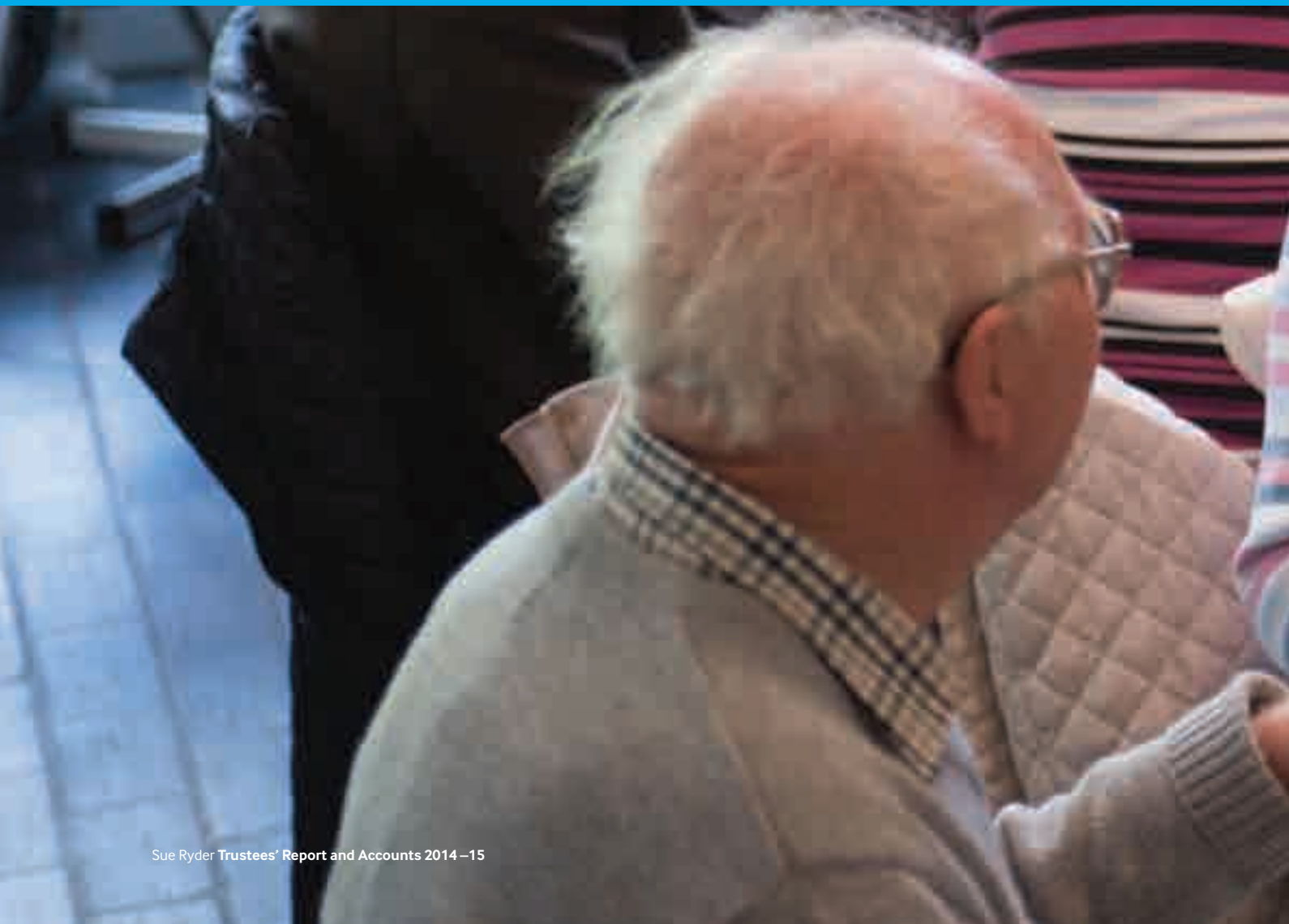
visited their home whenever it was needed. And he knew that the Gold Line number was always on hand to provide advice, round the clock on anything from when to change Bea's drug dosage to just general support and advice. Despite it being a traumatic time for Stephen, it was the 'wonderful job' that Sue Ryder and the NHS did for his family that made it bearable. Stephen said: “everything started with Bea and worked back to give her what she needed and what our family needed. It was wonderful.”

Our campaign is seeking to ensure that all people across the country have access to the exact same co-ordinated support, care and advice that Stephen and his family were able to access towards the end of Bea's life. You can follow the progress of our campaign at www.sueryder.org.



3

Develop and use our networks to inspire and engage our supporters to grow income





Every year we need to generate almost £40m to keep our services running and continue to deliver the incredible care we are known for. We've developed fantastic partnerships on many levels from our individual supporters and customers right up to long-term corporate partnerships. We use this to not only drive our income but also to highlight who we are and what we do.

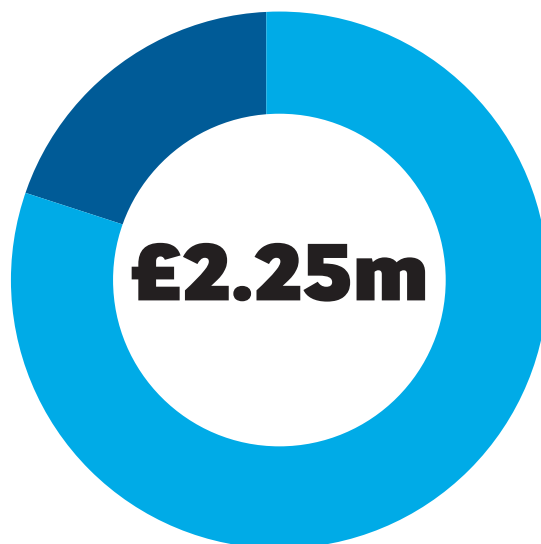
- In the first year of the Raise a Smile partnership with Morrisons we raised over £2.25m. We've developed a fantastic partnership with Morrisons colleagues who've taken part in events, donned fancy dress, organised Communi-Tea parties and supported our National Collection Day, when Sue Ryder staff and volunteers collected spare change from generous shoppers. The amount raised is funding our Online Community and Support and new community healthcare services including Hospice at Home services, as well as growing our family support teams to ensure families are supported through a loved one's illness and beyond.
- Last year we developed innovative retail campaigns to increase donated stock and raise awareness of who Sue Ryder are and what we do. We piloted attendance at music festivals last year and following that success we're now attending 30 events in 2015–16. And as part of our Saved campaign we showcased a selection of upcycled garments made in partnership with the London College of Fashion at a fabulous fashion show in Nottingham.
- We had an ambitious target of £6m to fund the new hospice building at Thorpe Hall; the first building project of this kind we've undertaken. We took an innovative approach to fundraising for the appeal in 2014–15; working with our retail teams to open our first ever pop-up shop. We also opened a café in Stanground, Peterborough and we launched a national direct marketing appeal to raise funds.
- Last year the number of people following and engaging with us on social media grew month by month. Within Sue Ryder, there's now an improved understanding of how we can use social media to reach wider audiences, engage with national debates and campaigns and engage with our supporters.

Looking ahead

- Our supporters are incredibly important to us and we want to ensure that we keep them informed and involved about Sue Ryder. In 2015–16 we'll be implementing an improved supporter journey programme ensuring that all of our supporters receive clear and consistent information, whether they engage with us on a local or national level; throughout the time they are supporting us.
- For the second year of our partnership, we set an ambitious target to raise £2.3m. Morrisons will be supporting the launch of our Online Community and Support, promoting it to their customers and colleagues. We'll see the roll out of our Hospice at Home services thanks to their generous support and of course, we'll be providing opportunities for Morrisons colleagues to get involved in even more fundraising events.

Morrisons Raise a Smile partnership

In 2014–15 our Raise a Smile partnership with Morrisons raised £2.25m. This is funding new community healthcare services, family support teams and our Online Community and Support, which are helping more people at the end of their lives and ensuring their families receive the support they need.



Morrisons Raise a Smile partnership key

- Morrisons colleagues fundraising activities.
- One-off fundraising events, Christmas card sales and scratchcards.

As you can see, we couldn't have raised so much without the fantastic support of Morrisons colleagues across the country, so from the bottom of our hearts, thank you.

