

Trustees' Annual Report and Accounts

2019–20



Sue Ryder

palliative,
neurological
and bereavement
support



Healthcare worker in dark blue scrubs, smiling, standing on the far left.

Healthcare worker in light blue scrubs, smiling, standing second from the left.

Healthcare worker in light blue scrubs, smiling, standing in the center.

Healthcare worker in light blue scrubs, smiling, standing second from the right.

Healthcare worker in dark blue scrubs, smiling, standing on the far right.

Keep clear

Coronavirus (COVID-19) infection

“For people experiencing terminal illness and the grief around it, Sue Ryder is an invaluable source of support. The compassion and expert care provided by Sue Ryder offers hope and understanding to those in their period of greatest need.”

Rt Hon Michael Gove MP
 Chancellor of the Duchy of Lancaster
 and Minister for the Cabinet Office

Cover image:
 Healthcare Assistant Joel Kurian supports one of our clients at Sue Ryder Neurological Care Centre The Chantry

Inside front cover image:
 Sue Ryder Nurses and healthcare colleagues at Sue Ryder Wheatfields Hospice (with thanks to Alex Knight Photography)

Contents

| | |
|---|-----------|
| Foreword: 'There when it matters' | 7 |
| Strategic report | 8 |
| Our achievements in 2019–20 | 8 |
| The impact of coronavirus | 12 |
| Our future plans | 13 |
| Section 172 statement | 14 |
| Financial review | 17 |
| Risk matrix | 24 |
| Fundraising | 28 |
| Energy and carbon reporting | 30 |
| Structure, governance and management | 34 |
| Legal and administrative details | 40 |
| Financial statements | 45 |
| Independent auditor's report | 45 |
| Accounts for year ending 31 March 2020 | 48 |
| Notes to the accounts | 54 |
| Thank you | 81 |
| Recognition of our high value supporters | 81 |



Foreword: 'There when it matters'

Welcome to our Trustees' Annual Report and Accounts for 2019–20.

At Sue Ryder, we support people through the most difficult times of their lives. Whether that's a terminal illness, the loss of a loved one or a neurological condition – we're there when it matters. Our doctors, nurses and carers give people the compassion and expert care they need to help them live the best life they possibly can.

Towards the end of 2019–20, as with many organisations nationally and internationally, the coronavirus (Covid-19) outbreak had a significant impact on our activities. Our healthcare teams faced significant additional pressure; we had to completely suspend our retail operations; and many fundraising events were cancelled or postponed. However, with the support of our staff, volunteers and supporters, we found innovative ways to ensure the continuation of the quality care and compassion we are known for, from digital fundraising to using our influence to ensure access to personal protective equipment (PPE). We would like to take this opportunity to thank our colleagues and say just how proud we are of them for taking on this unprecedented challenge and supporting us through it.

There are a number of challenges coming up within the healthcare field in the next five years. A growing population and more people being diagnosed with complex conditions mean that not only will demand for care increase, but delivering this will put more pressure on healthcare systems, staff and resources. In 2019–20 we commenced the second year of our strategy looking at seven key areas of focus:

- Expanding our community services
- Influencing care delivery across the UK
- Developing our buildings
- Growing our online bereavement support
- Strengthening our brand and culture
- Investing in education and development
- Enhancing our use of technology

Despite the difficulties presented by Covid-19 at the end of the year, we achieved a lot during 2019–20, and you can read more about this over the next few pages. This document gives you an overview of our achievements and our full financial report and accounts, as well as legal and administrative information about Sue Ryder. We've also published a separate Impact Report, highlighting how our palliative, neurological and bereavement services have benefited the people we support. Both of these documents are available on our website.

We entered 2020–21 with a clear purpose and a confidence in our ability to deliver on our plans. Thank you for your interest in Sue Ryder. If you'd like to find out more information about our work or support us, visit our website at sue Ryder.org

Best wishes,
Heidi Travis

Heidi Travis
Chief Executive

Neil Goulden

Neil Goulden
Chair of Trustees



“We would like to take this opportunity to thank our colleagues and say just how proud we are of them for taking on this unprecedented challenge and supporting us through it.”

Heidi Travis, Chief Executive
Neil Goulden, Chair of Trustees

Our achievements in 2019–20

Here is a summary of our key achievements from 2019–20, which saw the delivery of the second year of our five-year strategy.

Expanding our community services

- We have continued to deliver care and support through the Sue Ryder Palliative Care Hub South Oxfordshire following a successful pilot in 2018–19. Incorporating a Hospice at Home service, community nursing and telephone support and advice, the Hub has received funding from commissioners to enable us to continue the service. As part of this, we have moved out of the Nettlebed Hospice building, and the hospice inpatient unit closed in March 2020. We are also working with all key palliative care providers and decision makers in the region to develop collaborative models for future provision throughout Oxfordshire.
- The trust funding we received to enable the expansion of our community services in Gloucestershire and Cambridgeshire gave us the fantastic opportunity to recruit new staff and expand the reach of our services in these areas by offering telephone advice and support to families.
- We started working on plans for developing and piloting new models of healthcare volunteering, which will build on the community volunteering already being done in the charity.

Influencing care delivery across the UK

- We continued to develop relationships with MPs in the areas around our services to ensure end of life care, neurological care and bereavement support are on the Government’s agenda and to grow awareness of the work of Sue Ryder.
- Following our report on gaps in provision for people with neurological conditions in Scotland, the Scottish Government launched its Framework for Action in December 2019. With the right funding and commitment, this framework could make a huge difference to the lives of people who need neurological care and support in Scotland.
- We have worked with the Department for Work and Pensions (DWP) to reform bereavement benefits and change the rules to make the Bereavement Support Payment fairer and improve access to fast-tracked benefits for people who are terminally ill.
- Together with the Chartered Society of Physiotherapy and the Royal College of Occupational Therapists, we’ve been campaigning for the #RighttoRehab. Our #RighttoRehab Day of Action in February 2020 resulted in over 20 MPs pledging to work with us to introduce a right to rehab.
- We have also been building up our partnership working on research, and now have a good working relationship with a number of academic institutions as well as the NIHR Consortium.

Developing our buildings

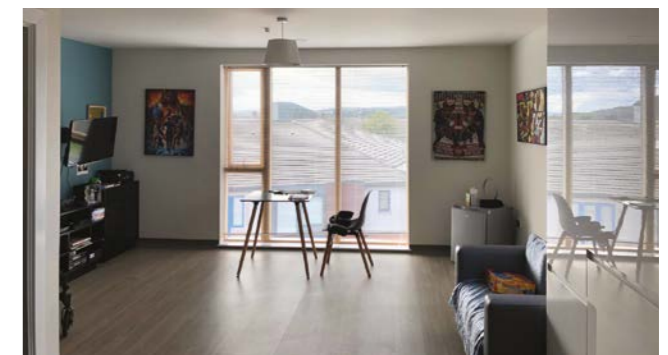
- We are now able to deliver more care to more people at Sue Ryder Neurological Care Centre Dee View Court following the completion of our major extension. The new and improved centre has allowed us to almost double our capacity to 44 people at any one time. We have been able to admit many new clients who had been on our waiting list for some time, and some of our existing clients moved into new rooms too. The feedback since these moves in late 2019 and early 2020 has been very positive from all the clients involved, their families and staff at the centre.
- By the end of 2019–20, our new Sue Ryder Neurological Care Centre Lancashire was nearing completion, with clients due to move from Cuerden Hall in April 2020. The purpose-built centre in Preston has 40 beds, including 14 rehabilitation beds, and four supported living apartments. A wide range of facilities, including a rehabilitation kitchen and a hydrotherapy pool, will help support the delivery of expert neurological care, offering more opportunities for the people we care for, now and in the future.
- We optimised our retail warehouse operation in Northampton by signing five-year leases on our existing warehouse and a new warehouse next door to enable growth of our online trading activity. We also carried out refurbishment works at these sites.



Alok Sharma, MP for Reading West visits Sue Ryder Duchess of Kent Hospice ahead of the 2019 General Election



Our extension at Sue Ryder Neurological Care Centre Dee View Court



A supported living apartment at Sue Ryder Neurological Care Centre Dee View Court



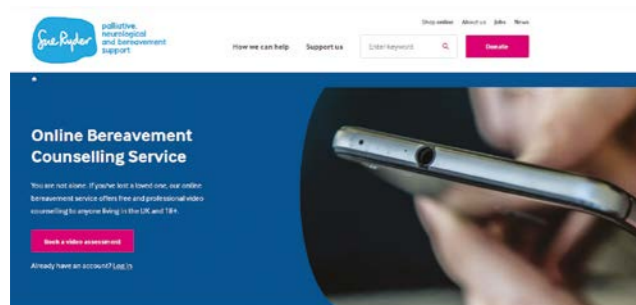
Donna Rudd, Senior Nursing Assistant at Sue Ryder Leckhampton Court Hospice



Our new Sue Ryder Neurological Care Centre Lancashire

Growing our online bereavement support

- Our Online Bereavement Community continued to expand and now supports over 19,000 people per month. It is a place where bereaved people can exchange messages, share experiences and support each other. Having grown significantly since its launch in 2015, we recognised the need to improve the site in line with our vision to provide more care for more people. The new version of the site launched in the autumn of 2019 and was developed based on user feedback. It offers new and improved features to make it easier for users to find their way around and keep track of posts and replies.
- At the same time, we upgraded the platform used to run our Online Bereavement Counselling Service, based on feedback from both service users and counsellors. This service launched as a pilot in May 2018, initially for our Online Bereavement Community members, offering free, confidential and professional counselling via video link. Based on the experience and feedback from the pilot, we decided to grow this service and it is now available to anyone who needs our support. As of March 2020, we had completed over 290 assessments, with 81% of those going onto book counselling sessions.
- The technology upgrades to both of our Online Bereavement Support services were funded by a foundation grant. We are seeking out sources of additional funding to allow rapid expansion of our Online Bereavement Support activity, at a time when these services are urgently needed throughout the UK.



Online Bereavement Counselling Service homepage

Strengthening our brand and culture

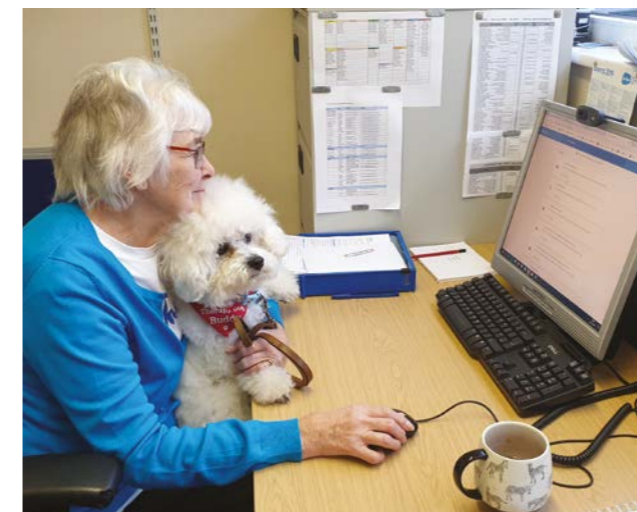
- We integrated our Sue Ryder Nurse identity into our brand, website and health and social care communications, and extended our branded uniforms from Sue Ryder Nurses to the other healthcare professionals who work for us.
- We continued our 'We are Sue Ryder' culture development programme, which aims to make our culture representative, enabling and flexible for all our staff and volunteers. One of the first projects in the programme was our new values and behaviours, which launched to colleagues in early 2020. These reflect the people we support through our palliative, neurological and bereavement services, underpin our aim to be there when it matters and are helping us to deliver our five-year strategy.
- We also launched our new 'We are Sue Ryder' retail programme. This aims to ensure a clear and consistent approach to our retail operations in line with our five-year strategy. It covers everything from best practice, delivery of campaigns and customer service to colleague engagement and the importance of our brand guidelines.



Our new organisational values are Supportive, Connected and Impactful

Investing in education and development

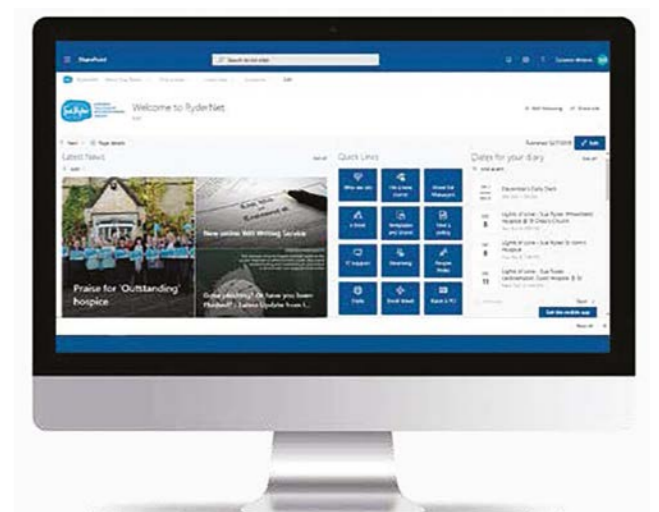
- Through our contribution to the Government's Apprenticeship Levy, we are now able to offer structured apprenticeship opportunities to new and existing employees through the Sue Ryder Knowledge Academy. With qualifications available at all levels within the organisation, this investment in learning and development is helping staff to fulfil their potential and deliver our collective ambition to provide more care for more people. As of March 2020, 67 apprenticeships were underway, with every area of the organisation represented within the Knowledge Academy.
- The wellbeing of our colleagues is very important to us and we want everyone to be aware of the importance of physical, emotional and mental health. To support this aim, our Learning and Organisational Development team launched a new e-learning module for all colleagues in October 2019, coinciding with World Mental Health Awareness Day. Some new training courses were also introduced, including one for line managers called 'Managing Mental Wellbeing in the Workplace'.
- We rolled out e-learning on relevant compliance areas to some of our 9,000 volunteers, including those at our hospices and neurological care centres, and senior lead volunteers from our shops. This replaced the paper booklets used previously and ensures volunteers are up to date with their training, which is very important for the safety and security of the people we support.



Volunteer Eleanor Monks completes the compliance training at Sue Ryder Manorlands Hospice with her registered Pets as Therapy (PAT) dog, Buddy

Enhancing our use of technology

- We started a project to replace our HR system. The new system will be called PeopleHub and is being rolled out in 2021. As well as enabling us to manage staff and volunteer data together, PeopleHub will be accessible from mobile devices and will also enable us to reduce manual processing, with the aim of making the organisation more efficient.
- In 2015 we introduced Google Hangouts instead of physically travelling to meetings, to help us work better, simpler and smarter. We have continued to generate significant savings in the year to March 2020.
- Our business intelligence reporting continues to develop, with enhancements to our healthcare reporting underway.
- We completed the roll-out of our new neurological site management system, CARESYS, at three of our neurological care centres, with the fourth centre added later in 2020. This will provide more effective, consistent support for care planning and maintaining patient records.
- We completed our Windows 10 roll-out and upgraded our intranet, making it a better platform to communicate and engage with our colleagues.



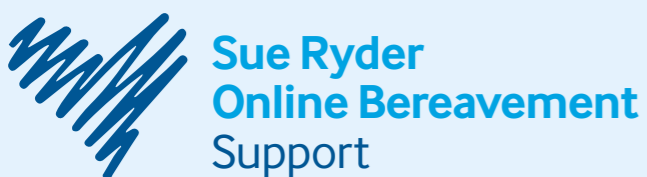
Our upgraded intranet site, RyderNet

The impact of coronavirus

Towards the end of 2019–20, as with many organisations nationally and internationally, the coronavirus outbreak had a significant impact on our activities. Our response to the crisis was proactive, and we quickly rolled out a number of projects to help us provide more care for more people; protect our staff and volunteers and generate much-needed income. This page includes a summary of some of these changes and developments. You can read about the financial impact of Covid-19 on page 20.

Sue Ryder’s Online Bereavement Support

We saw an increase in demand for our online bereavement support services following the outbreak, particularly our Online Bereavement Community and Online Bereavement Counselling. Both services were already uniquely placed to provide support free of charge in people’s own homes before the crisis so, to ensure that we could support as many bereaved people as possible, we expanded the services and promoted them more widely through digital marketing. In particular, we secured additional funding which allowed us to hire more counsellors at a time of increased national need for this support.



Virtual care provision

With visitors to our centres severely restricted, and using the learnings from our trial at Sue Ryder Wheatfields Hospice, we rolled out virtual care technology to six of our hospices and two of our neurological care centres at the start of the outbreak. Doctors, nurses, day services and family support teams used the technology for online consultations, family contact, group therapy and peer-to-peer clinical support.

Adapting our neuro-rehab services

Following approaches from clinical commissioning groups (CCGs), we dedicated several beds across two of our neurological care centres to shorter, more intense periods of rehabilitation treatment for people being discharged from hospital. The CCGs were concerned at the loss of rehab beds due to Covid-19 and were keen to ensure people who needed specialist rehab following a stroke or acquired brain injury could still access this. Without this rehab at the right time, these people may never get to return home or may remain highly dependent in the long term. As well as achieving better outcomes for our clients, this opportunity presented a new way of collaborative and effective working with our partners.

New roles for our volunteers

Our volunteers across the country sprang into action to support Sue Ryder in new ways. Volunteers from our healthcare and fundraising teams were redeployed into online, outdoor and telephone-based roles. So far, these new roles have proven very effective and the collective impact of our volunteers continues to be huge. We also welcomed a number of new volunteers to support our Online Bereavement Community. We were fortunate that 15,000 people volunteered for Sue Ryder in 2019–20, carrying out 13 different roles in our high street shops and 23 roles within our healthcare teams.

Our future plans

To address the funding gap left by the cancellation of fundraising activity and the closure of our shops, in 2020–21 we developed and delivered a number of fundraising campaigns. These include our Coronavirus Emergency Appeal and the December Daily Dash, which we plan to grow as it is an activity that supporters can do on their own or with their household – it is not a mass participation event.

We are also planning to launch a personal protective equipment (PPE) campaign early in 2020–21, asking supporters to email their MPs about the lack of supplies for our hospices and neurological care centres. This will be our first-ever campaign of this kind and we are hoping it will attract widespread support.

We are preparing to roll out wellbeing resources and tools to support frontline healthcare teams, other

active colleagues and furloughed staff. These will include support resources for line managers, wellbeing guidance on a variety of subjects, wellbeing training sessions and mental health awareness resources.

As we move forward with our five-year strategy, it is important to ensure that our Strategic Change Programme is still shaped and structured in the best way to help us achieve our goals. With many projects now complete and making a positive difference to people’s lives, in 2020-21 the programme will move from eight workstreams to four workstreams with a broader remit. These will encourage collaborative working and bring more teams together to work in partnership towards our ambition. Our new workstreams will be Impact Growth; Financial Sustainability; Brand and Culture; and Technology and Data.



Retail posters informing customers and staff of our Covid-19 safety measures



Poster informing family and friends of government advice on visiting at our hospices and neurological care centres

Section 172 statement

Trustees' duties to promote the success of the charity – s172 statement

Under section 172 of the Companies Act 2006, Sue Ryder's Trustees have a duty to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. In doing so, they are required to have regard to various factors including:

- the likely long-term consequences of any decisions
- the interests of the charity's employees
- the need to foster the charity's relationships with suppliers, customers and others
- the impact of Sue Ryder's operations on the community and the environment
- the desirability of the charity maintaining a reputation for high standards of business conduct.

Throughout this report, we have summarised our governance and decision-making framework; our values and behaviours; and our engagement with our service users, employees, volunteers, commissioners

and other stakeholders during the year, which demonstrate how these factors are embedded in decision-making at board and executive level and throughout Sue Ryder.

The likely consequences of any decision in the long term

Our five-year strategy was approved by the Council of Trustees in 2018. This strategy is the reference point for all decision making and its strategic aims are to provide care and support for more people and to influence new models of care across the UK. You can read about our key achievements against our strategic objectives on pages 8 to 11. The strategy is regularly reviewed to ensure that we respond and adapt to changes in the external environment.

The table sets out our key stakeholder groups, the key considerations of each group and how we engage with them.

| Stakeholder group | Key considerations | How we engage |
|--|--|--|
| <p>Beneficiaries: Current service users; potential future beneficiaries including people with complex neurological conditions and those requiring palliative care; people affected by bereavement</p> | <ul style="list-style-type: none"> • Improving the lives of people who live in our neurological care centres • Quality of care and support • To provide care and support to more people • To adapt our services to reach more people and to adapt to changes in the external environment | <ul style="list-style-type: none"> • Using and acting on 'real time' feedback in our services • Research • Quality team audits • Identifying gaps in service provision – research; Freedom of Information Act requests • User feedback (Online Bereavement Community) • Pilots e.g. online bereavement counselling • Developing and expanding our services into the community |

| Stakeholder group | Key considerations | How we engage |
|---|--|--|
| <p>Existing and potential supporters (individuals, trusts, corporates)</p> | <ul style="list-style-type: none"> • To increase fundraised income • To retain and increase the number of supporters • To raise awareness • Our reputation and our values and behaviours | <ul style="list-style-type: none"> • Fundraising Strategy • Integrated campaigns and appeals • Range of fundraising products and activities • Supporter-centric approach • Dedicated Supporter Care team • Regular stewardship communications and supporter journeys • A fundraising promise to our supporters consisting of seven fundraising pledges (available on our website) • Canvassers sign up to our code of conduct • Compliance with the Code of Fundraising Practice |
| <p>Employees and volunteers</p> | <ul style="list-style-type: none"> • For all employees and volunteers to feel valued, listened to and part of our inclusive 'We are Sue Ryder' culture • To attract, retain and develop our employees and volunteers • To include volunteers with employees as one team • Mental wellbeing (extra focus during the pandemic) | <ul style="list-style-type: none"> • Launched our Equality, Diversity and Inclusion steering group, with networks dedicated to Black, Asian and Minority Ethnic communities, LGBTQ+ and people with disabilities • Continuing our culture development programme • Launching our new values and behaviours • Internal communications: intranet, weekly updates by email, internal social network (Yammer), staff magazine (Ryder News), monthly volunteer e-newsletters • Annual employee and volunteer engagement surveys • Wellbeing pulse checks • Learning and development opportunities through our Sue Ryder Knowledge Academy and People team • E-learning • Wellbeing resources • Employee assistance programmes • Trained and qualified Mental Health First Aiders across the whole charity |
| <p>Commissioners (clinical commissioning groups and local authorities)</p> | <ul style="list-style-type: none"> • To provide services that are needed • To obtain an increase in funding contribution for palliative care services | <ul style="list-style-type: none"> • Regular meetings • Transparency on costs • Forging strong and collaborative relationship between centre directors and commissioners • Carrying out pilots of new ways of delivering services to provide evidence of need • Providing evidence of need |
| <p>Key opinion leaders and influencers (MPs)</p> | <ul style="list-style-type: none"> • To raise the profile and awareness of Sue Ryder • To obtain an increase in funding contribution for palliative care services • Campaigns e.g. bereavement leave campaign | <ul style="list-style-type: none"> • Campaigns • Lobbying for change at a policy level • Building relationships between centres and local MPs • Holding events e.g. the Sue Ryder Annual Lecture |

Section 172 statement (continued)

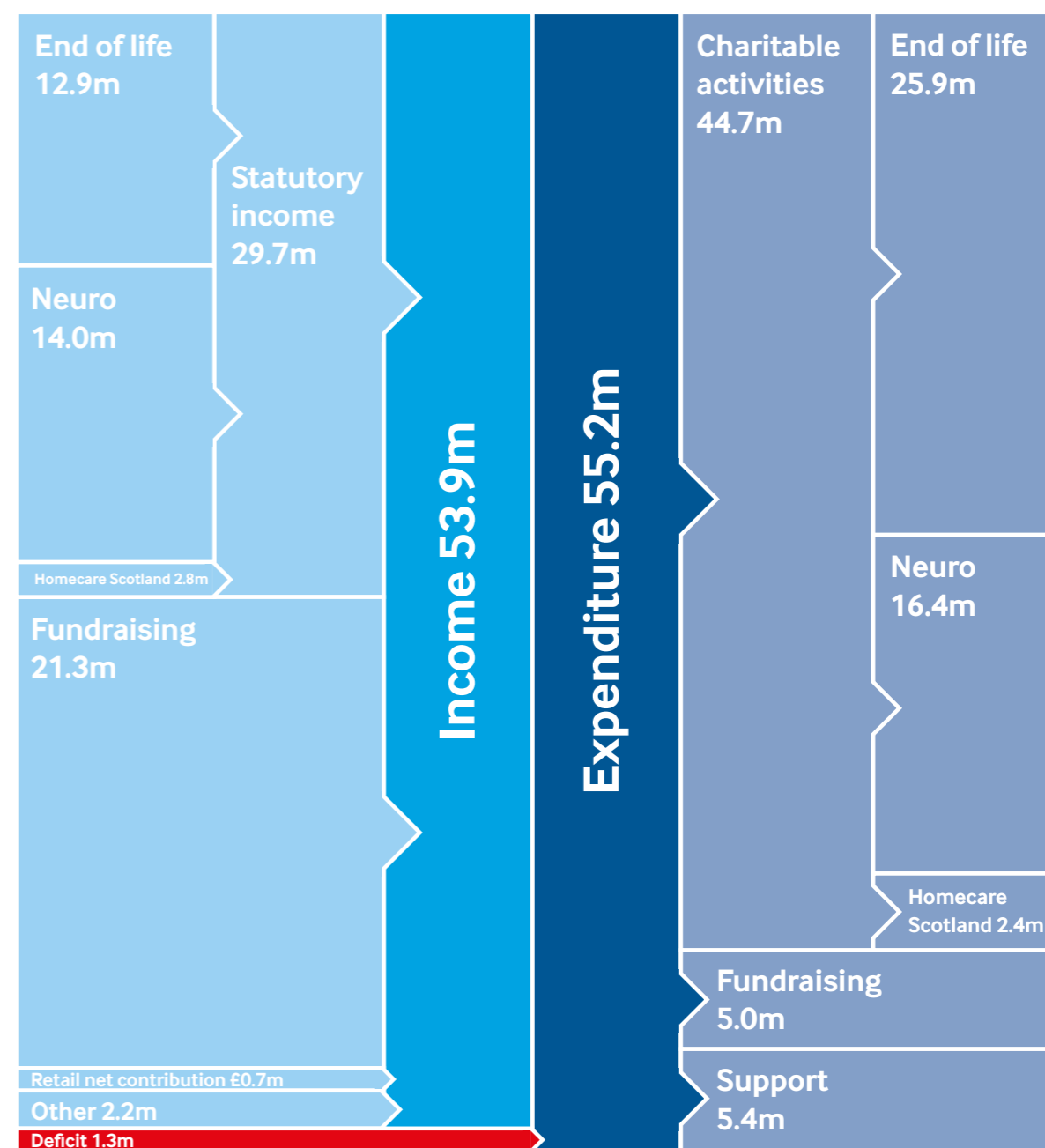
| Stakeholder group | Key considerations | How we engage |
|--|---|--|
| Regulators (including the Fundraising Regulator, Care Quality Commission, Care Inspectorate, Charity Commission, Office of the Scottish Charity Regulator, Information Commissioner's Office and Companies House) | <ul style="list-style-type: none"> Maintaining strict governance procedures to ensure compliance with all applicable regulatory regimes | <ul style="list-style-type: none"> Self-reporting and engagement when appropriate Responding promptly to requests for information Timely submissions of all necessary filings and returns |
| Suppliers | <ul style="list-style-type: none"> To build strategic long-term relationships with our key suppliers To minimise our impact on the environment Our values and behaviours To obtain best value | <ul style="list-style-type: none"> A named individual as contract manager, with support from our Procurement team Tendering process supported by the Procurement team Due diligence questionnaires when selecting suppliers As part of our tendering process, we look at the supplier's commitment to the environment Appointed a third party to review audit reports and statements of compliance with the Modern Slavery Act 2015, of our overseas suppliers Taking into account emissions of vehicles when choosing our company car and van fleet |
| Community and environment | <ul style="list-style-type: none"> Reputation Our values and behaviours Raising awareness of Sue Ryder Sustainability | <ul style="list-style-type: none"> Volunteering and work experience opportunities in our shops Recycling by the sale of donated goods Prisoner Volunteer Programme (integrating those potentially excluded from society back into the community) Video conferencing Online consultations (healthcare) Online training |
| Customers | <ul style="list-style-type: none"> Our values and behaviours Raising awareness of the cause Potential supporters Donations of stock Customer service | <ul style="list-style-type: none"> Messaging in shops Through our staff and volunteers Campaigns Retail Strategy Research |

Financial review

Sue Ryder reported a net deficit of £4m in the year compared to net income of £2.3m in 2018–19. This result reflects the early impact of the coronavirus lockdown, which resulted in a shortfall in retail sales of £2.3m in March (due to closure of non essential retail).

Up to that point, the charity was on track to report a surplus (before impairment of assets and losses on investments) as a result of strong growth in

fundraising and increases in statutory income for both end of life and neurological care. The coronavirus pandemic has had a more significant impact on our services and finances in 2020–21. The table below shows income and expenditure before impairment of assets and losses on investments. Retail sales and expenses are shown at their net contribution of £0.7m (income of £58.8m, less direct and allocated support costs of £58.1m).

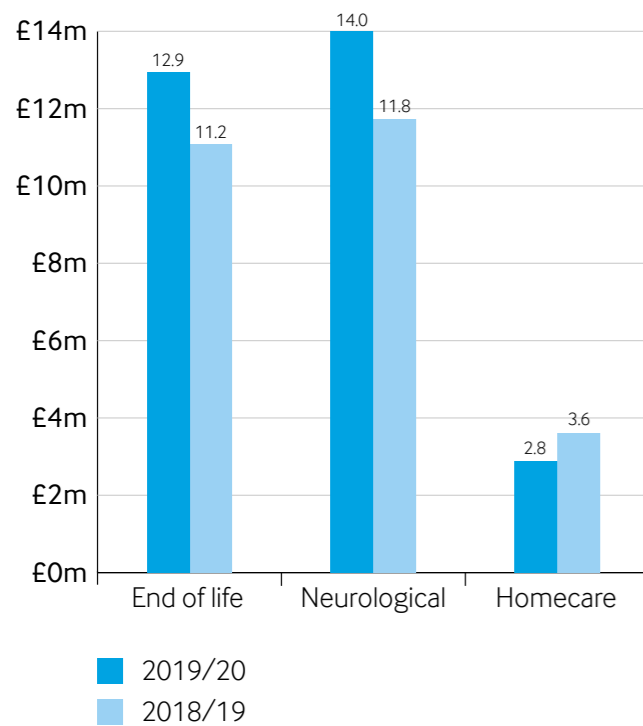


Financial review (continued)

Income

Our principal sources of income are statutory funding from the NHS and local authorities for our palliative, neurological and homecare services; donations from the public, charitable trusts and corporate partners; and retail activities.

Statutory income

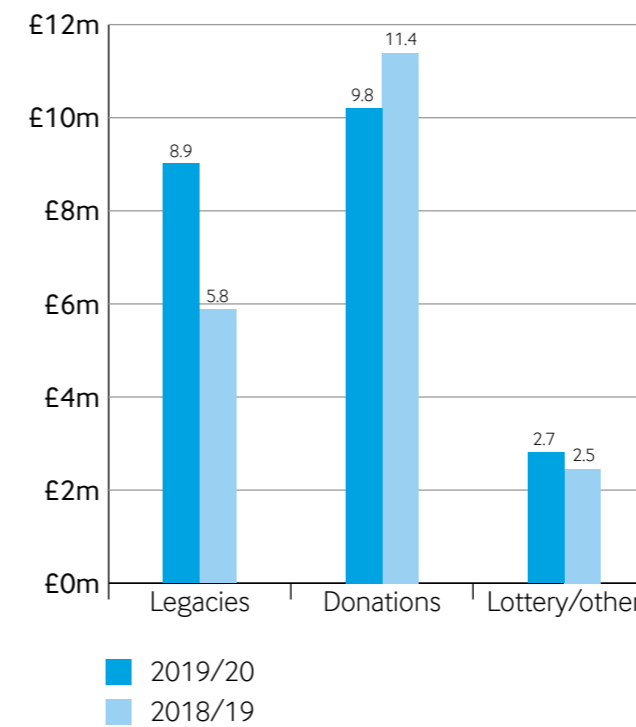


Funding from the public sector for core services remains difficult to secure. However, we were able to increase income from the NHS and local authorities by £3.1m (12%) in the year to £29.7m.

The core grants we received for end of life care in our hospices remained broadly unchanged from previous years. We received non-recurring income of £0.5m from the additional funding for hospices released by central government. We continued to expand our community services and income for these services increased proportionately, primarily through Continuing Healthcare payments.

Neurological fees increased by £2.2m to £14.0m. This was achieved through increased capacity at Sue Ryder Neurological Care Centre The Chantry and Sue Ryder Neurological Care Centre Dee View Court. We secured increased fees in all of our centres commensurate with the increasing complexity of our clients' care needs.

Increased competition in Scotland saw our Homecare services deliver fewer hours of care, which led to a fall in income of £0.8m. Since year end, we have exited the market in Angus, which will reduce income by c£1m. We continue to operate in Stirling, which remains profitable.

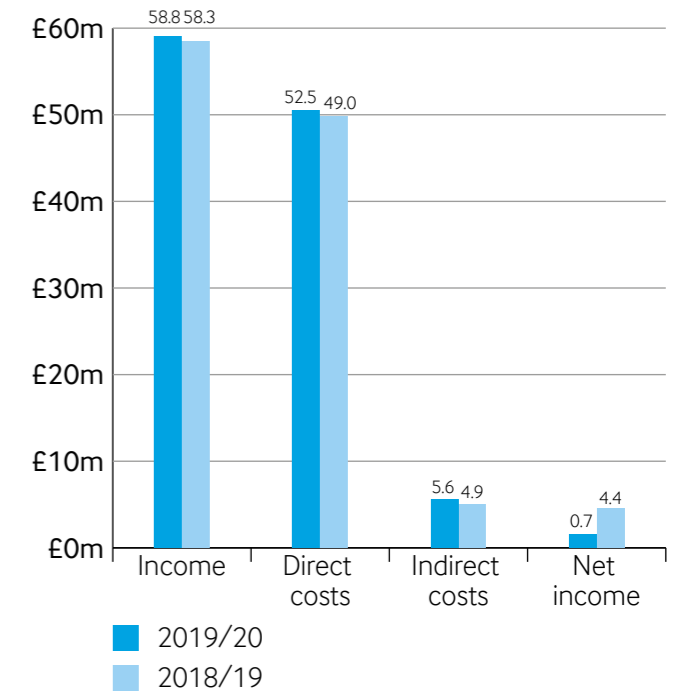


Fundraising

Total fundraising income grew by £1.6m to £21.3m due to significant growth in legacies and lottery income.