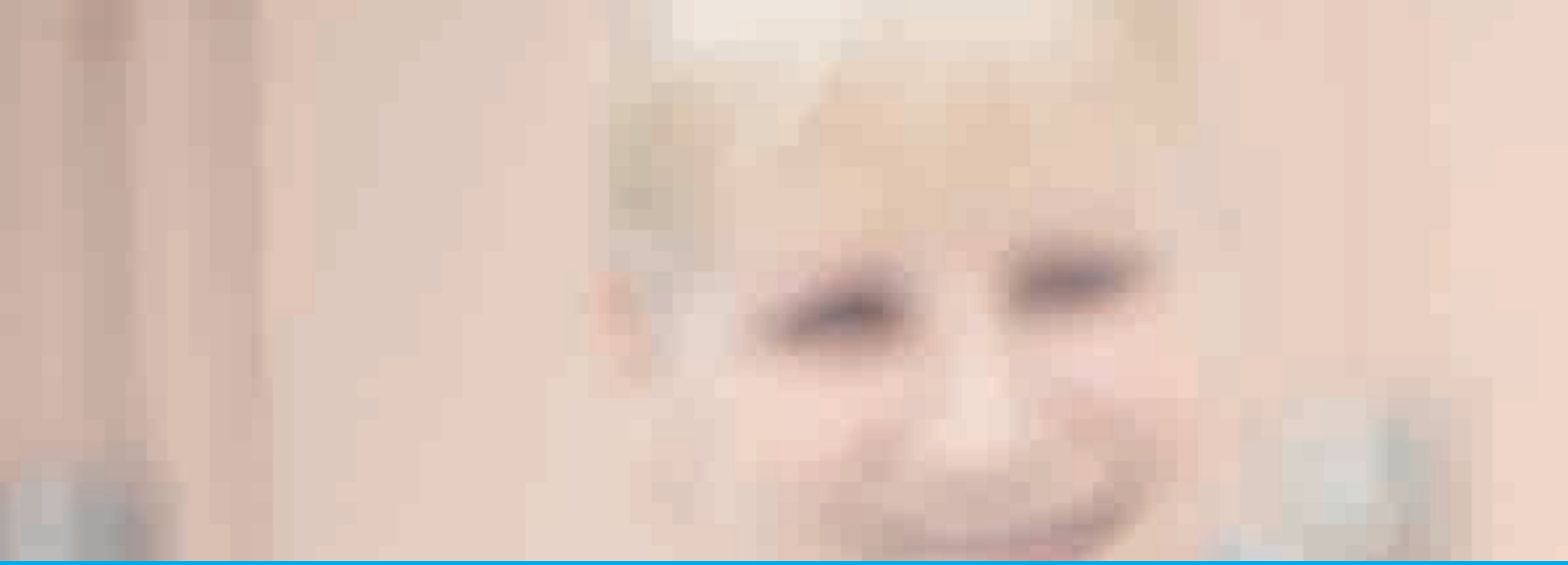
“We didn’t once feel that we were on our own and I can’t thank Sue Ryder enough.”

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It’s a sad fact that we will all lose a loved one at some time in our lives. When we do, we’d like them to receive the best possible care. This is exactly what happened to Lorraine and her family, who were referred to Sue Ryder’s Hospice at Home service in Gloucestershire shortly after her father, David, was told he only had a few weeks left to live. David, 81, had fought multiple cancers for six months and his final wish was to die at home. David was the first person to receive care from the Morrisons-funded service, with nurses from the team caring for him every night for nine nights before he died on 18 January 2015, enabling Lorraine and her sister to get some much-needed sleep, safe in the knowledge that their father was safe, comfortable and receiving the care he

needed. Lorraine said “The nicest thing and the last thing you can do for someone is to let them die where they want to be, rather than in a hospital bed. But we couldn’t have given my dad the care he received without Sue Ryder’s help. One of the fantastic things about the service is the reassurance – there’s someone on the end of a phone 24 hours a day, seven days a week. The Service Manager, Heather, and Paul, the Palliative Care Consultant, were ringing, two, three, four times a day to check on us, because it’s not just the patient that receives care from Hospice at Home, it’s the families. I wasn’t scared about looking after dad at home and I never once felt that we were on our own. There was always someone to talk to.”





4

Be a great place to work





We want to make sure that Sue Ryder is a great place to work and volunteer. But we know this is much more than just enjoying the job. It's about providing the right environment for our colleagues to be able to do their jobs effectively; supporting them to develop their abilities and recognising the role they play in helping us to deliver incredible care.

- 2014–15 was a year of great change with the completion of an Organisation Design Review to enable the charity to better deliver its strategy. This change programme left very few parts of the organisation untouched, released £1.5m of savings and repositioned the organisation to better deliver its care and generate income through a new structure that gives our centres more autonomy and control to make the best of both our local and national presence.
- We held our annual Best Companies Survey in November 2014 and we were pleased that we retained our 'one to watch' status in a climate of such change. In our third year the findings gave us plenty of reasons to celebrate and we engaged more of our staff than ever before. We also identified areas where we need to improve. At the same time we ran our Volunteer Voice survey for all of our volunteers. Again, we have much to celebrate and some areas that we need to improve upon. We're working with colleagues and volunteers to address the feedback and will be reporting on all the improvements made in mid-2015.
- We continued our investment in leadership and management capability with targeted development programmes to suit varying levels of management and applauded the graduation of two new cadres of leaders from our leadership development programme. We held a vibrant and successful leadership conference in May 2014 where we presented our strategy to 75 of the organisation's key leaders with our new CEO – Heidi Travis.
- In November 2014 our Incredible Colleagues and Volunteers Awards recognised those who live and breathe our values and go above and beyond to help us deliver incredible care. There were 17 winners from over 200 inspiring nominations, which was a fantastic achievement.
- We couldn't continue to deliver incredible care without the hard work and dedication of our volunteers. Our priceless volunteers work in every area of Sue Ryder, including our shops, hospices, care centres, day activities, offices and more.

Looking ahead:

- We will have a heightened focus this year on ensuring we act as one team by ensuring that behaviours-led performance management is enacted throughout the organisation.
- We'll be working with colleagues to address low scoring feedback from the Best Companies Survey and identifying and implementing improvements.
- We will have a focus on closing the key skills gap particularly with the recruitment and development of a nursing campaign and nursing brand.
- We will roll out the volunteer-led whole person approach through our centres to enhance our service users' lives.

There are over 400 different volunteering opportunities at Sue Ryder in areas such as healthcare, retail and office roles. In 2014–15 each and every volunteer's contribution was invaluable in helping us to deliver incredible hospice and neurological care.

- **12,000** – the number of volunteers registered with us.
- **£29.98m** – the amount we'd need to spend without our volunteers
- **7.5** – the amount of average hours each volunteer gives us per week.
- **4,455,303** – the combined number of hours given to us by all of our volunteers last year.

We couldn't provide our incredible hospice and neurological care without our volunteers. If you or someone you know might be interested in volunteering for Sue Ryder, visit www.sueryder.org to find out more.



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“After completing the course, I applied and was successful in securing the position of Retail Area Support Manager, which is a fantastic achievement for me. I can't wait to get started in this fantastic new role”

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We're committed to ensuring every colleague is able to access learning and development opportunities. Last year we continued to invest in the development of our managers across all levels. In July 2014 we launched our Be Incredible programme; a pilot scheme which was targeted at colleagues who wanted to develop their leadership and management skills. There are a number of topics and skills that are covered, including being a Sue Ryder manager, coaching, effective communication, performance management conversations, managing teams and an introduction to managing change.

Rob Knight is now a Retail Area Support Manager (RASM) and attended the very first Be Incredible programme along with colleagues from across the

organisation. Motivated by a desire to advance his career at Sue Ryder, Rob threw himself into the six month programme and completed the course in December 2014. Not one to rest on his laurels, Rob set about putting his learning into practice. Rob said, "I really enjoy the courses that are provided here and I was keen to undertake a more structured programme of training as I knew I wanted to progress my career at Sue Ryder. Not only did the programme develop my skills and help me in my day to day role as a shop manager, it also gave me a much wider understanding of Sue Ryder as a whole. I made some fantastic friendships from the course and was able to see how our work in retail had a direct impact in our hospices through the money raised."



5

Ensure all of our systems and processes are effective and efficient





We want to make sure that we provide incredible care, so the way we work and our organisation needs to be as effective and efficient as possible. It's much more than having the right computer systems in place. It's about using new working processes and technology effectively, ensuring that colleagues are not impeded by unnecessary processes or outdated ways of working, and learning from our own experiences and those of others.

- We embarked on a major upgrade to our IT equipment, replacing up to 600 computer units across Sue Ryder since September 2014. We've upgraded systems to a new version of Windows and other systems to maintain compliance with the public bodies that we work with, including the NHS.
- We developed a mobile solution for community nurses to be able to access patient records whilst in the community and in people's homes. This has led to improved patient care, with nurses now able to look up and update records in real time without returning to the workplace.
- We listened to colleague feedback and made changes to our people management process. The new process is easier to use for both managers and colleagues and work objectives are now more closely aligned with our corporate values.
- We developed a messaging toolkit, which will help everyone communicate with a consistent voice and explain what's unique about Sue Ryder when speaking to patients, supporters, colleagues and the media.

Looking ahead

- We understand the needs and aspirations of our patients, supporters and our staff through interacting with them. This year we'll be embarking on a digital transformation project to help improve the way we work and communicate across all levels. We'll be involving colleagues to help us identify where we are now, our main priorities for change and new digital opportunities.
- We will be working to ensure that all retail locations have access to up to date IT equipment to improve ways of working and help improve communications.
- We will continue to introduce wifi in our hospices and care centres to ensure our patients and service users can enjoy access to the internet or social media during their time with us.

“We need to ensure that our technology not only supports our colleagues to provide incredible care but also continues to achieve our own and our partners’ stringent IT security standards.”

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Sue Ryder is a large organisation with seven hospices, five neurological care centres, mobile and homecare workers, over 450 shops and four offices. Our colleagues can and do work in various locations and outside of usual working hours. We also work with a number of partners, including the NHS, so we need to ensure that our technology not only supports our colleagues to provide incredible care but also continues to achieve our own and our partners’ stringent IT security standards.

That’s why in 2014–15 we began a wide-reaching project to replace IT equipment in most Sue Ryder locations. By November 2014 we’d upgraded all of our healthcare sites and offices with new ICT devices and software upgrades. The new equipment and software has provided colleagues with a consistent suite of IT software and equipment, leading to improved working and better communication. The upgrade programme is scheduled to end in late 2015, by which time new IT equipment and software systems will be rolled out to retail managers and all home workers.



Financial summary

Net movement of funds after investment gains was a surplus of £2.4 million, compared with the previous year's surplus of £0.9 million. Despite the tough economic climate, the charity has delivered net incoming resources of £2 million.

This financial performance is as a result of increased activities for generating funds of £54.3 million compared with the previous year of £49.3 million (see note 3 in the Accounts), which is largely a result of our retail estate growth.

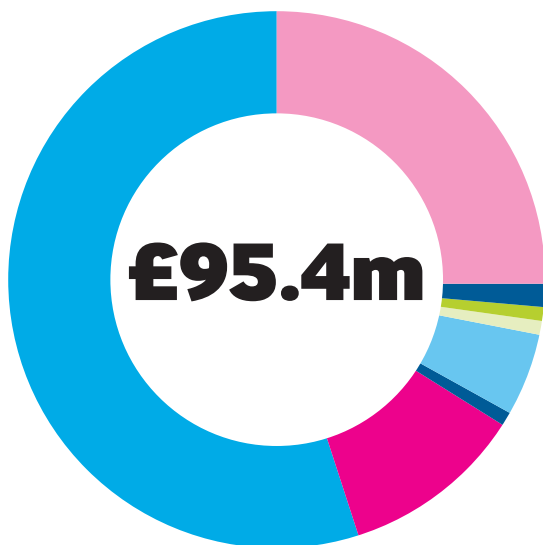
Overall income has increased in the year by £5.1 million. The primary movements being:

- Income from retail operations increased by £4.9 million from £48.1 million to £53 million.
- Donations and other voluntary income increased from £6.9 million to £9.4 million.
- Fundraising event income increased from £1.2 million to £1.3 million.
- Legacies decreased slightly from £5.1 million to £4.9 million.
- Grant income decreased by £1.1 million, but 2013–14 included the receipt of Department of Health (DoH) grants for the refurbishment of Thorpe Hall, Leckhampton Court and Duchess of Kent hospices.
- Income from healthcare decreased by £0.6 million from £26.9 million to £26.3 million.
- Investment and other income has reduced by £0.6 million as the result of the completion of the sale of retail freeholds in 2013–14.
- At the same time operating costs (resources expended) for the year increased by £3.5 million from £89.9 million to £93.4 million.
- Expenditure on care activities excluding support costs increased by £1.2 million from £36.1 million to £37.3 million, driven by increased costs of both neurological and end of life care.
- Expenditure on retail activities excluding support costs increased by £3.2 million from £39.2 million to £42.4 million as our retail estate grew from 442 to 458 shops in the financial year.
- Support costs decreased by £0.7 million from £9.2 million to £8.5 million.
- Our cash position decreased by £0.6 million from £7.6 million to £7.0 million.

Income

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

Charity income 2014–15

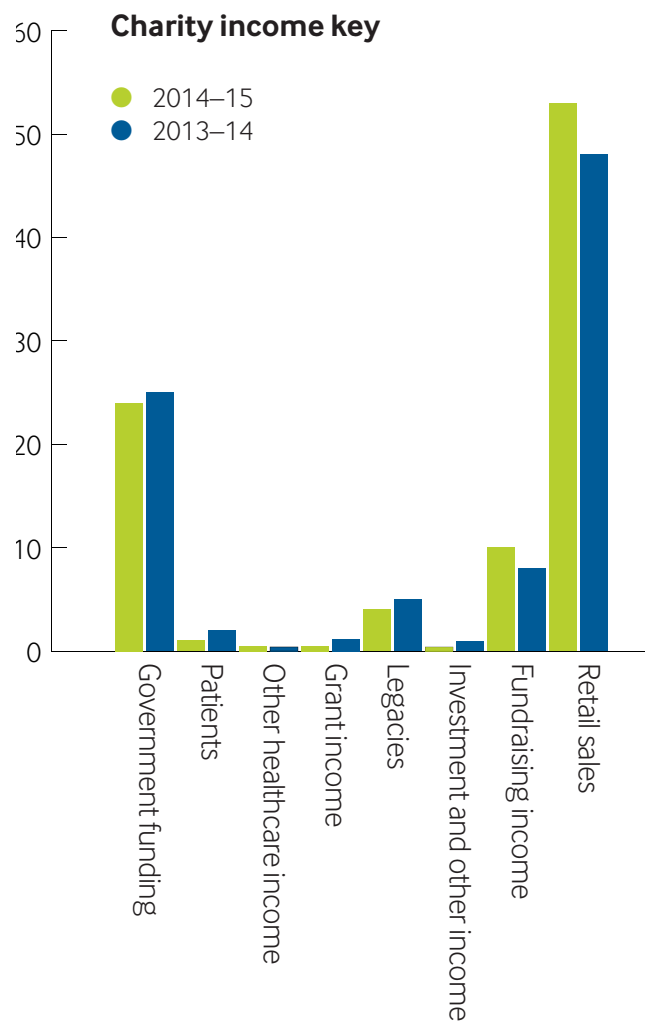


Charity income key

- Government funding £24.4m
- Patient fees £1.4m
- Other healthcare income £0.5m
- Grant income £0.1m
- Legacies £4.9m
- Investment and other income £0.4m
- Fundraising income £10.7m
- Retail sales £53m

The table below shows our income compared to the previous year.

Charity income for 2014–15 and 2013–14

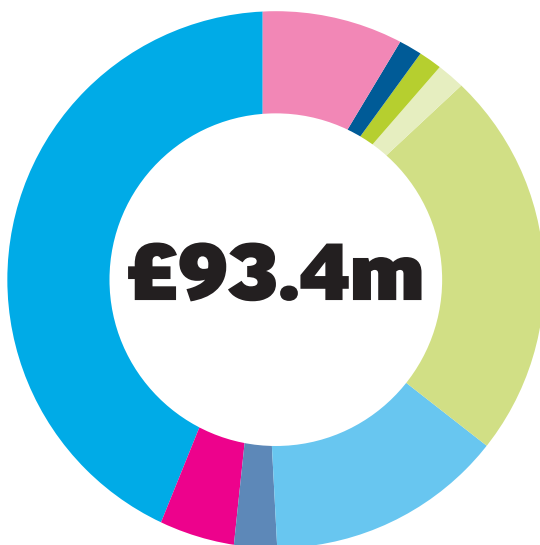


FINANCIAL SUMMARY

Expenditure

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

Charity expenditure 2014–15

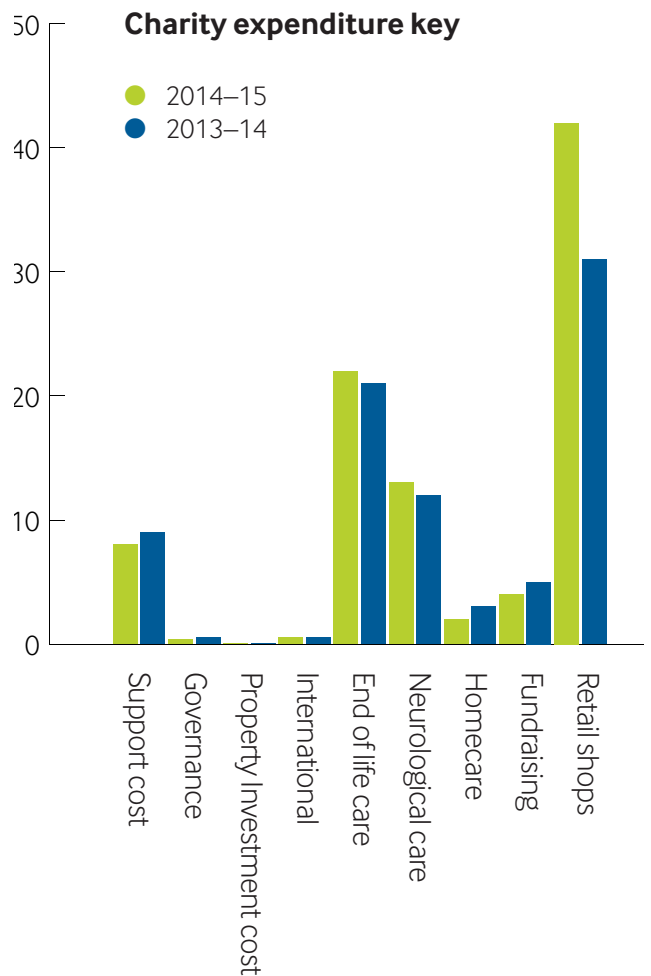


Charity expenditure key

- Support costs £8.5m
- Governance £0.4m
- Property investment costs £0.03m
- International £0.5m
- End of life care £21.9m
- Neurological care £13m
- Homecare £2.4m
- Fundraising £4.3m
- Retail shops £42.4m