Legacies had a particularly strong year, with income of £8.9m out-stripping last year by £3.1m, boosted by a single large gift. By their nature, legacies are variable and we would not expect that level of income to continue.

General donations from the public, trusts and corporate partners fell by 14% to £9.8m. Income from the Sue Ryder Lottery grew by 8% to £2.7m [2018–19: £2.5m].



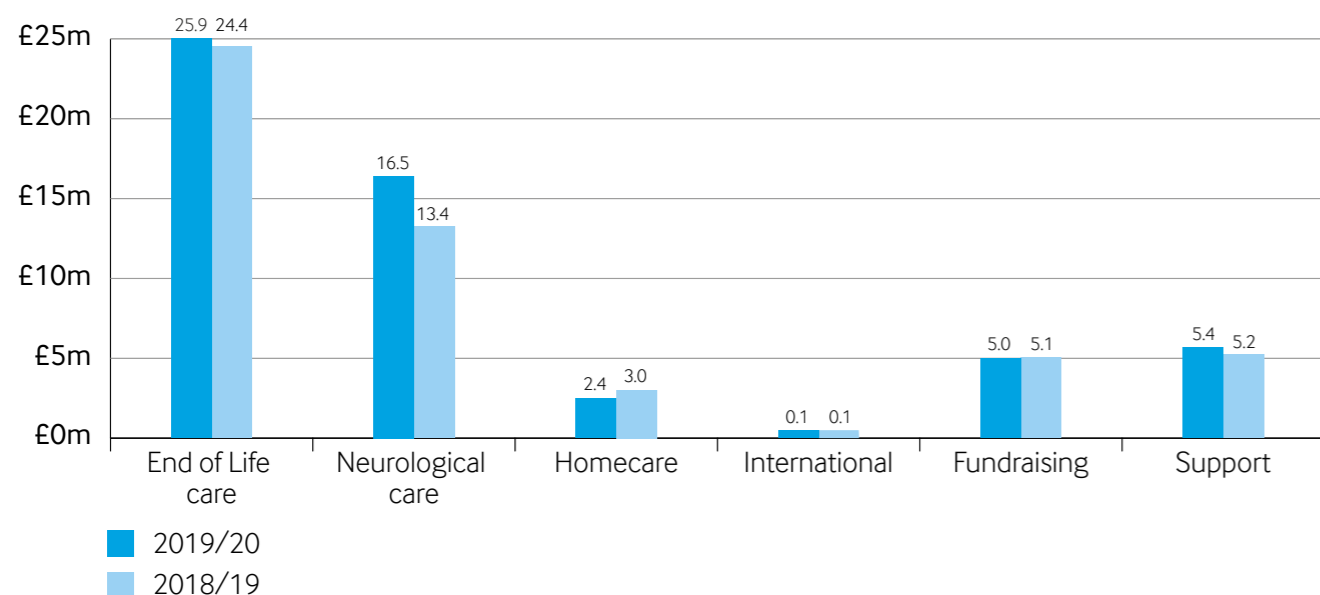
Retail

Trading conditions on the high street remained difficult and this was exacerbated by the lockdown in late March. The last day of trading for our shops was 20th March, and sales had been in decline in the run up to that date: our sales in March were £2.3m lower than last year.

This shortfall has had a material impact on the net contribution from Retail as we were unable to adjust our cost base in March to reflect the lack of income. Underlying income was ahead of last year, mainly due to the contribution from new shops. Our cost base did increase faster than the increase in income and as a consequence we have reviewed and reduced some of the retail support roles, which will have a positive impact as trading returns to previous levels.



Financial review (continued)



Expenditure

Total expenditure (excluding retail) grew by 8% to £55.2m in the year [2018–19: £51.3m]. Wages and other staff-related costs are our largest cost and these costs increased in the year due to growth in some of our services, increases in the national living wage and contributions to workplace pensions.

Impact of coronavirus

The impact of coronavirus on our service delivery and finances began to be felt in March and the financial consequences for the year are discussed earlier in the report. However, the impact has been far more severe in the first quarter of 2020–21.

Our retail shops closed for trading on 21st March 2020, and we were able to claim Government business support grant funding of €800,000 (the state aid cap at the time of claiming the grants) in the year 2019-20. However, the impact has been far more severe in the first quarter of 2020–21.

However, it is the view of the Trustees that our reserves will be sufficient to carry the charity through the remainder of the crisis. Nevertheless, our financial position is very dependent on the recovery of our fundraising and retail income streams and we will be closely managing our cost base until such time as more normal conditions return.

Reserves policy

At 31st March 2020, total funds stood at £53.8m [2018–19: £57.8m]: £6.1m [2018–19: £4.0m] was restricted for specific purposes and £12.4m [2018–19: £14.6m] was property revaluation reserves (representing the estimated increase in the current values of our freehold care centre assets over their historic values).

Sue Ryder holds reserves in order to maintain services in the event of a temporary downturn in income and to invest in new opportunities as they become available. The charity depends on a number of diverse but fluctuating income streams in order to fund its services. During the year, the Trustees undertook a risk-based review of our income and expenditure in order to assess the appropriate level of reserves the charity should hold. Taking into account the diverse 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 conditions in which we operate, they are of the opinion that an appropriate level of liquid free reserves (held as cash and investments) would be in the range of £11-17m.

At year end, our liquid free reserves were £12.5m, comprising £4.4m cash at bank and £8.1m of portfolio investments [2018–19: £13.1m]. The reduction in the year was primarily due to a reduction in the value of our investment portfolio in line with the fall in global stock markets in the quarter to 31st March 2020.

Investments

The Council of Trustees sets the overall performance and ethical parameters under which our investment managers operate. Following a competitive tender process, the charity appointed CCLA as our investment managers.

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 -6.7% (2018–19: 4.3%).

The distribution of investments as at 31st March 2020 was:

| | |
|-----------------------------------|--------|
| UK equities | 13.84% |
| Overseas equities | 33.26% |
| UK fixed interest and gilts | 13.81% |
| Overseas fixed interest and gilts | 4.03% |
| COIF Charities Fund | 12.76% |
| Others | 22.30% |

Investment restrictions

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



Financial review (continued)

Going concern review

The charity's financial results for 2020–21 to date have exceeded our expectations, due to a combination of factors. Our hospices have benefited from additional funding from NHS England, recognising the role we have played in alleviating pressures on the healthcare system. We have also received further government support from the Job Retention Support Scheme and grants relating to the enforced closure of our shops.

Beyond that, we have been overwhelmed by the support from the public and trusts in response to our major national appeals, as well as our ongoing local fundraising activity.

At the beginning of the crisis, we implemented tighter cost and cashflow management controls in order to mitigate the impact of reduced income and these controls remain in place.

The ongoing pandemic has made financial forecasting difficult but we have navigated the challenges well. Preparations for the budget for 2021–22 are well advanced and it is this provisional budget which has already been reviewed by our Audit, Risk and Commercial Subcommittee which forms the basis of our going concern review.

Our forecasts take into account the most recent government announcements on the easing of restrictions, but we anticipate an ongoing impact on our retail and fundraising income in particular. The precise impact is uncertain and so we have prepared a conservative budget which demonstrates the charity's ability to preserve cash.

We have run a number of different scenarios on our key budget assumptions, all of which demonstrate that we remain in a cash positive position. This includes an extreme scenario which models a combination of an extension to the national lockdown and further lockdowns in the year; reductions in legacy and other fundraising income; and no increases in statutory

funding for our neurological care services. As there is little or no correlation between these three income streams, this scenario is considered to be very unlikely.

Our initial forecasts, in all scenarios, identified a number of months where we would fall below the target level for the debt service cover covenant associated with our loan from Charity Bank, although we exceed the target by year end. However since performing the going concern review, a number of estimates used in the scenarios have been confirmed and are significantly higher than anticipated. This includes Government support for our hospices and business support grants for our charity shops.

Our updated forecasts, which include these confirmed amounts, show that we will remain compliant with the debt service cover ratio covenant. Nevertheless, Charity Bank are aware of our situation and have confirmed approval to waive the requirement that the debt service cover covenant is tested by reference to quarterly statements during the 2021–22 financial year. Given our proposed budget for 2021–22 demonstrates compliance when taking the year as a whole, we are confident the covenant target will be exceeded.

There are a number of further mitigations that would be available to us over and above those already modelled, including:

- Reducing expenditure on discretionary items such as marketing and fundraising
- Reducing the scope of services, for example bereavement or non-commissioned hospice at home services
- The potential for an emergency fundraising appeal following on from the success of the appeal in April 2020
- Using our investment reserves to mitigate shortfalls in cashflow.

Based on the above, the Trustees have not identified any material uncertainties related to going concern and therefore consider that the going concern basis of accounting is appropriate for the accounts.



Risk matrix

Principal risks and uncertainties

The Council of Trustees has responsibility for ensuring that there is adequate and effective risk management and a system of internal controls in place to manage Sue Ryder’s major risks and support the achievement of our strategic objectives.

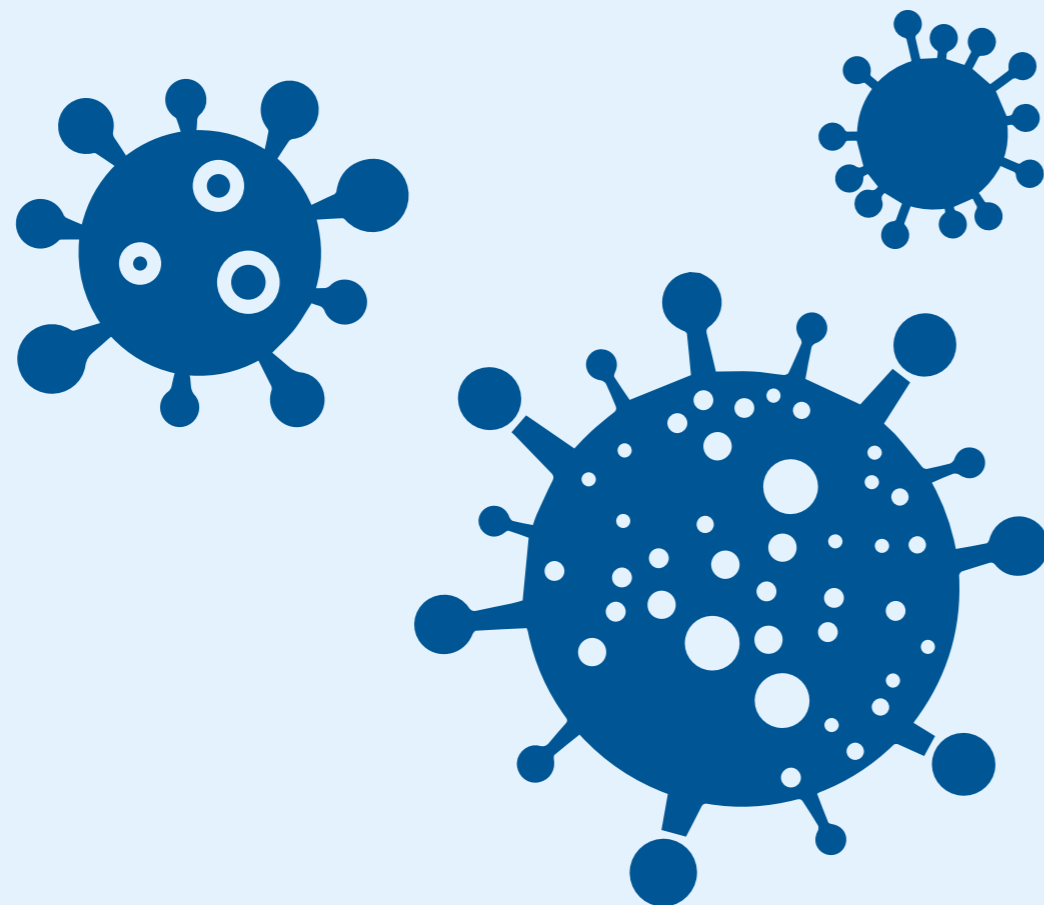
Processes in place to manage the key risks that could affect Sue Ryder’s ability to achieve its objectives include the following:

- Each directorate maintains and reviews its own risk register. Key risks are identified and included in the Corporate Risk Register which is reviewed by the Executive Leadership Team and the Audit, Risk and Commercial Subcommittee.

- Audit, Risk and Commercial Subcommittee approves the annual risk-based internal audit plan. Internal audits are carried out by both an experienced member of staff and an external audit company. Audit, Risk and Commercial Subcommittee reviews the audit results and tracks implementation of any improvement measures identified.

- A framework of delegated authority is established.

Information relating to the principal risks to Sue Ryder’s objectives and how these are managed is set out on the next few pages.



Principal risks

Covid-19

There is a risk that the pandemic could adversely impact the continuation of the charity in its current form, leading to the charity no longer being able to carry out its charitable objects.

This could be as a result of a combination of all or several of the following:

- reduction in income from retail and fundraising
- closure of services through self-isolation
- lack of PPE
- pressure on staff
- volunteers not wanting to return to retail shops.

Key controls and mitigating factors

- Regular Covid sitrep meetings at both service and executive levels
- Creation and monitoring of a Covid-19 dashboard showing key metrics, including staff availability, prevalence of the virus amongst service users and staff, testing rates and financial data
- Regular reforecasting and review of cash flow
- Making use of suitable assistance schemes, such as the furlough scheme and NHS England hospice funding
- Launching an emergency appeal
- Creation of virtual fundraising events
- Establishing a centralised National Distribution Centre to hold sufficient stock and distribute PPE to services
- Constant monitoring to ensure staffing levels are safe
- Accessing coronavirus testing
- Redeployment and fast track training of staff to clinical positions
- Fast track recruitment process
- Rapid roll-out of virtual care services
- All areas being supported by Learning and Organisational Development with provision of additional wellbeing resources on our intranet and communications to staff
- Provision of coaching to centre directors
- Wellbeing resources sent to furloughed staff
- Line managers being encouraged to support staff (active or furloughed) in manager communications
- Communication with volunteers
- Strategy review – including lessons learned from the pandemic, new ways of working and identifying roles and functions which cannot be sustained.

Risk matrix (continued)

| Principal risks | Key controls and mitigating factors |
|--|---|
| <p>Financial performance</p> <p>There is a risk that income does not grow as planned. This could result in:</p> <ul style="list-style-type: none"> • slowing down or halting the growth in activity • a reduction in services currently offered • failure to comply with loan covenants • pressure on reserves. | <ul style="list-style-type: none"> • Monthly review of financial performance of business units against budget and forecast • Performance reported to Trustees and scrutinised by Trustees at Audit, Risk and Commercial Subcommittee • Annual budgeting and quarterly re-forecasting exercises signed off by executives and Trustees • Holding adequate reserves • Covenant reporting included in monthly reporting; • 3 month rolling cash forecast • Tracking of key performance indicators in retail and fundraising • Development of a neurological costing model to support fee increases • Engagement with clinical commissioning groups to co-create service/development plans with suitable funding for end of life services. |
| <p>Reputation</p> <p>There is a risk that as we grow our services and influence, we expose the organisation to greater need for regulation which, if not developed, risks damage to reputation and public support.</p> <p>Areas of focus are service quality, fundraising compliance and data protection.</p> | <ul style="list-style-type: none"> • Separate Quality and Governance team has remit to check practice and governance at each care service • Quality improvement plans in place for each care service • Quality assurance process (internal inspection and audit) • Mandatory e-learning modules for staff in key areas of learning • Information Management Group, chaired by the Company Secretary and Director of Compliance and Risk, has responsibility for overseeing information governance within the charity and providing assurance to the Board and meets four times per year (or more frequently if required) • Data Guardians Group, chaired by the Head of Supporter Experience, Data and Insight, has responsibility for ensuring that the Information Asset Owners (who are responsible for data management of their datasets) are equipped to carry out their role and ensure integrity of the data and appropriate access to the data. The group meets four times or year (or more frequently if required) • All staff undergo a full induction, including mandatory training • Regular review of risk registers • An annual risk-based internal audit plan is approved by Audit, Risk and Commercial Subcommittee, with results of audits reported to the Committee • Datix is used as the corporate system for reporting and reviewing incidence management. |

| Principal risks | Key controls and mitigating factors |
|---|--|
| <p>Workforce: Culture and Environment</p> <p>There is a risk that the culture/ environment of Sue Ryder does not enable, attract and retain the workforce that is needed to enable delivery of the five year plan.</p> | <ul style="list-style-type: none"> • Culture audit has been carried out and a culture development programme has been created based on the results • Ongoing brand training and briefings for staff • Engagement champions in all areas • Annual leadership conference (postponed in 2020) • Five year people plan in place • Promotion of wellbeing policies and the development of: <ul style="list-style-type: none"> - Diversity e-learning - Mental health training - New induction programme. |
| <p>Workforce: Capability and Skills</p> <p>There is a risk that the organisation's capability and skills may not be ready to deliver the scale of the five year plan.</p> | <ul style="list-style-type: none"> • Leadership training rolled out • Volunteer development plan • Recruitment process reviewed • Nurse vacancy reporting to Executive Leadership Team • Nurse recruitment report. |
| <p>Information security and data protection</p> <p>A successful cyber-attack disables the charity's IT systems and/or leads to a data breach, resulting in fines and negative publicity.</p> | <ul style="list-style-type: none"> • Governance structure includes Data Guardians Group and Information Management Group • Compliance with Cyber Essentials scheme • PCI-DSS compliant • Annual penetration testing of external services • Segregation of architecture e.g. services split with major external suppliers • Active monitoring of device level threats e.g. malware • Full incident management framework • Data protection e-learning is mandatory for all staff • Information breach reporting process in place • Review of major breaches occurring in other organisations to apply lessons learned to our systems and policies. |



Fundraising

Fundraising statement

1. Sue Ryder's approach to fundraising activity, and in particular whether a professional fundraiser or commercial participator was used.