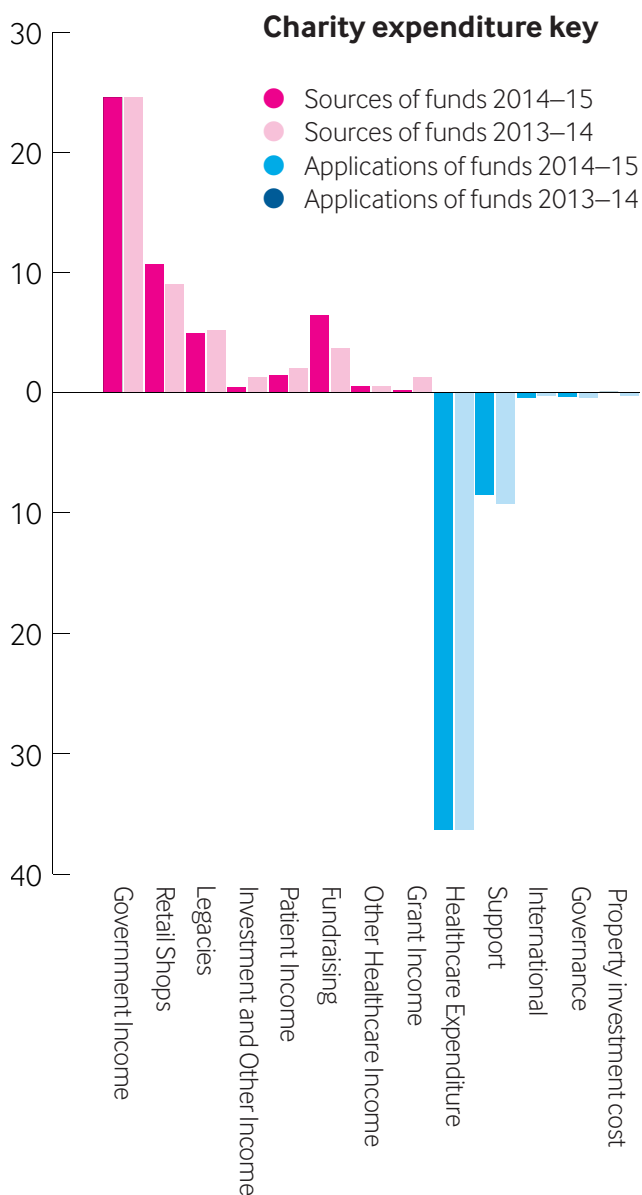
The table below shows our costs compared to the previous year.

Charity expenditure for 2014–15 and 2013–14



The chart below shows our sources and applications of funds compared to the previous year.

Sources and applications of funds for 2014–15 and 2013–14



Subsidiary undertakings

Sue Ryder has four subsidiary undertakings:

- Sue Ryder Direct Limited
- Sue Ryder Care (Chantry)
- Woburn Property Investment Company Ltd
- Duchess of Kent House Charity

Sue Ryder Direct Limited is the charity’s trading arm for new goods sold in the shops and via the internet to raise funds for Sue Ryder. Over the trading period to 31 March 2015, its net contribution to the charity was £1.8 million (2013–14: £1.6 million).

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

Woburn Property Investment Company Ltd was set up in 2012 as a vehicle for the purchase, sale and leaseback of Sue Ryder charity shops.

Duchess of Kent House Charity became a subsidiary of Sue Ryder on 4 March 2013. This charity is a fundraising charity for the Duchess of Kent Hospice.

FINANCIAL SUMMARY

Investments

The Council of Trustees sets the overall performance and ethical parameters under which our investment managers operate.

The investment managers report regularly to the finance and audit sub- committee and meet at least annually to review performance and outlook.

The primary objectives of our investment portfolio are to:

- 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

The total return on our portfolio over the financial year was 7.2%, which is 2.6% under the composite benchmark of 9.8% and 5.1% under the agreed benchmark index (WM) of 12.3%.

Investment range and benchmark are as follows:

Asset class	Investment range (%)	Benchmark (%)
• UK & overseas equities	50 – 70%	42.5% FTSE All-Share 17.5% World Index (ex UK)
• Fixed Income	15 – 30%	24% FTSE All-Stock
• Hedge funds	5 – 25%	15% LIBID 7 Day Deposit
• Cash	Balance	1% LIBID 7 Day Deposit

Investment restrictions

The Trustees have declared that the charity will not directly invest in armaments, tobacco or pornography.

Reserves

During the year the Trustees have undertaken a risk based review of reserves. Taking into account the diversity and stable nature of our income streams, the levels of asset backing, current and future investment and borrowing projections, the growing demand for the services which we provide and the general and specific market condition in which we operate, the Trustees are of the opinion that an appropriate level of free reserves, (held as cash and investments), would be £10 million.

On 31st March 2015 free reserves were £20.9 million, of which £15.5 was held as cash and investments. The excess of £5.9 million on a target of £10 million will be invested in the next couple of years as the neurological and end of life offerings are developed.

Objects of the charity

1. To provide or assist in the provision of care for people suffering from any serious or permanent disability, incapacity or illness.
2. To relieve the needs of those people potentially excluded from society by reason of old age, ill health (physical or mental), disability, poverty or criminal history, and to assist their integration into society for the public benefit.
3. To relieve the consequences of old age through the provision of facilities of any kind for the care of the elderly.
4. To provide education relating to the causes of and the means of relief of ill health, disability and old age.

Council of Trustees

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

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

New Trustees are recruited through national advertisements and personal contacts so as to maintain a balance of skills and experience appropriate to the charity's activities. An induction programme is offered to all new Trustees to ensure they are briefed on the charity's objects, strategy and activities. Trustees are also offered training if a need is identified.

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

These committees and their remits are:

- Finance and Audit Sub Committee (quarterly) – reviews and approves financial results, budgets and other financial governance matters. It also oversees risk, other than clinical risk.
- Health and Social Care Sub Committee (quarterly) – supports and develops a sustainable healthcare strategy and oversees clinical risk.
- Commercial Sub Committee (quarterly) – oversees fundraising strategy; reviews and approves major property acquisitions and developments; and reviews the strategic development of retail and business cases.
- Nominations Sub Committee (as required) – selects new members of Council.
- Remuneration Sub Committee (as required) – reviews and agrees changes to terms and conditions of executive management team.
- Ethics Sub Committee (as required) – considers ethical issues.

Management Advisory Groups

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

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

Governance, risk management and internal controls

The Trustees regularly review the risks faced by the charity to develop proportionate controls and deliver on the charity's strategic aims.

The main risks being monitored include:

- Delivery of safe, effective and personalised care to the people we support.
- Sustainable and stable income streams to support our service development.

Trustees receive regular performance information by way of financial reports and analysis, cash flow forecasts and key performance indicators.

Trustees receive assurance from internal assurance providers which have been assessed as fit for purpose. These are the Clinical Quality team, which reports to the Healthcare Governance Committee, and Internal Audit which reports to the Finance and Audit Sub Committee. Regular audits are undertaken from a risk-based annual audit plan as approved by Sub Committee. Progress on audit and risk activity and implementation of management action plans are reported on quarterly to Trustees.

Financial risk management

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

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

During the period to 31 March 2015, the charity's planning and reporting processes were represented through the charity's five year rolling planning process, which supports the charity's long-term strategic goals.

Internal Audit

The Internal Audit service carries out a programme of internal audits to cover the major risks identified by the Trustees and management. The Finance and Audit Sub Committee has approved the internal audit plan. Audit reports are regularly presented to the Finance and Audit Sub Committee, together with progress on the implementation of recommendations.

Management and policies

Grant making

Sue Ryder currently awards grants to support the ongoing work of independent Sue Ryder organisations in Malawi and Albania. The grants are monitored by the charity which includes reporting and monitoring visits.

Foreign exchange

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

Policy and practice on the payment of creditors

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

The ratio of amounts owed to trade creditors at the year end to purchases during the year was 4% (2013–14: 10%).

Pensions

Sue Ryder operates the following pension schemes:

- **The Sue Ryder Care Pension Scheme (1992)**
This defined contribution group pension scheme with Equitable Life is now closed to new members and Sue Ryder no longer makes contributions to this scheme.

- **Group personal pension plan** Sue Ryder contributes to individual personal pension plans under a group personal pension plan operated by Zurich.
- **People's Pension** Sue Ryder provides an auto-enrolment scheme through the People's Pension.

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

Employment of disabled persons

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

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

Employee/volunteer involvement

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

Auditors

BDO LLP were automatically reappointed as auditors of the charitable company.

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

Trustees' responsibilities

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

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

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

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

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

Public benefit

The Council of Trustees has given regard to the legislative and regulatory requirements for disclosing how its charitable objectives have provided benefit to the public. The Council of Trustees has complied with the duties set out in section four of the Charities Act 2006 (and under the equivalent Charities regulatory regime in Scotland). This report outlines how our achievements during 2014–15 have benefited the public, either directly or indirectly.

Approved on behalf of the Council of Trustees

Signed



Roger Paffard
Chair of Trustees



Legal and administrative details and financial statements



Legal and administrative details For the year ending 31 March 2015

Status

Sue Ryder is a charitable company limited by guarantee, incorporated on 28 November 1968 (last amended on 12 September 2012) and registered as a charity in England and Wales on 17 January 1996 and in Scotland on 14 May 2008.

Governing document

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

Company number 943228

Charity number 1052076

Scottish charity number SC039578

Registered office

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

Principal office

16 Upper Woburn Place, London WC1H 0AF

Royal patron

Her Majesty The Queen

Council of Trustees

Unless otherwise indicated the Trustees below were in post from 1 April 2014 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

Chair of Nominations Sub Committee

Director of Duchess of Kent House Charity

Roger Paffard's career has spanned the business, public and voluntary sectors in a variety of chief executive and non-executive roles. He has been a chief executive of Alberto toiletries, Staples office superstores and Thornton's chocolates. In the last decade he has worked in the public and voluntary sectors, initially as chief executive of Remploi and then as chief executive of United Lincolnshire NHS Trust. Over this period Roger has also been a trustee and policy advisor for Marie Curie Cancer Care, a trustee for the Royal Voluntary Service (RVS), a strategy consultant and trustee for a number of educational and funding charities.

Roger is Chair of the South London & Maudsley Mental Health NHS trust and non-executive Vice-Chair for Newark & Sherwood NHS Clinical Commissioning Group.

Sub Committees/MAGs: Health and Social Care, Nominations, Commercial, Remuneration, and International.

Christina Edwards CBE

[Vice Chair of Trustees](#)

[Chair of Health and Social Care Sub Committee](#)

Christina Edwards 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. She moved into management in the 1980s and worked in various areas of the NHS, including Acute, Community and Learning Disabilities, becoming a Director of Business Development and Nursing for a trust in North Essex in 1992. She has served as a Director in the NHS on other Trusts, Health Authorities and led a Scrutiny into unnecessary bureaucracy for the Department of Health.

Christina was formerly a Regional Director of Training, Education and Nursing, working closely with deaneries, universities and trusts to develop training and development for all health staff across the Northern and Yorkshire Region of the DoH. For five years until 2010 she led multidisciplinary teams to help, support and drive through improvement in challenged NHS organisations. Since then she has worked as an independent consultant leading enquiries or projects mainly in health-related organisations. She worked part time as a Clinical Director at a London hospice and is presently the Lay Vice Chairman of a Clinical Commissioning Group.

Sub Committees/MAGs: Health and Social Care

Michael Attwood

Mike has spent over 25 years as an NHS leader. He took on the leadership of the Total Place Programme for Coventry, Solihull and Warwickshire in December 2009 and from there was asked to lead the wider collaborative “better for less” transformation programme across 15 public sector organisations on the patch. Mike joined Coventry Primary Care Trust (PCT) as Joint Chief Executive in June 2005 and was previously Chief Executive at Slough Teaching PCT from 2001 to 2005. At Coventry PCT Mike took the organisation through financial turn around and worked closely with Coventry City Council to establish a newly funded, innovative Health Improvement Partnership as well as agreement on plans for a major city centre health facility.

Mike is an Associate of the Centre for Innovation in Health Management at Leeds University Business School, a leadership coach and public service Organisational Development consultant.

Sub Committees/MAGs: Health and Social Care, Ethics, People, Nominations and Remuneration (and from September 2014: Finance and Audit, Commercial)

Keith Cameron

[Chair Commercial Sub Committee Chair](#)

[Remuneration Sub Committee](#)

[Director of Sue Ryder Direct Limited](#)

[Director of Woburn Property Investments Ltd](#)

Keith Cameron brings a wealth of experience in high-level, high street retail management to the Council of Trustees. Keith has previously been the Chief Operating Officer for The Burton Group plc/Arcadia Group plc and latterly HR Director for Marks and Spencer plc. Keith is currently a Non-

Executive Director of Work Group plc, Affinity Trust Ltd, and Imperial War Museum Trading Co Ltd, and a Trustee of Young Epilepsy.

Sub Committees/MAGs: Commercial, Finance and Audit, Nominations, Remuneration, People

Murray Duncanson

Murray Duncanson began his NHS career in the late 1970s as a fast track graduate trainee with spells in London teaching hospitals followed by further management posts in London and Essex. In 2007 Murray left the NHS after 30 years' service. For the previous 16 years, Murray had been Chief Executive of three different Trusts in Colchester, Barnet and latterly Lothian in Scotland, with a year at the Department of Health on a Prison Health Task Force. Outside of the NHS he was a Trustee of Elizabeth Fitzroy Support, a national charity for people with learning disabilities, for over seven years.

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

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

Neil Goulden

[Chair of FASC from October 2013](#)
[Director of Sue Ryder Direct Limited from 14th May 2013](#)

Neil spent 10 years as Group Managing Director, Chief Executive, Chairman and Chairman Emeritus of the Gala Coral Group, who were a major corporate

sponsor of Sue Ryder. He stepped down from the company in 2014. Neil was formerly Chief Executive of Allied Leisure plc and has also held board positions at Compass Group and Ladbrokes.

Neil spent 13 years (1997-2010) as Chair of various NHS Trusts (acute hospital and ambulance service) and is now vice-chair of the Princess Alexandra Hospital in Harlow. His key interests are health, housing and education. He is the Chairman of Affinity Sutton Housing Association, Chairman of the governors at Nottingham Trent University and a Non-Executive Director at Marston's plc. He also chairs the Responsible Gambling Trust, a gambling industry charity, and is a Companion of the Institute of Management. He is also Chairman of Access Sport, a charity dedicated to transforming young people's lives in deprived areas through sport in the community.

Sub Committees/MAGs: Commercial, Finance and Audit

Margaret Moore

[Director of Duchess of Kent House Charity](#)

Margaret Moore was a partner at city law firm Travers Smith LLP for 22 years, retiring from private practice in 2012 but continuing as a consultant. Margaret qualified as a solicitor in 1984 and joined Travers Smith two years later. During her time there, she established and became Head of the Commercial and Competition Departments, responsible for the management, strategic planning and development of the businesses. Alongside her legal practice, Margaret was very involved in mentoring, coaching and recruitment at Travers Smith, working particularly with the trainee solicitors.

She has a close personal interest in the health and social care sector. Margaret is a governor of the Royal High School, Bath (a member of the Girls' Day School Trust) where she has particular responsibility for boarding and the sixth form, and also volunteers as a reading partner at two London primary schools, supporting children in years 1- 4 in one on one sessions. She has recently become a trustee of Great Britain Wheelchair Rugby, the governing body of the sport in Great Britain.

Sub Committees/MAGs: Commercial, Finance and Audi, Health and Social Care, Ethics, International

Lucinda Riches

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

Lucinda is currently a Non-Executive Director of UK Financial Investments Limited, The Diverse Income Trust plc, The Graphite Enterprise Trust plc and the Board of The British Standards Institution. She is also a non-executive member of the Partnership Board of King & Wood Mallesons LLP (formerly SJ Berwin LLP).

Sub Committee/MAG: Finance and Audit, Commercial

Reverend David Stoter MBE AKC JP (Retired 22 April 2015) Spiritual advisor

Reverend David Stoter has had more than 40 years' experience as a clergyman. Thirty of these were spent as a whole time chaplain in the NHS where he managed a large team of chaplains and volunteers.

David set up the first comprehensive bereavement service in the hospital world and the first hospital multi-faith centre.

David is the author of two books and a contributor to a number of books relating to health care. David has lectured widely in the UK and Europe.

Sub Committees/MAGs: Health & Social Care, Ethics, International

Dr Diana Walford CBE

Dr Diana Walford was Principal of Mansfield College, Oxford University, from 2002 to 2011. After qualifying in medicine in 1968, Diana trained as a clinical haematologist before moving to the Department of Health in 1976. After holding a number of senior posts, she was appointed a Deputy Chief Medical Officer for England and Director of Healthcare on the NHS Management Executive in 1989. Between 1993 and 2002 she was 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.

Currently Diana holds non-executive posts as Pro-Chancellor and Chair of the Board of Trustees of Regent's University London; Deputy Chairman of the Council of the London School of Hygiene and Tropical Medicine; Non-Executive Director of University College London Hospitals NHS Foundation Trust; member of the State Honours Committee; Governor of the Ditchley Foundation; and is an Honorary Fellow of Mansfield College and Fellow of the RSA, RCP, RCPPath and FPH.

Sub Committees/MAGs: Health and Social Care, Ethics

LEGAL AND ADMINISTRATIVE DETAILS

John Wythe

John Wythe has over 35 years' experience in the property industry and spent the whole of his executive career with Prudential Corporation's property investment management subsidiary, PRUPIM, retiring from the Board and as Head of Fund Management in 2010.

In 2007, John was appointed as a Church Commissioner and continues to serve on the Board of Governors, the Assets Committee and as Chairman of the Property Group. More recently he has been appointed to serve on Boards or Committees by Norges Bank, DTZ, The Portman Estate and Pollen Estate and is an adviser to AIA.