Our fundraising teams work tirelessly to raise money in a number of different ways – through gifts left in wills, corporate fundraising with local companies and national partners and soliciting gifts from trusts and foundations to the Sue Ryder lottery and our Friends of Sue Ryder regular giving scheme. In addition, each Sue Ryder hospice and Sue Ryder Neurological Care Centre Dee View Court has its own fundraising team working within the local community to raise funds and awareness of our work.

2. Details of any voluntary fundraising scheme or standards which the charity or anyone fundraising on its behalf has agreed to. This includes the regulation scheme established by the Fundraising Regulator.

Sue Ryder complies with current regulations and best practice set out by regulatory and professional membership bodies such as the Charity Commission, the Fundraising Regulator, the Chartered Institute of Fundraising and the Direct Marketing Association. We are registered with the Fundraising Regulator and we are committed to adhering to the Code of Fundraising Practice and the Fundraising Promise.

3. Any failure to comply with a scheme or standard cited.

Due to the nature and logistics of delivering fundraising across multiple sites, we are aware that the potential for breaches of fundraising compliance exist. We manage and minimise these risks through training and inductions for new starters, quality checking and audits, implementing compliance policies and having compliance champions in each area. We pro-actively engage and work with the Fundraising Regulator and

other professional bodies to ensure that any concerns raised are addressed as a priority.

4. Whether and how the charity monitored fundraising activities carried out on its behalf.

At Sue Ryder we acknowledge that the use of third parties can have a significant impact on our ability to raise funds and support our work, as well as improve efficiency and reduce cost. However, it is imperative that we have the right safeguards in place when working with suppliers and those who deliver fundraising work on our behalf to protect our reputation, our supporters, patients, their families and the financial position of Sue Ryder.

Sue Ryder requires that any agency or third party that we work with complies with data protection legislation as set out in the Code of Fundraising Practice, including the requirements of the Telephone, Mailing and Fundraising Preference Services. Details of how we do this are set out in our Privacy Policy.

We follow a robust procurement process when recruiting third parties to work on our behalf, making sure we apply appropriate due diligence and contracts for this work. We work closely with these third parties, regularly reviewing their work against performance targets and ensuring we are delivering the best value for money for the charity and our supporters. We have organisational policies that outline what is expected at each stage of a relationship with a third party.

Where relevant, third party personnel adhere to a code of conduct when engaging with supporters and potential supporters on our behalf. That means they should be polite, respectful and aware that anyone can be in a vulnerable situation – even if it is not immediately apparent. It also means that nobody should be pressurised, or made to feel guilty for not supporting us. They make it clear when communicating on our behalf how a person can

register feedback or a complaint directly with the charity. This is also highlighted in communications sent on our behalf by third parties and in our donor pledges on the Sue Ryder website.

5. How many complaints the charity or anyone acting on its behalf has received about fundraising for the charity.

Sue Ryder received a total of 61 complaints about fundraising in the 2019–20 financial year. This is a 8.96% decrease in complaints received when compared to the previous year. Our complaint numbers are relatively low in comparison to the wide array of fundraising activities pursued. On average, we received five complaints a month about fundraising, which is 8.9% lower than last year. 99% of complaints were responded to within 10 days of receipt.

We report on the number of complaints we receive in regards to fundraising each year to the Fundraising Regulator. We also publish an internal complaints report that is shared with our Senior Leadership Team (SLT), reviewing complaints and suggesting actions and learnings taken from them that have positively impacted on our work. The charity has a Fundraising Complaints Policy which outlines how complaints should be dealt with and when serious complaints should be escalated to our Senior and Executive Leadership teams and Trustees. This policy is included on our intranet, highlighted quarterly in our Fundraising Operations team newsletter and in our ongoing training on fundraising compliance. Our donor promise on the Sue Ryder website highlights how an individual can make a complaint and how they can contact us to do so.

6. What the charity has done to protect vulnerable people and others from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with

fundraising for the charity. Here the charity might report whether it has signed up to receiving suppressions under the Fundraising Preference Service.

The charity employs a code of conduct to protect vulnerable people which all face-to-face canvassers and fundraisers must adhere to. There are age limits on who can be approached with a fundraising ask by our canvassers to protect minors and older people who may be vulnerable. Our Lottery team works with the Gambling Commission to ensure we adhere to the law and offer self-exclusion for individuals who may have issues with gambling.

Sue Ryder has created a Vulnerable Supporters Policy to ensure all staff have guidance in this area and are comfortable in recognising a person in vulnerable circumstances. All of our direct marketing and thank you correspondence contains clear instructions as to how a supporter can easily opt out of receiving further communications from the charity should they choose to do so. Sue Ryder has signed up to the Fundraising Preference Service and to date has received and actioned 35 requests via this channel. We have seven fundraising pledges published on our website and shared with colleagues, which lets our supporters know how we expect our staff to behave.



James Wright, our Head of Public Fundraising, who was part of Sue Ryder's team of fundraisers at the 2019 Great North Run.

Energy and carbon report

From the financial year beginning 1 April 2019, we are required to report publicly on our UK energy use and carbon emissions under the Government's Streamlined Energy and Carbon Reporting (SECR) scheme. This new requirement has been implemented by the Department for Business, Energy and Industrial Strategy (BEIS).

Company information

Sue Ryder is a private company limited by guarantee, incorporated in the UK (00943228). The registered address is Kings House, King Street, Sudbury, Suffolk, CO10 2ED.

Reporting period

The reporting period coincides with the financial year of 1st April 2019 – 31st March 2020.

Reasons for change in emissions

This is the first year of reporting under SECR and forms the base year for reporting. No changes in emissions are therefore reported at this time.

Business travel

The use of online conferencing is encouraged for internal meetings. Area managers plan their shop visits based on location to minimise overall travel miles. Shops managers covering for colleagues in other stores is kept to a minimum.

Quantification and reporting methodology

HM Government Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance (March 2019) have been used for the collation of data sources and reporting of emissions. UK Government Greenhouse Gas Conversion Factors for Company Reporting have been used for the reporting of emissions, using the 2019 version.

Organisational boundary

The financial boundary of the business has been used to determine the reporting boundary.

Operational scope

Measurements include mandatory Scope 1, 2 and 3 emissions. No estimates have been used.

Exclusions

Due to restricted working practices during the collation of this report, refrigeration data was not available and has been excluded.

Base year

The base year is 2019–20. This is the first year for which reliable data has been collated and is typical in respect of business operations. The policy is to recalculate the base year and the prior year emissions which meet a significance threshold value change of 5% of base year emissions.

Target setting and responsibilities

The emissions reduction target is to reduce gross, Scope 1 and 2 emissions in tonnes of CO₂e per unit of floor area by 2% per year. The performance against target will be reviewed on a quarterly basis during the reporting year.

Intensity measurement

The metric chosen for reporting is gross global Scope 1 and 2 emissions in tonnes of CO₂e per unit of floor area for operations, as this is a common business metric for a predominantly retail operation. An intensity measurement will be reported each year with comparison made against previous year to highlight performance.

Carbon offsetting

No carbon offsetting is recorded in this reporting period.

Energy efficiency actions

In the first reporting year, any activities to improve energy use and reduce carbon emissions will not have quantitative data to measure the positive environmental impact. Any activity with a positive outcome will be incidental, with its overall impact not measurable.

For year 2 and beyond, measures will be put in place to identify reductions where measurement and quantitative analysis is possible.

Replacement equipment

Where equipment has required replacement due to failure, the new equipment is, where possible, the most efficient available for the application. This has included the fitting of LED lighting in place of fluorescent and incandescent units, heating controls with start optimisation technology integrated and air conditioning controls with built in time schedules, as well as low energy point of sale and IT equipment.

Staff awareness

Having identified that the staff in a retail store can change over time due to the nature of volunteer availability, some stores have placed instructions on various electrical items such as light switches and heating thermostats, advising them to switch off, or providing instructions on the best operating parameters.

These individual initiatives can provide the opportunity for best practice operation in an outlet and a coordinated campaign to target all shops to identify similar best practice will be rolled out in 2020.

Travel minimisation

The use of technology is being adapted where possible. With increased mobile technology and 'work at home' practices being implemented, a move towards online meetings is being considered where the necessity for face-to-face interaction at a central location is not essential.

The impact on business travel will be monitored in 2020, together with a measure of the positive and negative impacts of new ways of working, to determine if the use of technology can be increased over potentially unnecessary travel.

Energy and carbon report (continued)

| Scope 1 CO2e (tonnes) | % estimated | Specific exclusions, % this represents for relevant scope (excluding geographic exclusions) and an explanation | 2019–20 |
|-----------------------|-------------|--|----------------|
| Gas consumption | 0 | None | 1,057.6 |
| Owned transport | 25 | None | 533.1 |
| Fugitive emissions | 0 | No data was available due to work restrictions during the data compilation phase of reporting. | 0 |
| Total | | | 1,590.7 |

| Scope 2 CO2e (tonnes) | % estimated | Exclusions | 2019–20 |
|-----------------------|-------------|-------------|-----------------|
| Total | 0 | None | 2,799.50 |

| Scope 3 CO2e (tonnes) | % estimated | Exclusions | 2019–20 |
|---|-------------|------------|-----------------|
| Business travel activity: private vehicles, rental car trips | 0 | None | 1,342.7 |
| Transmission and distribution losses of purchased electricity | N/A | None | 237.7 |
| Total | | | 1,580.40 |

| Total gross emissions | Exclusions | 2019–20 |
|--------------------------------------|----------------------------|----------------|
| Gross Scope 1, 2, 3 emissions | Exclusions as above | 5,970.6 |

| Intensity metric (gross emissions) | Exclusions | 2019–20 |
|---|----------------------------|--------------|
| Scope 1, 2, 3 emissions / hundred ft2 retail space | Exclusions as above | 1.121 |



Opposite page: Ann Foreman, volunteer gardener at Sue Ryder Manorlands Hospice in West Yorkshire

Structure, governance and management

Objects of the charity

We amended our articles in December 2019 to include our bereavement support as a stand-alone object, and took the opportunity to align our other objects to reflect the charity's activities. Our current objects are as follows:

1. To provide or assist in the provision of care for persons suffering from any serious or permanent disability, incapacity or illness, whether physical or mental
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 advance the education of the public about the causes of disability, incapacity or illness, whether physical or mental, and the means of relieving those needs
4. To relieve the mental and physical suffering of persons affected by bereavement or loss, including by the provision of counselling and support for such persons.

Sue Ryder is comprised of Sue Ryder Charity (the main operating charity through which all charitable activity is undertaken), Sue Ryder Direct Limited (a trading company which sells new goods and operates the donated Gift Aid scheme) and Sue Ryder Lottery Limited (a company which runs the Sue Ryder Lottery and holds a gambling license to do so). Woburn Property Investments Limited and Duchess of Kent House Charity are also subsidiaries of Sue Ryder Charity, and are both dormant. Within the next 12 months, the trustees intend to wind up the Duchess of Kent House Charity. This means that the accounts were prepared in line with FRS 102 but not as a going concern.

Council of Trustees

The Council of Trustees, a minimum of seven and a maximum of 12 persons (plus Chair), 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.

In recruiting new trustees, we seek 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 as appropriate.

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

For the year ending 31st March 2020 these subcommittees and their remits were:

- Health and Social Care Subcommittee (five times a year) – supports and develops a sustainable healthcare strategy and oversees clinical risk
- Audit, Risk and Commercial Subcommittee (five times a year) – overseeing risk (except clinical risk), financial governance, retail, fundraising and property management and developments
- People and Remuneration Subcommittee (five times a year) – covering all aspects of human resources
- Nominations Subcommittee (as required) – recommends the appointment of new members of Council

Council review

The Council of Trustees supports the principles of good governance set out in the Charity Governance Code and uses the code to evaluate its effectiveness. The performance of individual trustees is assessed each year. An external Council review is due to take place in 2021.

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:

- The 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 Quality and Governance team, which reports to the Health and Social Care Subcommittee, and Internal Audit, which reports to the Audit, Risk and Commercial Subcommittee. Regular audits are undertaken from a risk-based annual audit plan as approved by Subcommittee. Progress on audit and risk activity and implementation of management action plans are reported on at meetings of the Audit, Risk and Commercial Subcommittee.

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 year to 31st March 2020, 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

Our Internal audit function (or service) implements an internal audit plan of work to cover the major risks identified by the Trustees and management. The Audit, Risk and Commercial Subcommittee has approved the risk-based internal audit plan. Audit results are regularly presented to the Audit, Risk and Commercial Subcommittee, together with progress on implementation of recommendations.

In 2018, Sue Ryder appointed Mazars to act as a co-source partner on certain internal audit assignments, with a focus on specialised areas such as IT.

Management and policies

Grant making

Sue Ryder currently provides a £20,000 grant each quarter to support the ongoing work of an independent Sue Ryder organisation in Albania.

Foreign exchange

The charity's trading subsidiary, Sue Ryder Direct Limited, purchases new goods from overseas suppliers

Structure, governance and management (continued)

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 5.2% [2018–19: 9.6%].

Pensions

Sue Ryder operates the following pension schemes:

- **The Sue Ryder Care Pension Scheme (1992)**

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

EL sold its business to Utmost on 31st December 2019, which resulted in a one-off uplift bonus payment to all members who participated in its With Profits fund investment strategy. Following this, the Trustees of the Sue Ryder Care Pension Scheme made the decision to wind up the scheme. Winding up proceedings commenced on 1st March 2020 and all members' assets are in the process of being managed out of the scheme with Utmost. Members are being afforded a 60 day notice period, ending on 14th August 2020, during which time they may manage their own benefits out of the scheme as they wish. In the event that no decision or action is taken by the member, their accrued fund will default to a trustee-proposed Individual Section 32 buyout scheme established with Scottish Widows, then enabling the scheme to be wound up.

- **Group personal pension plan**

Sue Ryder contributes to individual personal

pension plans, under a group personal pension plan operated by Royal London (formerly Zurich until April 2019).

- **The 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 National Health Service employees. As it is not possible to identify the surpluses or deficits that relate to Sue Ryder, this scheme is treated as a defined contribution scheme under FRS102.

Employment of disabled persons

Sue Ryder 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.

Gender pay gap

At Sue Ryder, our mean gender pay gap is 3.31%. This shows that, on average, the hourly rate men are paid is 3.31% higher than the rate women receive. This compares well to the national average of 17.3%. Our median gender pay gap is -3.86%. This is the difference if we line up all salaries and take the middle point; and shows that the median pay point is lower for men. The national figure for this is 16.2%, so we compare very favourably.

We have over 3,000 staff based across the UK; and the gender split is 83% women and 17% men. Although our pay gap figures are low, we still strive to eliminate any gender bias.

Remuneration policy

Our reward policies ensure that the charity can attract, retain and motivate its staff by offering and maintaining appropriate remuneration and benefits. This includes both financial and non-financial rewards and recognition.

We recognise and reward excellent performance through merit-related pay awards and paying for development achievements. We determine our market position through benchmarking. It is our aim to pay and provide employee benefits at the market midpoint; that is the average of similar employers in the locality of where the job is based.

We ensure similar treatment for comparable jobs and maintain appropriate differentials between different roles and different levels of performance. We do not discriminate based on age, gender, race or disability. We take a structured approach, linking pay to job level or grade and job function as the job market requires. Underpinning pay at Sue Ryder is a global grading system.

We encourage and reward innovation, achievement and behaviours through recognition schemes, appraisal criteria and skills frameworks. Reasons for reward decisions are clearly communicated to those concerned.

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 was 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 Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK 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.

Structure, governance and management (continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the 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 maintenance and integrity of the charity's website is the responsibility of the Trustees. 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 Trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. This report outlines how our achievements during 2019–20 have benefited the public, either directly or indirectly.

The Trustees' Annual Report, incorporating the Strategic Report, was approved on 24th March 2021.

Signed



Neil Goulden

Chair of Trustees



Legal and administrative details

For the year ending 31 March 2020

Status

Sue Ryder is a charitable company limited by guarantee, incorporated on 28th November 1968 (last amended on 4th December 2019) and registered as a charity in England and Wales on 17th January 1996 and in Scotland on 14th 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

183 Eversholt Street, London, NW1 1BU

Royal Patron

Her Majesty The Queen

Council of Trustees

Unless otherwise indicated, the Trustees below were in post from 1st April 2019 to 31st March 2020. Membership of subcommittees is also indicated.

Neil Goulden

Chair of Trustees

Director of Sue Ryder Direct Limited

Director of Sue Ryder Lottery Limited

Neil spent 13 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 is currently Chair of Gamesys Group PLC.

Neil's key interests are health, housing and education. He was Chairman of Clarion Housing Association. He is also pro Chancellor and Chair of Governors at Nottingham Trent University and Chair of Trustees at Ambitious about Autism. He is a Companion of the Chartered Management Institute.

Subcommittees: As Chair of Trustees, Neil attends all subcommittees.