Sub Committees/MAGs: Finance and Audit, Commercial

The Executive Leadership Team

Chief Executive

Heidi Travis

Company Secretary and Legal Counsel

Helen Organ

Director of Finance

Philip Oldfield

Director of Health and Social Care

Mike Smeeton

Director of People

Sally Smith

Director of Fundraising and Marketing

Jason Suckley (to June 2014)

Director of Retail, Marketing and Communications

David Borrett (from July 2014)

Director of Fundraising

Holly Spiers (from September 2014)

Director of Property

Stephen Brimfield (to May 2015)

Medical Director

Dr John Hughes

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick,
West Sussex, RH6 0PA

Bankers

Lloyds TSB plc, Cornhill, Ipswich IP1 1DG

Solicitors

Eversheds, Bridgewater Place, Water Lane, Leeds
LS11 5DR
Willans, 28 Imperial Square, Cheltenham,
Gloucestershire, GL50 1RH

Investment advisers

Cazenove Capital, 12 Moorgate, London EC2R 6DA

We have audited the financial statements of Sue Ryder for the year ending 31 March 2015 which comprise the Consolidated Statement of Financial Activities (incorporating the Consolidated Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's Trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

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

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

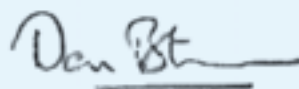
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, which includes the strategic report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Don Bawtree

Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor
Gatwick, United Kingdom

Date: 21 July 2015

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

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Incorporating Consolidated Income and Expenditure Account to 31 March 2015

	Note	Unrestricted funds £000s	Restricted funds £000s	Endowment funds £000s	Total 2014–15 £000s	Total 2013–14 £000s
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	9,775	4,572	–	14,347	13,202
Activities for generating funds	3	53,582	774	–	54,356	49,296
Investment income	4	235	1	–	236	386
Incoming resources from charitable activities	5	26,284	–	–	26,284	26,918
Other incoming resources						
Gains on disposal of assets		–	–	–	–	339
NHS contribution to pension costs	19	208	–	–	208	206
Total Incoming resources		90,084	5,347	–	95,431	90,347
Resources expended						
Cost of generating funds						
Fundraising		4,728	–	–	4,728	5,157
Shops' costs		45,685	–	–	45,685	42,675
Investment management costs		25	–	–	25	31
		50,438	–	–	50,438	47,863
Charitable activities						
End of life care		21,519	3,139	–	24,658	23,635
Long-term neurological care		14,408	193	–	14,601	14,206
Homecare		2,758	–	–	2,758	3,342
International	7	398	104	–	502	318
Campaigning for better services		66	–	–	66	100
Total expenditure on charitable activities		39,149	3,436	–	42,585	41,601
Governance costs		365	–	–	365	473
Total resources expended	6	89,952	3,436	–	93,388	89,937

	Note	Unrestricted funds £000s	Restricted funds £000s	Endowment funds £000s	Total 2014–15 £000s	Total 2013–14 £000s
Net incoming/(outgoing) resources before transfers		132	1,911	–	2,043	410
Other recognised gains						
Realised gains on investment assets		(3)	–	–	(3)	246
Net income/(expenditure) for the year		129	1,911	0	2,040	656
Unrealised gains on investment assets	11	375	–	–	375	205
Transfer between funds	16	2,681	(2,681)	–	–	–
Net movement of funds		3,185	(770)	–	2,415	861
Reconciliation of funds:						
Total funds brought forward		43,064	2,189	88	45,341	44,480
Net movement of funds		3,185	(770)	–	2,415	861
Total funds carried forward as at 31 March 2015		46,249	1,419	88	47,756	45,341

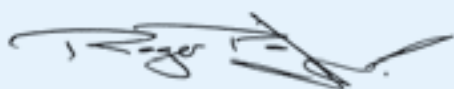
The Statement of Financial Activities includes all gains and losses recognised in the 12 month period.
All amounts relate to continuing activities.

BALANCE SHEET

as at 31 March 2015

	Note	2015 £000s	Consolidated 31 March 2014 £000s	2015 £000s	Charity 31 March 2014 £000s
Fixed assets					
Tangible assets	10	2,5356	25,615	25,294	25,519
Investments	11	8,513	8,163	8,513	8,163
		<u>33,869</u>	<u>33,778</u>	<u>33,807</u>	<u>33,682</u>
Current assets					
Programme related investments – due within one year	12	700	700	700	700
Freehold properties held for resale	13	1,971	–	1,971	–
Stocks – new goods for resale		1,728	1,372	–	–
Debtors	14	11,869	11,597	13,331	13,205
Cash at bank and in hand		7,009	7,645	6,723	6,985
		<u>23,277</u>	<u>21,314</u>	<u>22,725</u>	<u>20,890</u>
Creditors: amounts falling due within one year	15	(9,390)	(9,751)	(9,120)	(9,644)
Net current assets		<u>13,887</u>	<u>11,563</u>	<u>13,605</u>	<u>11,246</u>
Total assets less current liabilities and net assets		<u>47,756</u>	<u>45,341</u>	<u>47,412</u>	<u>44,928</u>
Income funds					
Unrestricted funds:					
Capital reserve fund	16	25,346	25,600	25,294	25,519
Investment revaluation	16	2,585	2,450	2,585	2,450
Unrestricted general fund	16	18,318	15,014	18,445	15,119
		<u>46,249</u>	<u>43,064</u>	<u>46,324</u>	<u>43,088</u>
Restricted funds	17	1,419	2,189	1,088	1,840
Endowment fund	26	88	88	–	–
		<u>47,756</u>	<u>45,341</u>	<u>47,412</u>	<u>44,928</u>

Approved and authorised for issue by the Council of Trustees on 21 July 2015 and signed on its behalf by



Roger Paffard
Chair of Trustees

CONSOLIDATED CASH FLOW STATEMENT

to 31 March 2015

	Note	2014–15 £000s	Consolidated 2013–14 £000s
Net cash inflows from operating activities	23	4,986	4,243
Returns on investments and servicing of finance			
Interest received		21	25
Dividends received	21	214	240
Property investment income received		1	121
Net cash inflow from returns on investments and servicing of finance		236	386
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	10	(5,880)	(6,278)
Net receipts from sales of fixed assets/held for sale		–	447
Purchase of investments	11	(870)	(441)
Receipts from sale of investments		892	4,500
Net cash outflow from capital expenditure and financial investment		(5,858)	(1,773)
(Decrease) / Increase in cash	24	(636)	2,857
Reconciliation of net cash flow to movement in net funds			
(Decrease) / Increase in cash in the period		(636)	2857
Opening net cash		7,645	4,788
Net cash at 31 March	24	7,009	7,645

NOTES TO THE ACCOUNTS

1 Accounting policies

(a) Basis of preparation

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

(b) Consolidated financial statements

Consolidated financial statements have been prepared in respect of Sue Ryder, its wholly owned trading subsidiaries, Sue Ryder Direct Limited and Woburn Property Investment Company Ltd and subsidiary charities Sue Ryder Care (Chantry) and Duchess of Kent House Charity. No charity Statement of Financial Activity is presented as permitted by section 408 of the Companies Act 2006 and by the SORP paragraph 397. All members of the group have been consolidated using the acquisition method of accounting. The charity's surplus for the financial period is £2,397,000. The subsidiaries' 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 any transfers between funds and any allocations to and from designated funds are approved by the trustees.

(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. Unless there is evidence of uncertainty of receipt, residuary legacies are recognised from the date of probate where a reliable estimate can be made. Income from will or reversionary trusts is not recognised until the life interest has passed away. Income from pecuniary legacies is recognised upon notification.

Income from the charity's wholly owned subsidiaries is included under activities for generating funds. Income is accounted for on an accruals basis. New Goods income represents the value of new goods sold after trade discounts and net of value added tax.

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 and recognised when a constructive obligation arises.

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

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

Governance costs include those costs associated with regulatory compliance.

(h) Fixed assets

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

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

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

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

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

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

(i) Stocks – new goods for resale

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

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

NOTES TO THE ACCOUNTS

(j) Pension costs

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

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

(k) Value Added Tax (VAT)

Sue Ryder bears VAT 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.

(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 and are shown in the statement of financial activities.

(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 or other lease incentives received 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.

A small tax charge is provided for on behalf of the charity's trading subsidiary Sue Ryder Direct Limited as it Gift Aids the majority of its taxable profit to the charity.

(o) Grants

Grant income – grants are recognised on a receivable basis. The charity receives both government and third party grants.

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

(p) Foreign currency transactions

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

(q) Deferred tax

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

2 Voluntary income

	2014–15 £000s	2013–14 £000s
Legacies	4,929	5,144
Donations and other voluntary income	9,367	6,888
Grants	51	1,170
Total	14,347	13,202

3 Activities for generating funds

	2014–15 £000s	2013–14 £000s
Income		
Fundraising events	1,335	1,192
Shop income from selling donated and bought in goods	53,013	48,094
Property letting and licensing	8	10
Total	54,356	49,296

4 Investment income

	2014–15 £000s	2013–14 £000s
Dividends	214	240
Bank interest received	21	25
Property investment income	1	121
Total	236	386

NOTES TO THE ACCOUNTS

5 Income from charitable activities

	2014–15 £000s	2013–14 £000s
Provision of end of life care:		
NHS and local authorities	11,898	12,296
Private care	(139)	83
Other	308	351
Provision of long-term neurological care:		
NHS and local authorities	10,039	10,026
Private care	1,515	1,481
Other	148	101
Homecare:		
Local authorities and other commissioners	2,453	2,087
Private care	–	478
Other	62	15
Total	26,284	26,918

6 Resources expended

	Activities undertaken directly £000s	Grant funding of activities £000s	Support costs £000s	Total 2014–15 £000s	2013–14 £000s
Charitable activities					
End of life care	21,873	–	2,786	24,659	23,635
Long-term neurological care	12,978	–	1,622	14,600	14,207
Homecare	2,371	–	387	2,758	3,342
Support for International	8	495	(1)	502	318
Campaigning for better services	55	–	11	66	99
Total charitable activities	37,285	495	4,805	42,585	41,601
Cost of generating funds					
Fundraising	4,331	–	397	4,728	5,157
Retail shops	42,455	–	3,230	45,685	42,675
Investment management	25	–	–	25	31
Total cost of generating funds	46,811	–	3,627	50,438	47,863
Governance	324	–	41	365	473
Total resources expended	84,420	495	8,473	93,388	89,937