Margaret Moore

Vice Chair of Trustees

Chair of People and Remuneration

Subcommittee

Director of Duchess of Kent House Charity

Margaret is Vice-Chair of the Fundraising Regulator, the independent regulator of charitable fundraising in England, Wales and Northern Ireland. She is a Trustee of the Royal Voluntary Service and a Trustee of Great Britain Wheelchair Rugby, the national governing body of the sport. She was Head of Competition and Regulatory Practice at city law firm Travers Smith LLP and a Partner in the firm for over 20 years. She was also a Governor of the Royal High School, Bath, a member of The Girls' Day School Trust.

Subcommittees: Health and Social Care; Audit, Risk and Commercial; People and Remuneration; Nominations

Helen Thomson

Chair of Health and Social Care Subcommittee

Helen has over 20 years of experience as a Chief Nurse and Deputy CEO within the NHS. She is a registered nurse and midwife, and also has a number of years of experience as a coach. Upon retiring from the NHS in 2014, she formed her own business offering consultancy and coaching. She is an Associate of the Florence Nightingale Foundation, Non-Executive Director for Leeds Community NHS Trust and a Council Member of the University of Huddersfield. She was also appointed Deputy Lieutenant for West Yorkshire in 2012.

Subcommittees: Health and Social Care

Michael Attwood

(retired 1 January 2020)

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 a leadership coach and public service organisational development consultant.

Subcommittees: Health and Social Care; People and Remuneration

Katherine Buxton

Katherine currently works as a Consultant in Palliative Medicine at Imperial College in London. Since her appointment in January 2012, she has developed and led on numerous projects focused around her interests of improving planned care pathways and the electronic co-ordination of care across healthcare settings. She is currently co-chairing the clinical design group for the NHS Digital Programme End of Life Care workstream, which is working on an integrated London-wide digital solution for the sharing of care plans.

Katherine was appointed as Clinical Lead for End of Life Care for Imperial College in July 2017. Since her appointment she has led on several key projects, including improving the rapid discharge pathway in line with patient preferences, the introduction of Co-ordinate My Care (CMC) and improvements related to CPR and escalation decisions. Katherine is also integrated with both the North West London and London End of Life Care Networks and is currently chairing a flow coaching programme to improve end of life care across the settings.

As a trained coach and Schwartz Rounds facilitator, the wellbeing of staff who work and provide care for patients at the end of their lives is also a key priority.

Subcommittees: Health and Social Care

Legal and administrative details (continued)

Jeremy Chataway

After qualifying in medicine at Cambridge and Oxford Universities, and general medical training in London, Jeremy specialised in neurology over an eight-year period with posts in Edinburgh, Cambridge and the National Hospital for Neurology and Neurosurgery (NHNN) in London. He took up the post as a Consultant Neurologist at the NHNN in 2001. He is fully familiar with managing diverse conditions such as dementia, motor neurone disease and stroke, at all stages of disability, with a focus on multiple sclerosis (MS). As Professor of Neurology, he combines an NHS clinical role in MS with an academic role in clinical trials and their design, again predominantly in MS.

Subcommittees: Health and Social Care

Jason Davies

(resigned 27 February 2020)

Jason is the Chief Audit and Risk Officer at Tesco PLC and a Trustee of the Tesco Pension Scheme. Previously he was a partner at Deloitte. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and has a Master of Business Administration (MBA) degree from Manchester Business School. He lives in St Albans and is a keen traveller.

Subcommittees: Audit, Risk and Commercial

Murray Duncanson

(retired 1 January 2020)

Murray Duncanson began his NHS career 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 of service. For the previous 17 years, Murray had been Chief Executive of three different NHS trusts in Colchester, Barnet and latterly Lothian in Scotland, with a year at the Department of Health on a prison health taskforce. Outside of the NHS, he was a Trustee of Elizabeth Fitzroy Support, a national charity for people with learning disabilities, as well as Vice Chair of NHS Education Scotland and Chairman of the Company of Chemists Association. Murray currently runs his own coaching and consultancy company based in North Berwick in Scotland.

Subcommittees: Health and Social Care; People and Remuneration

Nicola Hayes

Chair of Audit, Risk and Commercial Subcommittee (from 5 March 2020)

Nicola has had a wide-ranging 25-year career covering everything from pedigree dogs and universities to trade associations, with the vast majority spent in financial services at two firms, Invesco Perpetual and Baring Asset Management. When she left Barings in December 2016, she was Head of Client Service and Relationship Management, and a non-executive director of eight fund management companies.

Nicola now works as a senior advisor to Independent Audit Ltd, the leading board review consultancy, and chairs the People committee of the Metropolitan Police Friendly Society (Metfriendly). She has an MA in Modern History from the University of St Andrews.

Subcommittees: Audit, Risk and Commercial

Sue Hopgood

With over 30 years of experience gained across NHS organisations and the wider public sector, Sue is currently Managing Director of the Cross Sector Leadership Exchange, a community interest company that brings together leaders from different sectors to challenge and develop their leadership practice. Sue's expertise lies in human resource management and organisational development and she has an MA in Strategic Human Resources. She has dedicated the last 18 years to specialising in leadership development, talent management, employee engagement and culture change. She is passionate about helping individuals and organisations to be the very best they can be, which in turn improves organisational and individual performance.

Subcommittees: People and Remuneration

Stuart Hudson

Chair of Nominations Subcommittee (until 31 March 2020)

Stuart Hudson is Senior Director of Strategy, Communications and Advocacy at the Competition and Markets Authority.

Stuart was previously a Partner at the consulting firm Brunswick, where he advised companies across Europe, North America and Asia on mergers and acquisitions. He served as Special Adviser to Prime Minister Gordon Brown and Head of Government Affairs at the energy regulator, Ofgem, having originally trained in competition policy with the Office of Fair Trading.

Stuart holds a BA in History and Politics from the University of Oxford and an MSc in Finance from the University of London.

Subcommittees: Audit, Risk and Commercial

Kevin Rusling

Director of Sue Ryder Direct

With over 20 years of experience in retail, Kevin is currently Chief Operating Officer at the global retailer Mothercare. Kevin's early career at Marks and Spencer gave him excellent grounding in retail, and he went on to lead teams at Walmart and Monsoon Accessorize prior to joining Mothercare to lead the transformation of the business. Kevin's expertise lies in shaping and delivering a strategic vision across challenging, international business portfolios. He brings tremendous energy, drive and exceptional focus, and works with not-for-profit organisations enabling companies from non-retail sectors to benefit from his experience.

John Wythe

(retired 1 January 2020)

John Wythe is a chartered surveyor with over 40 years of experience in the property industry and spent the whole of his executive career with Prudential Corporation's property investment management subsidiary, PRUPIM (now M&G Real Estate), retiring from the Board and as Head of Fund Management in 2010. Between 2007 and 2016, John was a Church Commissioner and served on the Board of Governors, the Assets Committee and as Chairman of the Property Group. John is now Chairman of The Portman Estate; a Director of F&C Commercial Property Trust and The Pollen Estate; serves on Boards or Committees for Norges Bank, DTZ Investors and IPSX and is an adviser to AIA.

Legal and administrative details (continued)

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 (until March 2020)

CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET (from March 2020)

The Executive Leadership Team

Chief Executive

Heidi Travis

Chief Financial Officer

Alan Bowers (from March 2020)

Company Secretary and General Counsel and Director of Compliance and Risk

Helen Organ

Director of Finance

Alan Bowers (until July 2019)

Interim Director of Finance

Murray Scott (from July until December 2019)
Kirsten Stevens (from December 2019 until March 2020)

Interim Operational Finance Director

Kirsten Stevens (from September 2020)

Director of People

Tracey Taylor-Huckfield (until December 2019)

Director of People and Marketing and Communications

Tracey Taylor-Huckfield (from December 2019)

Commercial Director

David Borrett (until December 2019)

Director of Retail and E-commerce

Martin Wildsmith (from June 2020)

Director of Hospices and Fundraising

Holly Spiers (until July 2019)

Director of Fundraising

Caroline Graham (from January 2020)

Interim Director of Hospices

Sarah Gigg (from July 2019 until September 2020)
Alan Bowers (from September 2020)

Director of Neurological Services and Scotland

Pamela Mackenzie

Chief Medical Director

Dr Paul Perkins (from June 2019)

Director of Nursing

Sarah Gigg

Director of Development

Rod Morgan (until May 2019)

Independent auditor's report

Opinions on other matters prescribed by the Companies Act 2006

We have audited the financial statements of Sue Ryder ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31st March 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31st March 2020 and of the Group's incoming resources and application of resources 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 in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further

described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees' Annual Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not

Independent auditor's report (continued)

express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and

its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate 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 and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland)

Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Fiona Condron Senior Statutory Auditor

For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex

Date: 30.03.21

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



Accounts for year ending 31 March 2020

Consolidated Statement of Financial Activities, incorporating consolidated income and expenditure account – Year ending 31 March 2020

| | Note | Unrestricted funds £000s | Restricted funds £000s | Total 2019/20 £000s | Unrestricted funds £000s | Restricted funds £000s | Total 2018/19 £000s |
|---|----------|-----------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|
| Income: | | | | | | | |
| – Donations and legacies | 3 | 3,689 | 14,968 | 18,657 | 3,554 | 13,640 | 17,194 |
| – Charitable activities | 4 | 30,974 | 663 | 31,637 | 28,140 | - | 28,140 |
| – Other trading activities | 5 | 61,530 | 21 | 61,551 | 60,832 | 25 | 60,857 |
| – Investment income | 6 | 172 | - | 172 | 189 | - | 189 |
| Total income | | 96,365 | 15,652 | 112,017 | 92,715 | 13,665 | 106,380 |
| Expenditure: | | | | | | | |
| Raising funds | | | | | | | |
| – Fundraising costs | | 5,240 | - | 5,240 | 5,246 | - | 5,246 |
| – Retail costs | | 58,073 | - | 58,073 | 53,825 | 25 | 53,850 |
| – Investment management costs | | 37 | - | 37 | 35 | - | 35 |
| Total expenditure on raising funds | | 63,350 | - | 63,350 | 59,106 | 25 | 59,131 |
| Charitable activities | | | | | | | |
| – End of life care | | 19,611 | 9,503 | 29,114 | 18,010 | 9,677 | 27,687 |
| – Long-term neurological care | | 18,228 | 65 | 18,293 | 14,803 | 85 | 14,888 |
| – Homecare | | 2,488 | 2 | 2,490 | 3,278 | 3 | 3,281 |
| – International | 8 | 64 | - | 64 | 148 | 1 | 149 |
| Total expenditure on charitable activities | | 40,391 | 9,570 | 49,961 | 36,239 | 9,766 | 46,005 |
| Total expenditure on fundraising and charitable activities | 7 | 103,741 | 9,570 | 113,311 | 95,345 | 9,791 | 105,136 |
| Net (expenditure)/income for the year before impairment | | (7,376) | 6,082 | (1,294) | (2,630) | 3,874 | 1,244 |

| | Note | Unrestricted funds £000s | Restricted funds £000s | Total 2019/20 £000s | Unrestricted funds £000s | Restricted funds £000s | Total 2018/19 £000s |
|---|----------|-----------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|
| Other expenditure | | | | | | | |
| (Impairment)/reversal of impairment of fixed assets (see note 11) | 7 | (2,005) | - | (2,005) | 750 | - | 750 |
| Total other expenditure | 7 | (2,005) | - | (2,005) | 750 | - | 750 |
| Total expenditure | | 105,746 | 9,570 | 115,316 | 94,595 | 9,791 | 104,386 |
| (Loss)/gains on investment assets | 11 | (691) | - | (691) | 305 | - | 305 |
| Net (expenditure)/income for the year before transfers and tax | | (10,072) | 6,082 | 3,990 | (1,575) | 3,874 | 2,299 |
| Taxation charge reversal | | - | - | - | 3 | - | 3 |
| Net (expenditure)/income for the year after taxation | | (10,072) | 6,082 | (3,990) | (1,572) | 3,874 | 2,302 |
| Transfer between funds | 17, 18 | 4,029 | (4,029) | - | 934 | (934) | - |
| Net movement of funds | | (6,043) | 2,053 | (3,990) | (638) | 2,940 | 2,302 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 53,790 | 4,022 | 57,812 | 54,428 | 1,082 | 55,510 |
| Net movement of funds for the year | | (6,043) | 2,053 | (3,990) | (638) | 2,940 | 2,302 |
| Total funds carried forward as at 31 March 2020 | | 47,747 | 6,075 | 53,822 | 53,790 | 4,022 | 57,812 |

The Statement of Financial Activities includes all gains and losses recognised in the 12 month period.

All amounts relate to continuing activities.

The notes on pages 54 to 79 form part of these financial statements.



Accounts for year ending 31 March 2020 (continued)

Consolidated and Charity balance sheets

Company registration number: 00943228

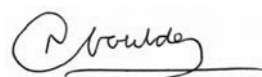
| | Note | Consolidated | | Charity | |
|---|------|------------------------|----------------|------------------------|----------------|
| | | 31 March 2020 £000s | 2019 £000s | 31 March 2020 £000s | 2019 £000s |
| Fixed assets | | | | | |
| Tangible assets | 10 | 39,037 | 42,808 | 39,037 | 42,805 |
| Investments | 11 | 8,110 | 8,697 | 8,110 | 8,697 |
| | | 47,147 | 51,505 | 47,147 | 51,502 |
| Current assets | | | | | |
| Freehold properties held for sale | 12 | 9,500 | 750 | 9,500 | 750 |
| Stocks – new goods for resale | | 1,836 | 2,392 | 8 | 30 |
| Debtors | 13 | 14,726 | 12,181 | 16,207 | 13,825 |
| Cash at bank and in hand | | 4,407 | 4,423 | 3,957 | 3,931 |
| | | 30,469 | 19,746 | 29,672 | 18,536 |
| Creditors: amounts falling due within one year | 14 | (14,821) | (10,941) | (14,134) | (9,828) |
| Net current assets | | 15,648 | 8,805 | 15,538 | 8,708 |
| Creditors: amounts falling due after one year | 15 | (6,610) | (462) | (6,610) | (462) |
| Provisions for liabilities | 16 | (2,363) | (2,036) | (2,260) | (1,944) |
| Long term liabilities and provisions | | (8,973) | (2,498) | (8,870) | (2,406) |
| Total net assets | | 53,822 | 57,812 | 53,815 | 57,804 |
| Funds of the Charity | | | | | |
| Income funds | | | | | |
| Unrestricted funds | | | | | |
| Property revaluation reserve | 17 | 12,357 | 14,587 | 12,357 | 14,587 |
| | | 12,357 | 14,587 | 12,357 | 14,587 |
| Designated general funds | 17 | - | 500 | - | 500 |
| Unrestricted general funds | 17 | 35,390 | 38,703 | 35,383 | 38,695 |
| Total unrestricted funds | | 47,747 | 53,790 | 47,740 | 53,782 |
| Restricted funds | 18 | 6,075 | 4,022 | 6,075 | 4,022 |
| Total funds | | 53,822 | 57,812 | 53,815 | 57,804 |

The notes on pages 54 to 79 form part of these financial statements.

No charity Statement of Financial Activities is presented as permitted by section 408 of the Companies Act 2006.

The Charity's deficit for the financial period is £3,990,249 and the income for the charity is £103,550,738.