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 £8,655 (2013–14: £3,953) were reimbursed to Trustees. The charity also incurred expenditure of £6,373 in respect of Directors' and Officers' liability insurance for the period (2013–14: £4,240)

During the period six Trustees claimed expenses (2013–14: 5)

During the period £2,246 was reimbursed to the Chief Executive in expenses claimed (2013–14: £4,422)

Analysis of support costs allocated

2014–15

	Total £000s	Central management and admin £000s	Finance £000s	Human resources £000s	IT £000s	Legal and property services £000s	Marketing & commun- ications £000s
Activity							
End of life care	2,786	237	525	517	729	470	308
Long-term neurological care	1,622	138	306	301	425	273	179
Homecare	387	33	73	72	101	65	43
Campaigning for better services	11	1	2	2	3	2	1
Retail shops	3,230	275	609	600	845	544	357
Fundraising	397	34	75	74	104	66	44
Support for international	(1)	–	–	–	–	(1)	–
Governance	41	2	8	8	11	7	5
Total support costs allocated 2014–15	8,473	720	1,598	1,574	2,218	1,426	937
Total support costs allocated 2013–14	9,204	1,508	1,853	1,516	1,249	1,895	1,183

Allocated support costs are proportionate to the gross salary costs of the supported activities

Resources expended included:

	2014–15 £000s	2013–14 £000s
Auditor's remuneration		
Audit		
Charity	46	46
Trading subsidiaries	12	14
Other	–	–
Other services		
Tax compliance	5	6
Tax advisory	6	6
Other	2	6
Depreciation	4,168	3,394
Operating leases:		
Land and buildings	8,729	8,179
Motor vehicles	417	418

NOTES TO THE ACCOUNTS

7 International grant expenditure

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

	2014–15 £000s	2013–14 £000s
Grants awarded		
Albania	80	94
Malawi	161	145
Total grants	241	239
Legacy payments Poland (see note 17)	254	–
General support, monitoring and administration expenditure	7	79
Total international	502	318

Grants made to Albania and Malawi represent grants in respect of service provision only. The grant to the Czech Republic represents local administrative support. Grants are notified to prospective recipient programmes in March of each year.

8 Taxation

The charity is registered for VAT and £3,808,000 out of £4,997,000 incurred (2013–14: £3,819,000 out of £5,388,000) was recoverable. All VAT incurred by Sue Ryder Direct Ltd, the wholly owned subsidiary of the charity, is fully recoverable. A corporation taxation charge of £14,593 arose in Sue Ryder Direct Ltd during the year.

9 Staff costs

	2014–15 £000s	2013–14 £000s
Wages and salaries	50,298	48,116
Social security costs	2,652	3,248
Pension costs	1,299	1,175
Total	54,249	52,539

Included within the wages and salaries figure above are the costs of £3,470,000 (2013–14: £3,016,000) for employing agency and contract staff. No remuneration was paid to any Trustee during the period (2013–14: Nil).

During the period higher paid employees comprised the following:

	2014–15 No.	2013–14 No.
£60,001 – £70,000pa	9	10
£70,001 – £80,000pa	6	3
£80,001 – £90,000pa	3	5
£90,001 – £100,000pa	2	3
£100,001 – £110,000pa	1	2
£110,001 – £120,000pa	1	–
£120,001 – £130,000pa	1	1
£130,001 – £140,000pa	–	1

Contributions to pension schemes for these employees amounted to £96,158 (2013–14 £83,154).

The average number of employees during the period comprised the following:

	2014–15 No.	Total number of employees 2013–14 No.	Adjusted for full-time equivalent 2014–15 No.	2013–14 No.
Care services	1,623	1,594	1,083	1,053
Retail	1,388	1,436	985	992
Support services	135	210	128	195
Total	3,146	3,240	2,196	2,240

10 Tangible fixed assets

	Leasehold property £000s	Freehold property £000s	Fixtures fittings & equipment £000s	Motor vehicles £000s	Total £000s
Consolidated					
Cost					
At 1 April 2014	2,582	26,146	19,170	490	48,388
Additions	1,012	3,121	1,697	50	5,880
Disposals	–	–	–	–	–
Transfer to Current Assets	–	(3,547)	–	–	(3,547)
At 31 March 2015	3,594	25,720	20,867	540	50,721
Depreciation					
At 1 April 2014	2,025	10,847	9,443	458	22,773
Charge for the year	645	606	2,909	8	4,168
Eliminated on disposal	–	–	–	–	–
Transfer	–	(1,576)	–	–	(1,576)
At 31 March 2015	2,670	9,877	12,352	466	25,365

NOTES TO THE ACCOUNTS

	Leasehold property £000s	Freehold property £000s	Fixtures fittings & equipment £000s	Motor vehicles £000s	Total £000s
NBV					
At 31 March 2015	924	15,843	8,515	74	25,356
At 31 March 2014	557	15,299	9,727	32	25,615

Of leasehold properties a net book value of £nil (31 March 2014: £nil) relates to property leases with more than 50 years to run.

	Leasehold property £000s	Freehold property £000s	Fixtures fittings & equipment £000s	Motor vehicles £000s	Total £000s
Charity					
Cost					
At 31 March 2014	2,581	26,146	18,803	490	48,020
Additions	1,013	3,121	1,673	50	5,857
Disposals	–	–	–	–	–
Transfer to current assets	–	(3,547)	–	–	(3,547)
At 31 March 2015	3,594	25,720	20,476	540	50,330

	Leasehold property £000s	Freehold property £000s	Fixtures fittings & equipment £000s	Motor vehicles £000s	Total £000s
Depreciation					
At 31 March 2014	2,025	10,847	9,171	458	22,501
Charge for the year	645	606	2,852	8	4,111
Eliminated on disposal	–	–	–	–	–
Transfer to current assets	–	(1,576)	–	–	(1,576)
At 31 March 2015	2,670	9,877	12,023	466	25,036

NBV					
At 31 March 2015	924	15,843	8,453	74	25,294
At 31 March 2014	556	15,299	9,632	32	25,519

Included in Freehold properties is an amount of £664,000 (31 March 2014: £664,000) 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.

11 Investments

	Consolidated & Charity	
	31 March 2014–15 £000s	31 March 2013–14 £000s
Opening balance at 1 April	8,163	11,771
Less:		
Disposals at carrying value	(895)	(4,254)
Add:		
Acquisitions at cost	870	441
Unrealised net gains on revaluation at 31 March	375	205
Market value at 31 March	<u>8,513</u>	<u>8,163</u>

The investments are made up as follows:

	Consolidated & Charity	
	31 March 2014–15 £000s	31 March 2013–14 £000s
UK equities	3,129	3,234
Overseas equities	2,299	2,146
UK fixed interest and gilts	696	874
Overseas fixed interest and gilts	839	1,129
Others	1,550	780
Total	<u>8,513</u>	<u>8,163</u>

The investment shown above includes an investment of £5 held by the charity in its subsidiary undertaking Sue Ryder and £1 held by the charity in its subsidiary undertaking Woburn Property Investment Company Ltd.

The excess of market value over cost of £2,585,000 (31 March 2014: £2,450,000) is accounted for in an unrestricted designated fund as shown in note 16.

No individual investment exceeded 5% of the total value at 31 March 2015 (31 March 2014: Nil).

NOTES TO THE ACCOUNTS

12 Programme related investments

	Consolidated & Charity	
	31 March 2014–2015 £000s	31 March 2013–14 £000s
Due within one year		
Due from The Sue Ryder Foundation (Ireland) Limited (interest free, secured)	700	700

Sue Ryder Foundation (Ireland)

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

13 Freehold Properties held for resale

	Consolidated & Charity	
	2014–2015 £000s	2013–14 £000s
Freehold Properties held for resale	1,971	–

There are two properties which the selling process is at such a position that the charity considers that they should be held as current assets rather than fixed assets. These are Hickleton Hall and Birchley, which have a net book value of £1,092,594 and £878,007 respectively.

14 Debtors

	Consolidated		Charity	
	2015 £000s	31 March 2014 £000s	2015 £000s	2014 £000s
Amounts owed by group undertakings	–	–	1,821	2,155
Debtors for care services	2,616	3,123	2,616	3,123
Accrued income – legacies	3,071	3,143	3,071	3,143
Other debtors	4,322	3,517	4,096	3,357
Prepayments	1,860	1,814	1,727	1,427
	11,869	11,597	13,331	13,205

In addition to the £3,071,000 of legacy accrued income, there were 15 (31 March 2014: 19) legacies that have been notified to the charity in the year that have not been valued due to the uncertainty of the amount due. There were also 25 reversionary legacies notified to the charity valued at £3,466,350 which were not recognised in the financial statements due to life tenants.