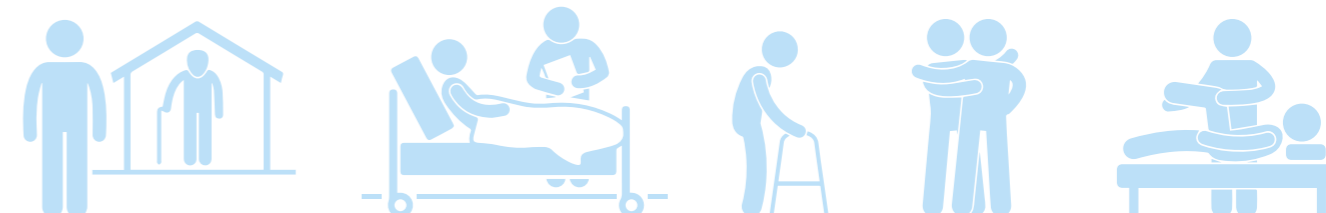
Approved and authorised for issue by the Council of Trustees on 24th March 2021 and signed on its behalf by

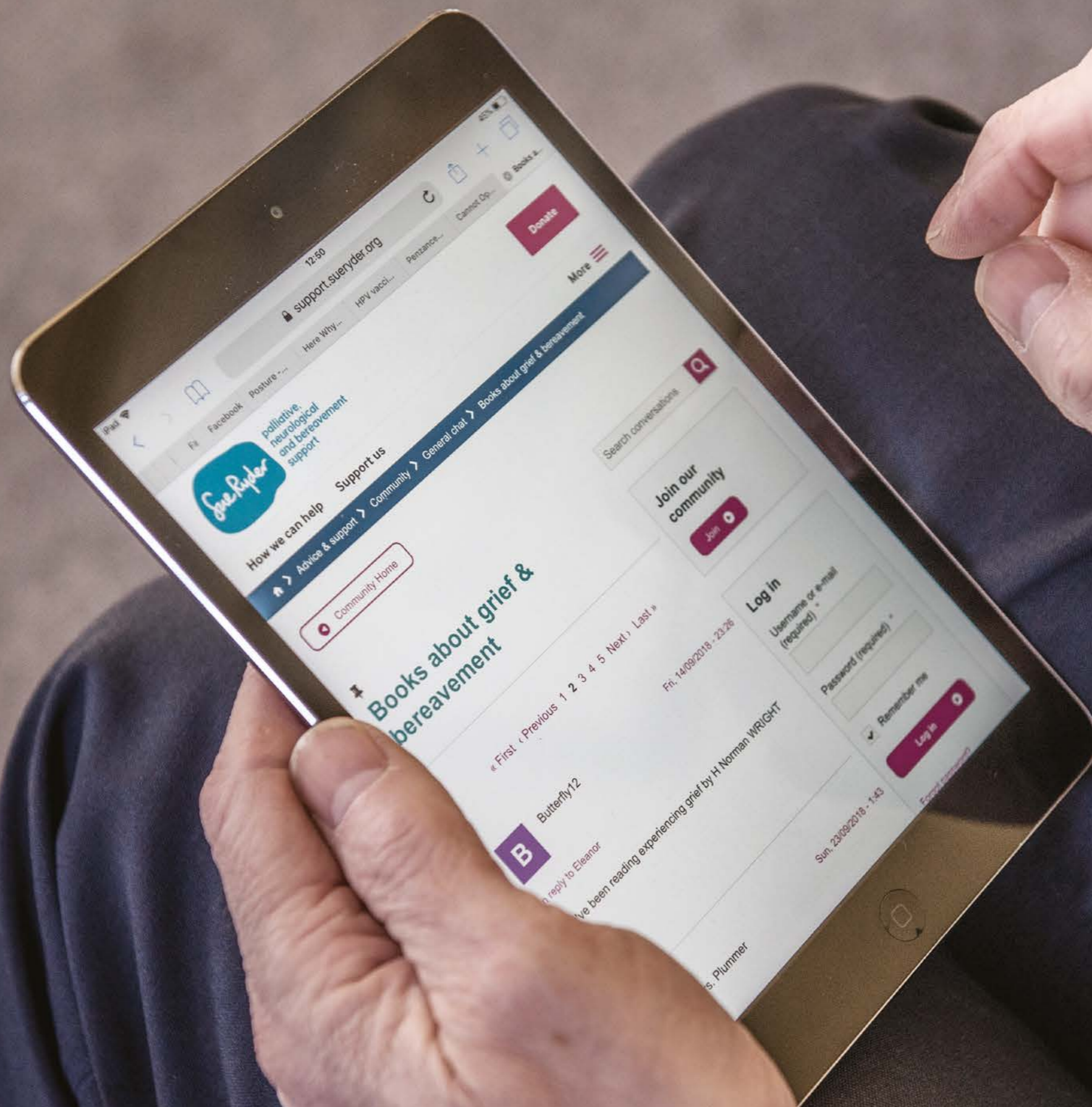


Neil Goulden
Chair of Trustees

Cash flow statement

| | Note | Consolidated | |
|--|-----------|------------------|------------------|
| | | 2019/20 £000s | 2018/19 £000s |
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 24 | 10,556 | 6,429 |
| Cash flows from investing activities | | | |
| Investment income received | | 172 | 189 |
| Net receipts from sales of fixed assets held for sale | | 751 | 729 |
| Payments to acquire tangible fixed assets | 10 | (12,103) | (8,927) |
| Receipts from sale of investments | 11 | 2,836 | 1,615 |
| Purchase of investments | 11 | (2,194) | (1,067) |
| Net cash used in investing activities | | (10,538) | (7,461) |
| Cash flows from financing activities | | | |
| Cash inflows from new borrowing to finance fixed asset development | | 6,167 | - |
| Net cash provided by financing activities | | 6,167 | - |
| Change in cash and cash equivalents during the year | | 18 | (1,032) |
| Cash and cash equivalents at the beginning of the year | | 4,423 | 5,466 |
| Change in cash and cash equivalents due to exchange rate movements | | (34) | (11) |
| Cash and cash equivalents as at the end of the year | | 4,407 | 4,423 |





Notes to the accounts

1 Accounting policies

(a) Basis of preparation

The Financial Statements are prepared in accordance and compliance with: (i) FRS 102, the Financial Reporting Standard applicable in the United Kingdom; (ii) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 'Charities SORP (FRS 102) (second edition – October 2019)' issued by the Charity Commission; and (iii) Companies Act 2006.

Sue Ryder meets the definition of public benefit entity under FRS102. Monetary values are calculated under the historical cost convention, as modified by the revaluation of investments.

(b) Going concern

The trustees are not aware of a specific or general event which would change the Charity's going concern status. In response to Covid-19, management implemented tighter cost and cashflow management controls in order to mitigate the impact of reduced income caused by the pandemic, and these controls remain in place.

The ongoing pandemic has made financial forecasting difficult but we have navigated the challenges well. Preparations for the budget for the year 2021–22 are well advanced and it is this provisional budget which has already been reviewed by our Audit, Risk and Commercial Subcommittee which forms the basis of our going concern review. We have prepared a conservative budget which demonstrates the Charitable Company's ability to preserve cash.

In assessing the going concern of the Charity, cashflows have been prepared for 12 months from the date of sign off and have run a number of different

scenarios on our key budget assumptions, all of which demonstrate that we are able to maintain a cash positive position. The Trustees have not identified any material uncertainties and therefore consider it appropriate for the financial statements to be prepared on a going concern basis.

(c) Consolidated financial statements

Consolidated financial statements have been prepared in respect of Sue Ryder, its wholly owned trading subsidiaries, Sue Ryder Direct Limited, Woburn Property Investment Company Ltd (dormant) and Sue Ryder Lottery Ltd, and subsidiary charity Duchess of Kent House Charity and linked charity Sue Ryder Care (Chantry).

(d) Restricted funds

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

(e) Unrestricted General Fund

The General Fund is comprised of accumulated net income and expenditure in the Statement of Financial Activities after any transfers between funds.

(f) Designated funds

Designated funds are those which the Trustees have assigned to a particular project or purpose.

(g) Income

Income for the provision of care services, principally from clinical commissioning groups and local authorities, is recorded on a receivable basis in respect of the services provided.

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

Donations are shown as income on receipt, unless there is earlier evidence of entitlement and the amount can be measured reliably. Legacy income is recognised when there is legal entitlement (from date of probate, or from receipt if earlier), receipt is probable (there are no material uncertainties on the estate) and the amount can be measured reliably (financial information in respect of the estate has been received). A 10% provision is made as an estimate to allow for legal costs and diminution in estate assets. Where legacies have been notified to the Charity but these criteria are not fully met, the legacy is treated as a contingent asset and disclosed if material (see note 14).

Income received from grants is recognised when it was awarded and when the terms and conditions of any performance criteria linked to the grant award or stage payments have been met.

Income in the Charity's wholly owned subsidiaries is included under other trading income. 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.

Gift Aid income claimed under the UK retail Gift Aid scheme is estimated and accrued at the point of sale.

(h) Expenditure

All expenditure is accounted for on an accruals basis and grants are recognised when a constructive or actual obligation arises.

Costs are allocated to the cost of raising funds and charitable activities on the basis of direct allocation and

apportionment of support costs as detailed in note 7.

Costs of raising 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.

(i) Termination payments

Sue Ryder's policy is to make redundancy payments in line with minimum statutory requirements unless the employee has protected rights from a previous employer.

(j) Fixed assets

Tangible fixed assets are included in the Financial Statements at cost less depreciation with the exception of freehold land and buildings. Items with a value of £1,000 or more and with a useful life of more than 1 year are capitalised. Where assets are valued at less than £1,000 but form part of a group of assets (e.g. a computer network) which totals more than £1,000 they are capitalised.

Assets in the course of construction are included in the Financial Statements at cost of construction. They are depreciated once the asset becomes operational and moved into the category of freehold land and buildings.

Where an asset comprises two or more major components, the components are reviewed and consideration is given to whether they have substantially different useful economic lives which should be depreciated separately.

Management undertake a review of useful economic lives where appropriate.

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

Notes to the accounts (continued)

1 Accounting policies (continued)

| Asset category | Depreciation rate |
|--|--|
| Freehold land | Not depreciated |
| Freehold buildings | 2.5% per annum |
| Leasehold buildings | Over the lesser of the term of the lease or the life of the asset in its current use |
| Motor vehicles | 10% of the original cost |
| Care centre fixtures and fittings | 10%–25% of the original cost |
| Retail shops fixtures and fittings original cost | 25% of the original cost |
| 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 realisable value at the point the decision was made to dispose of the asset. Any properties that are being actively marketed at the year end are transferred to current assets, at this point any impairment is recognised.

(k) Stocks – new goods for resale

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items, based on the principle of first in, first out.

The Trustees do not consider it appropriate to recognise donated goods for resale as stock on the balance sheet on the grounds that the cost of obtaining stock information would be outweighed by any benefit.

(l) Pension costs

Defined contribution schemes are available to eligible employees with contributions payable by both Sue Ryder and the members. The contributions are

charged to expenditure in the year they are payable to the scheme.

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

These contributions are fixed by reference to quinquennial valuations by the Government actuary. The contributions are charged to expenditure on the basis of ensuring a level charge over the remaining service lives of employees. Information is not available to identify the surplus or deficit that relate to Sue Ryder, and as a result of this, the scheme is treated as a defined contribution scheme under the provisions of FRS 102.

(m) 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, other than that recoverable under Section 33D of the VAT Act 1994 as a Palliative Charity, and only partial recovery in respect of administrative expenditure. Irrecoverable VAT is allocated across the expenses that give rise to the tax.

(n) Investments

Investments are stated at market value at the Balance Sheet date. Realised and unrealised gains and losses are recorded in the Statement of Financial Activities (SOFA).

(o) 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.

Assets held under finance leases are capitalised on project completion and disclosed under tangible fixed assets at their net book value. The capital element of the future payments is treated as a liability and

the interest is charged to the Statement of Financial Activities on a straight-line basis.

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.

(p) Taxation

The company is a Charity within the meaning of Part 1 of Schedule 6 to the Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

The subsidiary companies make qualifying donations of all taxable profits to Sue Ryder under deed of covenant, keeping reserves in the subsidiary Sue Ryder Direct above an agreed level. No subsidiary corporation tax charges arise in the accounts.

No provision for deferred tax is made in the subsidiaries' accounts, as in the view of the Trustees, any tax charge in the subsidiaries will be minimal due to the arrangements to gift their taxable profits to the parent Charity.

(q) Grants

Grant expenditure

Sue Ryder awarded a grant to support the work of a Sue Ryder organisation overseas. This is recognised when there is a valid expectation by the grantee that the amount will be paid.

(r) Foreign currency transactions

Sue Ryder accounts for foreign currency purchases at the rate prevailing at the time the currency is bought. All other transactions during the year are calculated using the previous month's average rate. Assets and liabilities held in foreign currency at the balance sheet date are valued at the rate prevailing at that date. Differences on exchange are taken to the Statement of Financial Activities.

(s) Debtors and prepayments

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

(t) Creditors and provisions

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

(u) Financial instruments

The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the accounts (continued)

2 Accounting estimates and judgements

a) Accounting estimates and judgements

In preparing these Financial Statements within the accounting frameworks set out in Note 1(a), the Trustees are required to adopt those accounting policies most appropriate to the Charity's circumstances with a view to presenting fairly the Charity's financial position. In determining and applying accounting policies, Trustees make estimates and judgements and the matters set out below are considered to be the most important in understanding the judgements that have been involved in preparing the Financial Statements and the uncertainties that could impact the amounts reported.

b) Fair value of tangible assets

FRS 102 requires that property is held at cost or valuation. The Trustees obtained valuations for property at 1st April 2014 to ensure the carrying value is a reliable estimate. In determining the value of the Charity's freehold properties, Trustees have relied on estimates provided by professionally qualified advisers as described in note 10. Trustees considered that historic cost was the most appropriate basis to state the fair value of Thorpe Hall at the time and still consider this to be relevant.

At the year end, an impairment review has been carried out on the two freehold property assets held for resale. The asset values have been impaired to reflect an estimated sales value for each that the Trustees consider to be fair and reasonable as described in note 7.

c) Estimation of assets' useful lives

The charge in respect of periodic depreciation is derived from determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. These estimates of lives by asset category are set out in note 1(h). The useful lives and

residual values of the Charity's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The Trustees determined that the main freehold properties, lives do not need to be altered to reflect their anticipated useful lives taking into account their physical condition, the services being provided from them and the planned maintenance programme.

The freehold properties have been reviewed considering their material constituent parts with consideration to their differing useful economic lives. Any substantial differences between this and the standard depreciation policy would result in the need to change the depreciation of that component. The Trustees do not consider that there is any material difference, therefore no adjustment has been made.

As part of the review of component depreciation, the useful economic lives of all assets were reviewed and the depreciation policies considered in the light of this. It was considered that it was more appropriate to depreciate health and social care assets on a straight line basis rather than reducing balance.

d) Provision for doubtful debts

Provisions have been made against invoiced debts where the collectability of these debts is uncertain. Debts over 12 months old are provided for in full and debts between 4 months and 12 months are provided for at 50% of their value.

e) Cost allocations

Support costs not directly attributable to a single activity, such as IT, Finance and HR, are allocated to activities using suitable cost drivers for that cost category. Examples of cost drivers used can be found in note 7.

f) Provision for dilapidations

Dilapidation provisions are calculated using an average dilapidation cost per square foot for all properties vacated during the previous two years. The average cost is applied to the rateable value of all properties in the estate to calculate the expected liability at the end of the lease. The provision is recognised on a straight line basis over the life of the lease and discounted back from the lease end date to the balance sheet date using a rate of 4%.

g) Provision for slow moving and obsolescent stock

Stock is shown at the lower of cost or net realisable value. Where stock is discounted to less than cost price it is provided for at the lower of cost and net realisable value. Provisions have been made for slow moving and obsolete stock. Slow moving stock over 18 months old is provided for at 75% of cost.

h) Key sources of estimation uncertainty

The Trustees have reviewed the key sources of estimation uncertainty at the reporting date and do not consider there to be a significant risk of a significant adjustment in the carrying value of the assets and liabilities in the next financial year.



Notes to the accounts (continued)

3 Income from legacies and donations

| | 2019/20 £000s | 2018/19 £000s |
|--------------------------------------|------------------|------------------|
| Legacies | 8,860 | 5,760 |
| Donations and other voluntary income | 9,797 | 11,434 |
| Total | 18,657 | 17,194 |

4 Income from charitable activities

| | 2019/20 £000s | 2018/19 £000s |
|--|------------------|------------------|
| Provision of end of life care: | | |
| – NHS and local authorities | 12,881 | 11,182 |
| – Private care | 49 | 45 |
| – Other | 1,232 | 713 |
| Provision of long-term neurological care: | | |
| – NHS and local authorities | 13,980 | 11,770 |
| – Private care | 570 | 469 |
| – Other | 127 | 380 |
| Homecare: | | |
| – Local authorities and other commissioners | 2,798 | 3,580 |
| – Other | - | 1 |
| Total | 31,637 | 28,140 |

5 Income from other trading activities

| | 2019/20 £000s | 2018/19 £000s |
|--|------------------|------------------|
| Income | | |
| Fundraising events | 202 | 224 |
| Retail income from selling donated and bought in goods | 58,797 | 58,276 |
| Income from the Sue Ryder Lottery | 2,458 | 2,254 |
| Income from Sue Ryder Lottery scratch cards | - | 5 |
| Property letting and licensing | 94 | 98 |
| Total | 61,551 | 60,857 |

6 Investment income

| | 2019/20 £000s | 2018/19 £000s |
|------------------------|------------------|------------------|
| Dividends | 141 | 149 |
| Bank interest received | 31 | 40 |
| Total | 172 | 189 |

7 Expenditure

| | Activities undertaken directly £000s | Grant funding of activities £000s | Support costs £000s | Total 2019/20 £000s | Total 2018/19 £000s |
|------------------------------------|---|---|---------------------------|---------------------------|---------------------------|
| Charitable activities | | | | | |
| End of life care | 25,880 | - | 3,234 | 29,114 | 27,687 |
| Long-term neurological care | 16,467 | - | 1,826 | 18,293 | 14,888 |
| Homecare | 2,351 | - | 139 | 2,490 | 3,281 |
| Support for international | (16) | 80 | - | 64 | 149 |
| Total charitable activities | 44,682 | 80 | 5,199 | 49,961 | 46,005 |
| Raising funds | | | | | |
| Raising funds – fundraising costs | 5,037 | - | 203 | 5,240 | 5,246 |
| Raising funds – retail costs | 52,486 | - | 5,587 | 58,073 | 53,850 |
| Investment management costs | 37 | - | - | 37 | 35 |
| Total cost of raising funds | 57,560 | - | 5,790 | 63,350 | 59,131 |
| Expenditure subtotal | 102,242 | 80 | 10,989 | 113,311 | 105,136 |
| Other expenditure | | | | | |
| Impairment/ (impairment reversal) | 2,005 | - | - | 2,005 | (750) |
| Total expenditure | 104,247 | 80 | 10,989 | 115,316 | 104,386 |

The impairment of fixed assets relates to two properties being actively marketed. In October 2020, contracts were exchanged on the sale of Cuerden Hall at an agreed price of £1.5m. The sale is due to complete in October 2021. The second property, Nettlebed, is being prepared for release onto the market at a sale price of approximately £8 million. The Trustees consider a value of £8 million to be a fair estimation of the net sale proceeds based on external valuations received. The impairment reversal in 2018/19 relates to the sale proceeds of Holme Hall previously impaired in 2017/18.



Notes to the accounts (continued)

7 Expenditure (continued)

Analysis of support costs allocated

| 2019/20 | Total £000s | Central Management and Admin £000s | Finance and Governance £000s | Human Resources £000s | IT £000s | Legal and Property Services £000s | Marketing and Communications £000s |
|--|----------------|---|---------------------------------------|-----------------------------|--------------|--|--|
| Activity | | | | | | | |
| End of life care | 3,234 | 305 | 607 | 528 | 788 | 419 | 587 |
| Long-term neurological care | 1,826 | 172 | 343 | 298 | 445 | 237 | 331 |
| Homecare | 139 | 13 | 26 | 23 | 34 | 18 | 25 |
| Retail shops | 5,587 | 527 | 1,049 | 912 | 1,361 | 724 | 1,014 |
| Fundraising | 203 | 19 | 38 | 33 | 50 | 26 | 37 |
| Total support costs allocated 2019/20 | 10,989 | 1,036 | 2,063 | 1,794 | 2,678 | 1,424 | 1,994 |

| 2018/19 | Total £000s | Central Management and Admin £000s | Finance and Governance £000s | Human Resources £000s | IT £000s | Legal and Property Services £000s | Marketing and Communications £000s |
|--|----------------|---|---------------------------------------|-----------------------------|--------------|--|--|
| Activity | | | | | | | |
| End of life care | 3,249 | 236 | 552 | 633 | 813 | 418 | 597 |
| Long-term neurological care | 1,441 | 104 | 245 | 281 | 361 | 185 | 265 |
| Homecare | 314 | 23 | 53 | 61 | 79 | 40 | 58 |
| Retail shops | 4,899 | 355 | 833 | 955 | 1,226 | 630 | 900 |
| Fundraising | 160 | 12 | 27 | 31 | 40 | 21 | 29 |
| Total support costs allocated 2018/19 | 10,063 | 730 | 1,710 | 1,961 | 2,519 | 1,294 | 1,849 |

| Support Service | Allocation basis |
|---------------------------------------|---|
| Central Management and Administration | Income |
| Finance | Turnover, non directly attributable irrecoverable VAT |
| Human Resources | Headcount |
| Legal and Property | Turnover; number of properties |
| IT Services | Turnover |
| Marketing and Communications | Turnover |

Included within Central Management and Administration costs are governance costs of £325,678 (2018/19 £272,916). These are detailed below:

| | 2019/20 £000s | 2018/19 £000s |
|---------------------------------------|------------------|------------------|
| Governance | | |
| Staff costs | 176 | 150 |
| Auditors fees | 87 | 78 |
| Legal and professional fees | 28 | 14 |
| Meetings, travel and associated costs | 30 | 30 |
| Training costs | 12 | 4 |
| Other costs | 9 | 4 |
| Total | 342 | 273 |

7 Expenditure (continued)

Auditors fees identified here are those relating to central charity Governance. Total fees paid to the auditors in the year, including subsidiaries, are broken down further on within this note.

Net (expenditure)/income is stated after charging/(crediting):

| | 2019/20 £000s | 2018/19 £000s |
|--|------------------|------------------|
| Depreciation | 4,395 | 3,540 |
| Operating leases: | 12,088 | 11,687 |
| – Land and buildings | 11,158 | 10,815 |
| – Motor vehicles | 641 | 641 |
| – Other | 289 | 231 |
| Auditors remuneration | 87 | 78 |
| – Charity | 66 | 60 |
| – Trading subsidiaries | 21 | 18 |
| Other services | 20 | 20 |
| – Tax compliance | 5 | 5 |
| – Tax advisory | 15 | 15 |
| Trustee indemnity insurance | 5 | 5 |
| Defined contribution pension costs (Note 9) | 2,025 | 1,666 |

8 International grant expenditure

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

| | 2019/20 £000s | 2018/19 £000s |
|--|------------------|------------------|
| Grants awarded | | |
| Albania | 80 | 80 |
| Malawi | - | 69 |
| Total grants | 80 | 149 |
| General support, monitoring and administration expenditure | (16) | - |
| Total international | 64 | 149 |



Notes to the accounts (continued)

9 Staff costs

| | Consolidated | | Charity | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s | 2019/20 £000s | 2018/19 £000s |
| Wages and salaries | 60,245 | 56,237 | 59,354 | 55,419 |
| Social security costs | 4,129 | 3,832 | 4,070 | 3,778 |
| Pension costs | 2,025 | 1,666 | 2,002 | 1,650 |
| Total | 66,399 | 61,735 | 65,426 | 60,847 |

Included within the wages and salaries figure above are the costs of £4,049,946 (2018/19: £3,582,000) for employing agency and contract staff. No remuneration was paid to any Trustee during the period (2018/19: Nil).

Included in wages and salaries are redundancy and termination payments made in the year of £558,211 (2018/19: £180,877). Of this £237,027 was outstanding as at 31st March 2020 (2018/19: nil). Sue Ryder's policy is to make redundancy payments in line with minimum statutory requirements unless the employee has protected rights from a previous employer.

During the year, higher paid employees comprised the following:

| | 2019/20 No. | 2018/19 No. |
|---------------------|----------------|----------------|
| £60,001 – £70,000 | 14 | 16 |
| £70,001 – £80,000 | 10 | 4 |
| £80,001 – £90,000 | 6 | 1 |
| £90,001 – £100,000 | 2 | 2 |
| £100,001 – £110,000 | 2 | 2 |
| £110,001 – £120,000 | - | 2 |
| £140,001 – £150,000 | - | 1 |
| £150,001 – £160,000 | 1 | - |

The bandings exclude Employers' National Insurance and employers pension.

Contributions to pension schemes for these employees amounted to £161,109 (2018/19: £128,568).

Included in the above figures are members of the Executive Leadership Team (including one individual who was employed on a fixed term contract) as follows:

| | 2019/20 No. | 2018/19 No. |
|---------------------|----------------|----------------|
| Under £60,000 | 1 | - |
| £70,001 – £80,000 | 1 | 2 |
| £80,001 – £90,000 | 5 | - |
| £90,001 – £100,000 | 1 | 1 |
| £100,001 – £110,000 | 2 | 2 |
| £110,001 – £120,000 | - | 2 |
| £140,001 – £150,000 | - | 1 |
| £150,001 – £160,000 | 1 | - |

9 Staff costs (continued)

Contributions to pension schemes for these employees amounted to £50,087 (2018/19: £36,207).

The bandings exclude Employers' National Insurance and employers pension.

The total remuneration for members of the Executive Leadership Team during the year, including Employers' National Insurance, was £1,138,228 (2018/19: £954,959).

Remuneration of key management personnel, including employers' national insurance contributions were £272,876 (2018/19: £286,636). Key management personnel are defined as Trustees and the roles of Chief Executive and Chief Finance Officer (Commencing March 2020). Prior to March 2020 the role of Finance Director was also considered key management personnel. Note that the key management personnel remuneration in 2019/20 includes an individual who was on a fixed-term contract.

No emoluments are payable to any Trustee and only directly incurred travel expenses are reimbursed. During the year, travel expenses of £4,595 (2018/19: £3,240) were reimbursed to seven Trustees (2018/19: 6). The Charity also incurred expenditure of £5,250 in respect of Trustees' and Officers' liability insurance for the period (2018/19: £5,000).

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

| | Consolidated | | | |
|------------------|---------------------------|----------------|-----------------------------------|----------------|
| | Total number of employees | | Adjusted for full-time equivalent | |
| | 2019/20 No. | 2018/19 No. | 2019/20 No. | 2018/19 No. |
| Care services | 1,547 | 1,697 | 979 | 928 |
| Retail | 1,383 | 1,363 | 932 | 930 |
| Support services | 210 | 185 | 196 | 172 |
| Total | 3,140 | 3,245 | 2,107 | 2,030 |

| | Charity | | | |
|------------------|---------------------------|----------------|-----------------------------------|----------------|
| | Total number of employees | | Adjusted for full-time equivalent | |
| | 2019/20 No. | 2018/19 No. | 2019/20 No. | 2018/19 No. |
| Care services | 1,547 | 1,697 | 979 | 928 |
| Retail | 1,344 | 1,326 | 895 | 893 |
| Support services | 210 | 185 | 196 | 172 |
| Total | 3,101 | 3,208 | 2,070 | 1,993 |

During the year, the number of volunteers donating their services to the Charity were:

| | Total number of volunteers | | Estimation of time donated | |
|------------------|----------------------------|----------------|----------------------------|----------------------|
| | 2019/20 No. | 2018/19 No. | 2019/20 Hours 000 | 2018/19 Hours 000 |
| Care services | 2,199 | 2,436 | 325 | 420 |
| Retail | 12,791 | 13,364 | 3,303 | 3,451 |
| Support services | 14 | 6 | 4 | 4 |
| Total | 15,004 | 15,806 | 3,632 | 3,875 |

The calculation for volunteer hours for retail is based on actual recorded hours. For health and social care and support services volunteers, it is based on average hours pledged.



Notes to the accounts (continued)

10 Tangible fixed assets

| Consolidated | Leasehold property £'000s | Freehold property £'000s | Assets in the course of construction £'000s | Fixtures, fittings and equipment £'000s | Motor vehicles £'000s | Total £'000s |
|-------------------------------|------------------------------|-----------------------------|--|--|--------------------------|-----------------|
| Cost | | | | | | |
| At 1 April 2019 | 4,022 | 32,766 | 6,358 | 31,215 | 501 | 74,862 |
| Additions | - | - | 9,095 | 3,008 | - | 12,103 |
| Transfer between categories | - | 5,451 | (5,451) | - | - | - |
| Disposals | - | - | - | (301) | (33) | (334) |
| Transfer to assets for resale | - | (12,821) | - | - | - | (12,821) |
| At 31 March 2020 | 4,022 | 25,396 | 10,002 | 33,922 | 468 | 73,810 |
| Depreciation | | | | | | |
| At 1 April 2019 | 3,542 | 4,675 | - | 23,413 | 424 | 32,054 |
| Charge for the year | 27 | 609 | - | 3,753 | 7 | 4,396 |
| Eliminated on disposal | - | - | - | (286) | (33) | (319) |
| Transfer to assets for resale | - | (1,358) | - | - | - | (1,358) |
| At 31 March 2020 | 3,569 | 3,926 | - | 26,880 | 398 | 34,733 |
| NBV | | | | | | |
| At 31 March 2020 | 453 | 21,470 | 10,002 | 7,042 | 70 | 39,037 |
| At 31 March 2019 | 480 | 28,091 | 6,358 | 7,802 | 77 | 42,808 |

| Charity | Leasehold property £'000s | Freehold property £'000s | Assets in the course of construction £'000s | Fixtures, fittings and equipment £'000s | Motor vehicles £'000s | Total £'000s |
|-------------------------------|------------------------------|-----------------------------|--|--|--------------------------|-----------------|
| Cost | | | | | | |
| At 31 March 2019 | 4,022 | 32,766 | 6,358 | 30,878 | 501 | 74,525 |
| Additions | - | - | 9,095 | 3,008 | - | 12,103 |
| Transfer between categories | - | 5,451 | (5,451) | - | - | - |
| Disposals | - | - | - | (301) | (33) | (334) |
| Transfer to assets for resale | - | (12,821) | - | - | - | (12,821) |
| At 31 March 2020 | 4,022 | 25,396 | 10,002 | 33,585 | 468 | 73,473 |
| Depreciation | | | | | | |
| At 31 March 2019 | 3,542 | 4,675 | - | 23,079 | 424 | 31,720 |
| Charge for the year | 27 | 609 | - | 3,750 | 7 | 4,393 |
| Eliminated on disposal | - | - | - | (286) | (33) | (319) |
| Transfer to assets for resale | - | (1,358) | - | - | - | (1,358) |
| At 31 March 2020 | 3,569 | 3,926 | - | 26,543 | 398 | 34,436 |
| NBV | | | | | | |
| At 31 March 2020 | 453 | 21,470 | 10,002 | 7,042 | 70 | 39,037 |
| At 31 March 2019 | 480 | 28,091 | 6,358 | 7,799 | 77 | 42,805 |

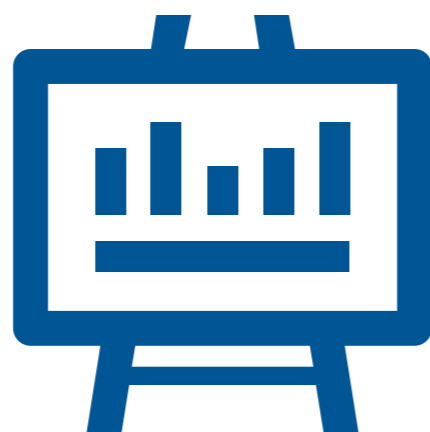
Included in freehold properties is a value of £2,560,000 (2018/19: £7,250,000) relating to freehold land.

Included in fixtures and fittings are assets subject to finance leases with a net book value of £nil (2018/19: £1,226,172).

At the end of the year two properties were transferred to current assets for resale, Cuerden Hall and Nettlebed.

CBRE Ltd carried out the valuations of freehold land and buildings in accordance with UK Generally Accepted Accounting Principles (GAAP) and reported on Fair Values for all 12 properties as at 31st March 2014. Underlying this basis of value are two principal approaches. First, to value the property as a trading entity assuming continued use as a care facility. Second, where it was deemed there would be limited or no demand, CBRE valued the property for alternative use assuming vacant possession.

These values have been applied at the transition date to FRS102 of 1st April 2014 for all the freehold properties except for the buildings at Thorpe Hall and are the deemed cost of these properties. Thorpe Hall has been stated at historic cost (plus subsequent additions) which reflects its value in use to the Charity and its beneficiaries.



Notes to the accounts (continued)

11 Investments

| | Consolidated and Charity | |
|---|--------------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s |
| Funds held with Portfolio managers | | |
| Market value at 1 April 2019 | 8,697 | 9,605 |
| Acquisitions at cost | 1,196 | 1,067 |
| Proceeds on disposal | (2,836) | (1,615) |
| Net realised investment (losses)/gains | (24) | 17 |
| Unrealised investment (losses)/gains | (704) | 288 |
| Cash increase/(decrease) at 31 March 2020 | 746 | (665) |
| Market value at 31 March | 7,075 | 8,697 |
| COIF Charity Funds | | |
| Market value at 1 April 2019 | | |
| Acquisitions at cost | 998 | - |
| Unrealised investment gains | 37 | - |
| Cash increase at 31 March 2020 | - | - |
| Market value at 31 March 2020 | 1,035 | - |
| Total funds invested | 8,110 | 8,697 |

The investments are represented by:

| | Consolidated and Charity | |
|-----------------------------------|--------------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s |
| UK equities | 1,123 | 2,309 |
| Overseas equities | 2,697 | 3,582 |
| UK fixed interest and gilts | 1,120 | 1,185 |
| Overseas fixed interest and gilts | 327 | 336 |
| Others | 987 | 1,210 |
| Cash held for investment purposes | 821 | 75 |
| COIF Charity funds | 1,035 | - |
| Total | 8,110 | 8,697 |

At the year end the following holdings each accounted for more than 5% of the total portfolio value held with investment managers:

| Holding | Investment | Value at 2019/20 £'000 | % of portfolio value |
|---------|-------------------------------------|---------------------------|----------------------|
| | UK Equities | | |
| 536,724 | Investec UK Special situations Fund | 403 | 6.45% |
| 358,529 | Majedie UK Equity Fund | 401 | 6.41% |
| 38,000 | Polar UK Value Opportunities Fund | 318 | 5.09% |
| | International Equities | | |
| 7,130 | Findlay Park FDS American Smlr Cos | 655 | 10.47% |
| 122,785 | JP Morgan AM UK Ltd | 354 | 5.67% |
| | Bonds | | |
| 5,998 | Schroder ISF Strategic Cred | 509 | 8.14% |
| | Others | | |
| 13,823 | I shares Physical Metals PLC | 350 | 5.60% |

The investment shown above includes an investment of £5 held by the Charity in its subsidiary undertaking Sue Ryder Direct Limited and £1 held by the Charity in each of its subsidiary undertakings Woburn Property Investment Company Ltd and Sue Ryder Lottery Limited.



Notes to the accounts (continued)

12 Freehold Properties held for resale

| | Opening balance | Net book value of property for resale | Impairment | Sale proceeds | Closing balance |
|--|-----------------|---------------------------------------|----------------|---------------|-----------------|
| Holme Hall | 750 | - | - | (750) | - |
| Nettlebed | - | 9,802 | (1,802) | - | 8,000 |
| Cuerden Hall | - | 1,703 | (203) | - | 1,500 |
| Freehold Properties held for resale | 750 | 11,505 | (2,005) | (750) | 9,500 |

At the end of the year two properties were held for resale, Cuerden Hall and Nettlebed. Cuerden Hall is under offer and the conveyancing is underway. The Trustees consider that a value of £1.5 million is a fair estimation of the net sale proceeds. Nettlebed has been vacated and is being prepared for sale during the financial year ending 31st March 2021. The Trustees consider a value of £8 million to be a fair estimation of the net sale proceeds based on an external valuation.

The sale of Holme Hall, the asset held for resale in 2018/19, was completed during the year.

13 Debtors

| | Consolidated | | Charity | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s | 2019/20 £000s | 2018/19 £000s |
| Amounts owed by group undertakings | - | - | 1,582 | 1,913 |
| Debtors for care services | 5,797 | 2,708 | 5,797 | 2,708 |
| Accrued income – legacies | 3,658 | 3,265 | 3,658 | 3,265 |
| Other debtors | 3,261 | 3,960 | 3,169 | 3,793 |
| Prepayments | 2,010 | 2,248 | 2,001 | 2,146 |
| | 14,726 | 12,181 | 16,207 | 13,825 |

In addition to the £3.658m (2018/19: £3.265m) of legacy accrued income, there were 29 (2018/19: 21) 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 27 (2018/19: 26) reversionary legacies notified to the Charity valued at £1.6m (2018/19: £1.3m) which were not recognised in the Financial Statements due to life tenants.