15 Creditors: amounts falling due within one year

	Consolidated		Charity	
	2015 £000s	31 March 2014 £000s	2015 £000s	2014 £000s
Trade creditors	3,939	3,215	3,814	3,092
Other creditors	389	172	354	258
Accruals	4,180	5,483	4,084	5,413
Other taxes and social security	882	881	868	881
	<u>9,390</u>	<u>9,751</u>	<u>9,120</u>	<u>9,644</u>

16 Unrestricted funds

	Balance at 31 March 2014 £000s	Surplus/(deficit) for the period after investment gains		Balance at 31 March 2015 £000s
		Utilised/ transferred £000s	£000s	
Unrestricted funds				
Capital reserve fund				
Charity	25,519	–	(225)	25,294
Subsidiaries	81	–	(29)	52
Total capital reserves funds	<u>25,600</u>	<u>–</u>	<u>(254)</u>	<u>25,346</u>
General funds				
Investment revaluation reserve	2,450	375	(240)	2,585
Charity retained funds	15,117	90	557	15,763
Subsidiary's retained funds	(103)	39	(63)	(126)
Transfer from restricted funds	–	2,681	–	2,681
Total General funds	<u>17,464</u>	<u>3,185</u>	<u>254</u>	<u>20,903</u>
Total unrestricted funds	<u>43,064</u>	<u>3,185</u>	<u>–</u>	<u>46,249</u>

The capital reserve fund represents the net book value of the fixed assets of the charity. These are designated for replacing existing assets and expanding the charity's investments. The transfer from restricted funds is with respect to the Thorpe Hall Capital Appeal. The funds raised from the appeal have been utilised for the building of the new unit.

NOTES TO THE ACCOUNTS

17 Restricted funds

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

	Note	Balance at 31 March 2014 £000s	Incoming resources £000s	Expenditure & transfers £000s	Balance at 31 March 2015 £000s
Funds held at care centres and centrally		1,776	5,246	(3,304)	3,718
Scottish Government – Malawi		–	95	(95)	–
Department of Health		51	–	–	51
5Rs project – previously funded by Big Lottery		13	6	(19)	–
Transfer to unrestricted funds				(2,681)	(2,681)
Charity		1,840	5,347	(6,099)	1,088
Duchess of Kent House Charity	25	349	–	(18)	331
Total group restricted funds		2,189	5,347	(6,117)	1,419

The funds held at care centres and centrally comprise the unexpended balances of donations and grants held on trust for specific projects.

Funds received from the Scottish Government are for the ongoing support for the project providing mobile clinics in rural Malawi.

The Big Lottery Fund amount received in the year was £nil (2013–14: £16,668) for the 5Rs project. £19,108 (2013–14: £23,200) has been spent against the 5Rs fund. The project is now funded from other sources. Held within central funds is a legacy provided for international works in Poland. The balance outstanding as at 31st March 2015 was £119,392 (2013–14: £373,363). The transfer to unrestricted funds is with respect to the Thorpe Hall Capital Appeal. The funds raised from the appeal have been utilised for the building of the new unit.

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 2015 are represented by:				
Tangible fixed assets	25,346	10	–	25,356
Investments	8,513	–	–	8,513
Programme related investments	700	–	–	700
Current assets	21,080	1,409	88	22,577
Current liabilities	(9,390)	–	–	(9,390)
Total net assets	46,249	1,419	88	47,756
Unrealised gains included above				
On investments assets (see note below)	2,585	–	–	2,585
Reconciliation of movements in unrealised gains on investment assets				
Unrealised gains at 31 March 2014	2,450	–	–	2,450
Add: On disposal of investments	(240)	–	–	(240)
Add: Net gains arising on revaluations in period	375	–	–	375
Unrealised gains at 31 March 2015	2,585	–	–	2,585
Charity				
Fund balances at 31 March 2015 are represented by:				
Tangible fixed assets		25,294	–	25,294
Investments		8,513	–	8,513
Programme related investments		700	–	700
Current assets		20,937	1,088	22,025
Current liabilities		(9,120)	–	(9,120)
Total net assets		46,324	1,088	47,412
Unrealised gains included above,				
On investments assets		2,585	–	2,585
Reconciliation of movements in unrealised gains on investment assets				
Unrealised gains at 31 March 2014		2,450	–	2,450
Add: On disposal of investments		(240)	–	(240)
Add: Net gains arising on revaluations in period		375	–	375
Unrealised gains at 31 March 2015		2,585	–	2,585

The parent charity's gross income for the year was, £90.1 million (2013–14: £86.5m) and its expenditure was £87.7 million (2013–14: £85.5 million).

NOTES TO THE ACCOUNTS

19 Pension costs

(a) Defined contribution schemes of Sue Ryder

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

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

From 1 August 2013, eligible Sue Ryder staff not already enrolled in a pension scheme were automatically enrolled into The People's Pension provided by B&CE. The charity pays a matched contribution into the scheme accordance with the auto-enrollment requirements.

(b) National Health Service pension scheme

Sue Ryder also contributes to a defined benefit contributory pension scheme on behalf of certain former NHS employees. These contributions are fixed by reference to quinquennial valuations by the Government actuary which is currently 14% of earnings. The latest available report relates to the period from 1994 – 1999.

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

The charity received £208,692 (2013–14, £206,408) from the NHS as a contribution towards our NHS pension contributions.

20 Lease obligations

	31 March 2015 £000s	31 March 2014 £000s
Consolidated		
Operating leases:		
Land and buildings		
<i>Annual commitments which expire:</i>		
Within one year	556	697
In the second to fifth years inclusive	1,570	5,626
After more than five years	6,281	1,139
	<u>8,407</u>	<u>7,462</u>
Other		
<i>Annual commitments which expire:</i>		
Within one year	74	72
In the second to fifth years inclusive	127	214
	<u>201</u>	<u>286</u>
Total	<u>8,608</u>	<u>7,748</u>

21 Capital and other commitments

Sue Ryder Direct Ltd has outstanding foreign currency commitments of USD \$99,957 (31 March 2014: \$671,840) which are due to mature within 12 months.

The charity is currently undertaking a rebuild of the Thorpe Hall Hospice. The projected total value of the contracts is £3.949m, of which £585,000 remains outstanding at the year end.

22 Related party disclosures

There are a number of independent foundations operating in various countries and which share the main objectives of Sue Ryder. The charity awards grants to these entities as shown in note 7.

The financial statements of the group consolidate the results of its 100% subsidiary companies, Sue Ryder Direct Ltd, Woburn Property Investments Ltd, and subsidiary charity Duchess of Kent House Charity and exemption has therefore been claimed under FRS 8 not to disclose transactions between the charity and its subsidiaries.

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

	2014–15 £000s	Consolidated 2013–14 £000s
Net income for the year	2,040	656
Depreciation (note 10)	4,168	3,394
Gain on sale of assets	–	(339)
Loss/(gain) on sales of investment assets	3	(246)
Decrease/(increase) in stocks	(356)	233
Increase in debtors	(272)	(591)
Increase/(decrease) in creditors	(361)	1,522
Investment income	(236)	(386)
Net cash inflow from operating activities	<u>4,986</u>	<u>4,243</u>

24 Analysis of changes in net funds

	2014–15 £000s	Cash Flows 2013–14 £000s
Consolidated		
Opening cash balances	7,645	4,788
Movement	(636)	2,857
Cash at bank and in hand at 31 March 2015	<u>7,009</u>	<u>7,645</u>

NOTES TO THE ACCOUNTS

25 Net Income from trading activities of subsidiary

Sue Ryder has four wholly owned subsidiaries which are incorporated in the UK. The principal activities of the subsidiary Sue Ryder Direct Ltd are the sale of new goods and the running of the donated goods Gift Aid scheme. The company gifts its taxable profits to Sue Ryder.

The results for the year ended 31 March were:

	Sue Ryder Direct Ltd	
	2014–15 £000s	2013–14 £000s
Turnover	7,033	6,006
Cost of sales	(5,269)	(3,436)
Gross profit	1,764	2,570
Other expenses	(1,197)	(2,172)
Net profit before covenant	567	398
Amount covenanted to Sue Ryder	(513)	(376)
	54	22
Taxation	(15)	–
Retained profit for the period	39	22
Tangible fixed assets	52	81
Net current assets/(liabilities)	(32)	(100)
Total Net Assets	20	(19)
Share capital (£5)	–	–
Profit and loss account	20	(19)
Shareholder's funds	20	(19)

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

Woburn Property Investment Company Ltd was incorporated on 1 November 2012. The principal activity of the company is that of property trading. The company made a loss of £1,150 (2013–14: £nil) during the period. The company holds trading stock of £nil (2013–14: £nil), current assets of £230 (2013–14: £110,135) and an intercompany loan due to the charity of £4,903 (2013–14: £113,658). The company has net liabilities of £4,673 as at 31 March 2015 (31 March 2014: net liabilities of £3,523).

Duchess of Kent House Charity became a subsidiary of Sue Ryder on 4 March 2013. This charity is a fundraising charity for the Duchess of Kent House Hospice. At 31 March 2015 The Duchess of Kent House Charity had net assets of £331,380 (2013–14: £348,770) and an intercompany balance due to the Sue Ryder of £33,391 (2013–14: £12,908). In the year the charity had income of £222 (2013–14: £291,172) and expenditure of £17,612 (2013–14: £476,492).

26 Endowment fund

	Balance at 31 March 2014 £000s	Incoming resources £000s	Expenditure and transfers £000s	Balance at 31 March 2015 £000s
Consolidated and charity				
Endowment Fund (Consolidated only)	88	—	—	88

RECOGNITION OF PATRONS AND KEY SUPPORTERS

We can only go on making a difference to people's lives because of the generosity of the thousands of people and organisations who give their money, time and support. Although it's not possible to mention every single person or organisation that has supported us over the past year, we'd like to give our particular thanks to:

Patrons

Bernard Lewis Family Charitable Trust
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David & Mary Laing
Ian & Caroline McAlpine
John & Ria Sutcliffe
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Thank you also to those donors who wish to remain anonymous.



Sue Ryder

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Patron

Her Majesty the Queen

Chair of Trustees

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