14 Creditors: amounts falling due within one year

| | Consolidated | | Charity | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s | 2019/20 £000s | 2018/19 £000s |
| Trade creditors | 2,726 | 4,888 | 2,380 | 4,467 |
| Other creditors | 470 | 362 | 470 | 362 |
| Amounts payable under loans due | 18 | - | 18 | - |
| Amounts payable under finance leases | - | 435 | - | 435 |
| Accruals | 5,015 | 2,276 | 4,844 | 1,731 |
| Deferred income | 5,552 | 1,985 | 5,382 | 1,838 |
| Other taxes and social security | 1,040 | 995 | 1,040 | 995 |
| | 14,821 | 10,941 | 14,134 | 9,828 |

Income is deferred where it has been invoiced or received in advance, and is for the provision of goods and services after the year end.

14 Creditors: amounts falling due within one year (continued)

| | Consolidated | | Charity | |
|-------------------------------------|------------------|------------------|------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s | 2019/20 £000s | 2018/19 £000s |
| Movements in deferred income | | | | |
| Opening balance | 1,985 | 1,860 | 1,838 | 1,860 |
| Opening balance released | (1,985) | (1,860) | (1,838) | (1,860) |
| Deferred in the year | 5,552 | 1,985 | 5,382 | 1,838 |
| Movement | 3,567 | 125 | 3,544 | (22) |
| Closing balance | 5,552 | 1,985 | 5,382 | 1,838 |

15 Creditors: amounts falling due after one year

| | Consolidated | | Charity | |
|---|------------------|------------------|------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s | 2019/20 £000s | 2018/19 £000s |
| Amounts payable under loans due within 2 to 5 years | 1,110 | 462 | 1,110 | 462 |
| Amounts payable under loans due in more than five years | 5,500 | - | 5,500 | - |
| | 6,610 | 462 | 6,610 | 462 |

The Charity has a bank loan which has a balance at the end of the year of £6,628,720 (2018/19: £461,539) which is secured against assets of the Charity with a total net book value of £11,467,121. The loan interest is repayable on the balance outstanding over the term of the loan which is 25 years. Under the terms of the loan, capital repayments commence in March 2021 and the loan may be repaid in advance of the end of the term. The interest rate on the loan outstanding as at 31 March 2020 is 2.60% (2018/19: 3.25%) which represents an interest rate of 2.5% plus Bank of England base rate.

16 Provisions for liabilities

| | Consolidated | | Charity | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s | 2019/20 £000s | 2018/19 £000s |
| Provisions for property dilapidations | 2,363 | 2,036 | 2,260 | 1,944 |
| | 2,363 | 2,036 | 2,260 | 1,944 |

| | Consolidated | | Charity | |
|---|------------------|------------------|------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s | 2019/20 £000s | 2018/19 £000s |
| Movements in provision for property dilapidations | | | | |
| Opening balance | 2,036 | 1,873 | 1,944 | 1,794 |
| Increase in provision | 327 | 163 | 316 | 150 |
| Provision for property dilapidations | 2,363 | 2,036 | 2,260 | 1,944 |

Dilapidations are provided for against the initial term of a property lease with the expectation that, should the lease not be extended, dilapidation costs will become payable after the termination of the lease and after negotiations with the landlord have been concluded.

Notes to the accounts (continued)

17 Unrestricted funds

| Year ended 31 March 2020 | Balance at 31 March 2019 £000s | Income £000s | Expenditure £000s | Transferred between funds £000s | Transferred from restricted £000s | Unrealised gains and losses £000s | Balance at 31 March 2020 £000s |
|---------------------------------|-----------------------------------|-----------------|----------------------|------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|
| Unrestricted funds | | | | | | | |
| General funds | | | | | | | |
| Revaluation reserve | 14,587 | – | – | (2,230) | – | – | 12,357 |
| General funds | 38,699 | 84,946 | (94,327) | 2,730 | 4,029 | (691) | 35,386 |
| Subsidiary's retained funds | 4 | 11,419 | (11,419) | – | – | – | 4 |
| Total general funds | 53,290 | 96,365 | (105,746) | 500 | 4,029 | (691) | 47,747 |
| Designated reserves | 500 | – | – | (500) | – | – | – |
| Total unrestricted funds | 53,790 | 96,365 | (105,746) | – | 4,029 | (691) | 47,747 |

The movement in the revaluation reserve represents the depreciation charge of the uplifted value of the freehold buildings and the impairment of Cuerden Hall of £202,000 and Nettlebed of £1,803,000.

The transfer from restricted funds relates to expenditure against projects restricted in previous years for which service provision requirements have now been fully met.

The designated fund of £500,000 was to support the Dee View Court Capital Appeal. As the project has now completed and the centre expansion is now open, the fund has been utilised and transferred.

| Year ended 31 March 2019 | Balance at 31 March 2018 £000s | Income £000s | Expenditure £000s | Transferred between funds £000s | Transferred from restricted £000s | Unrealised gains and losses £000s | Balance at 31 March 2019 £000s |
|---------------------------------|-----------------------------------|-----------------|----------------------|------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|
| Unrestricted funds | | | | | | | |
| General funds | | | | | | | |
| Revaluation reserve | 14,811 | – | – | (224) | – | – | 14,587 |
| General funds | 39,113 | 81,572 | (83,449) | 224 | 934 | 305 | 38,699 |
| Subsidiary's retained funds | 4 | 11,143 | (11,143) | – | – | – | 4 |
| Total general funds | 53,928 | 92,715 | (94,592) | – | 934 | 305 | 53,290 |
| Designated reserves | 500 | – | – | – | – | – | 500 |
| Total unrestricted funds | 54,428 | 92,715 | (94,592) | – | 934 | 305 | 53,790 |

18 Restricted funds

The income funds of the Group and Charity include restricted funds comprising the following:

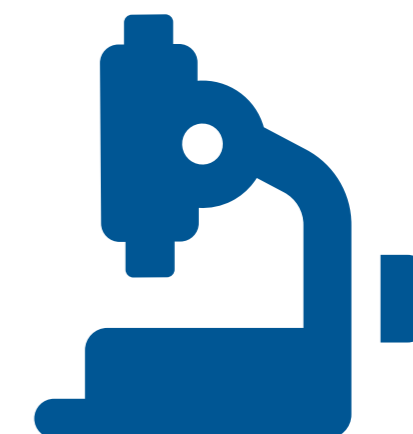
| Year ended 31 March 2020 | Balance at 31 March 2019 £000s | Income £000s | Expenditure £000s | Transfers note 18 £000s | Balance at 31 March 2020 £000s |
|---|-----------------------------------|-----------------|----------------------|----------------------------|-----------------------------------|
| Funds held at care centres and centrally | 1,963 | 13,890 | (9,545) | (1,260) | 5,048 |
| Big Lottery 5R's Programme Dee View & Chantry | – | 23 | – | (23) | – |
| Dee View Court Capital Appeal | 2,001 | 717 | – | (2,718) | – |
| Patient rights training | 48 | 30 | – | (48) | 30 |
| Scottish Government training | – | 21 | (25) | 20 | 16 |
| Lancashire Neuro Centre Appeal | 10 | 971 | – | – | 981 |
| Total group restricted funds | 4,022 | 15,652 | (9,570) | (4,029) | 6,075 |

The Dee View Court Capital Appeal is the total of capital funds generated for the project to extend Sue Ryder Neurological Care Centre Dee View Court, which has now opened. A transfer out of restricted funds has been made to reflect the discharge of the restriction on completion of the build. Restricted funds held at care centres and centrally have been released to cover restricted projects where unrestricted funds were utilised.

The Lancashire Neuro Centre Appeal is the total of funds generated for the project to build Sue Ryder Neurological Care Centre Lancashire, which opened in April 2020.

The funds held at care centres and centrally of £5,048,807 comprise the unexpended balances of donations and grants held on trust for specific projects.

| Year ended 31 March 2019 | Balance at 31 March 2018 £000s | Income £000s | Expenditure £000s | Transfers note 18 £000s | Balance at 31 March 2019 £000s |
|---|-----------------------------------|-----------------|----------------------|----------------------------|-----------------------------------|
| Funds held at care centres and centrally | 734 | 11,725 | (9,765) | (721) | 1,973 |
| Big Lottery 5R's Programme Dee View & Chantry | – | 45 | – | (45) | – |
| Dee View Capital Appeal | 260 | 1,739 | – | 2 | 2,001 |
| Patient rights training | – | 128 | – | (80) | 48 |
| Scottish Government training | – | 28 | (26) | (2) | – |
| Endowment | 88 | – | – | (88) | – |
| Total group restricted funds | 1,082 | 13,665 | (9,791) | (934) | 4,022 |



Notes to the accounts (continued)

19 Analysis of net assets across funds

| Consolidated | Unrestricted funds £000s | Restricted funds £000s | Total funds £000s |
|---|-----------------------------|---------------------------|----------------------|
| Fund balances at 31 March 2020 are represented by: | | | |
| Tangible fixed assets | 39,037 | - | 39,037 |
| Investments | 8,110 | - | 8,110 |
| Current assets | 24,394 | 6,075 | 30,469 |
| Current liabilities | (14,821) | - | (14,821) |
| Provision for liabilities | (2,363) | - | (2,363) |
| Long term liabilities | (6,610) | - | (6,610) |
| Total net assets | 47,747 | 6,075 | 53,822 |
| Consolidated | | | |
| | Unrestricted funds £000s | Restricted funds £000s | Total funds £000s |
| Fund balances at 31 March 2019 are represented by: | | | |
| Tangible fixed assets | 42,808 | - | 42,808 |
| Investments | 8,697 | - | 8,697 |
| Current assets | 15,724 | 4,022 | 19,746 |
| Current liabilities | (10,941) | - | (10,941) |
| Provision for liabilities | (2,036) | - | (2,036) |
| Long term liabilities | (462) | - | (462) |
| Total net assets | 53,790 | 4,022 | 57,812 |
| Charity | | | |
| | Unrestricted funds £000s | Restricted funds £000s | Total funds £000s |
| Fund balances at 31 March 2020 are represented by: | | | |
| Tangible fixed assets | 39,037 | - | 39,037 |
| Investments | 8,110 | - | 8,110 |
| Current assets | 23,597 | 6,075 | 29,672 |
| Current liabilities | (14,134) | - | (14,134) |
| Provision for liabilities | (2,260) | - | (2,260) |
| Long term liabilities | (6,610) | - | (6,610) |
| Total net assets | 47,740 | 6,075 | 53,815 |
| Charity | | | |
| | Unrestricted funds £000s | Restricted funds £000s | Total funds £000s |
| Fund balances at 31 March 2019 are represented by: | | | |
| Tangible fixed assets | 42,805 | - | 42,805 |
| Investments | 8,697 | - | 8,697 |
| Current assets | 14,514 | 4,022 | 18,536 |
| Current liabilities | (9,828) | - | (9,828) |
| Provision for liabilities | (1,944) | - | (1,944) |
| Long term liabilities | (462) | - | (462) |
| Total net assets | 53,782 | 4,022 | 57,804 |

20 Pension costs

(a) Defined contribution schemes of Sue Ryder

A defined contribution group pension scheme was introduced with effect from 1st 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 in accordance with the auto-enrolment requirements.

(b) National Health Service pension scheme

Sue Ryder also contributes to a defined benefit contributory pension scheme on behalf of certain former National Health Service employees. These contributions are fixed by reference to quinquennial valuations by the Government actuary which is currently 14.38% (2018/19: 14.38%) of earnings. The latest available report relates to the period ending 31st March 2016.

It is not possible to identify the surplus or deficit that relates to Sue Ryder and therefore this scheme is treated as a defined contribution scheme under FRS 102, with costs recognised in accordance with contributions payable.

21 Lease obligations

| | 31 March 2019/20 £000s | 31 March 2018/19 £000s |
|--|------------------------------|------------------------------|
| Consolidated operating leases: | | |
| Land and buildings | | |
| Total future minimum commitments which expire: | | |
| Within one year | 11,246 | 9,389 |
| In the second to fifth years inclusive | 28,024 | 20,313 |
| After more than five years | 8,585 | 1,788 |
| Total future minimum commitment | 47,855 | 31,490 |
| Other | | |
| Total future minimum commitments which expire: | | |
| Within one year | 654 | 614 |
| In the second to fifth years inclusive | 845 | 1,200 |
| Total future minimum commitment | 1,499 | 1,814 |
| Total | 49,354 | 33,304 |
| Consolidated finance leases: | | |
| Fixed assets | | |
| Total future minimum commitments which expire: | | |
| Within one year | - | 435 |
| Total future minimum commitment | - | 435 |

The Charity took out three finance leases to cover the expenditure related to a new Electronic Point of Sale and warehouse management system. The leases have been paid and title has passed to the Charity through a purchase option in return for a small payment.

Notes to the accounts (continued)

22 Capital and other commitments

Sue Ryder Direct Limited has outstanding foreign currency commitments of USD \$1,001,380 (2018/19: \$1,880,612) which are due to mature within 12 months.

During the year there were two major building projects undertaken:

During the year work continued on the construction of the Sue Ryder Neurological Care Centre Lancashire. Construction completed and the site was open and operational in April 2020. The expenditure for completion and fit out after 31st March 2020 was budgeted to be £814,000 (2018/19: £6,587,000).

The outstanding contracted build costs as at 31st March 2020 were £708,246, of which £577,956 was paid post year-end. The final retention balance of £130,289 will be due in April 2021.

23 Related party disclosures

There are a number of independent charities operating in various countries which share the main objectives of Sue Ryder. The Charity awards grants to these entities as shown in note 8.

The Financial Statements of the Group consolidate the results of its 100% subsidiary companies, Sue Ryder Direct Limited, Sue Ryder Lottery Ltd and Woburn Property Investment Limited, and subsidiary charity Duchess of Kent House Charity.

| | 2019/20 £000s | 2018/19 £000s |
|---|------------------|------------------|
| The following amounts are due to the Charity from its subsidiary undertakings: | | |
| Sue Ryder Direct Limited | 1,334 | 1,579 |
| Sue Ryder Lottery Limited | 240 | 302 |
| Woburn Property Investment Company Limited | 7 | 7 |
| Duchess of Kent House Charity | - | 25 |
| During the year the following transactions took place between the Charity and its subsidiary undertakings: | | |
| The transfer under Gift Aid of the trading profits of Sue Ryder Direct Limited | 49 | 1 |
| The transfer under Gift Aid of the trading profits of Sue Ryder Lottery Limited | 2,192 | 2,004 |
| The recharge of costs associated to the use of the Charity's shops for trading by Sue Ryder Direct Limited | 711 | 669 |
| Commission charged to the Charity by Sue Ryder Direct Limited as agent in regards the Retail Gift Aid scheme. | 277 | 356 |

24 Cash flows from operating activities

Net cash provided by operating activities

| | Consolidated | |
|--|------------------|------------------|
| | 2019/20 £000s | 2018/19 £000s |
| Net (expenditure)/ income for the reporting period as per the Statement of Financial Activities: | (3,990) | 2,302 |
| Add back depreciation (note 10) | 4,395 | 3,540 |
| (Decrease) / increase in investment cash holding | (773) | 666 |
| Loss / (gain) on foreign currency held | 34 | 11 |
| Dividend and interest received from investments | (172) | (189) |
| Loss / (gain) on impairment of fixed assets | 2,005 | (750) |
| Loss / (gain) on the sale of investment assets | 691 | (305) |
| Decrease / (increase) in stocks | 556 | (178) |
| (Increase) in debtors | (2,545) | (74) |
| Increase in creditors | 10,028 | 1,243 |
| Increase in provisions for liabilities | 327 | 163 |
| | 10,556 | 6,429 |

25 Net debt reconciliation

| | At start of year | Net cash flows | At end of year |
|--|------------------|----------------|----------------|
| Cash | 4,423 | (16) | 4,407 |
| | 4,423 | (16) | 4,407 |
| Loans falling due within one year | - | (18) | (18) |
| Loans falling due within two to five years | (461) | (649) | (1,110) |
| Loans falling due after five years | - | (5,500) | (5,500) |
| Finance lease obligations | (435) | 435 | - |
| | (896) | (5,732) | (6,628) |

26 Net income from trading activities of subsidiaries

Sue Ryder has four wholly owned subsidiaries which are incorporated in the UK. The principal activities of the subsidiary Sue Ryder Direct Limited are the sale of new goods and the running of the donated goods Gift Aid scheme. The principal activity of the subsidiary Sue Ryder Lottery Limited is the running of the Sue Ryder Lottery and it holds the Sue Ryder gambling licence. The companies gift their taxable profits to Sue Ryder. Woburn Property Investments Limited and Duchess of Kent House Charity are now dormant.

There was no activity during the current or previous year for Woburn Property Investments Limited or the Duchess of Kent House Charity. Within the next 12 months, the trustees intend to wind up the Duchess of Kent House Charity. This means that the accounts were prepared in line with FRS 102 but not as a going concern.

The results for the current and prior year were:

| | Sue Ryder Direct Ltd | Sue Ryder Lottery Ltd | Sue Ryder Direct Ltd | Sue Ryder Lottery Ltd |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| Company number | 00889743 | 09479300 | 00889743 | 09479300 |
| | 2019/20 £000s | 2019/20 £000s | 2018/19 £000s | 2018/19 £000s |
| Turnover | 8,959 | 2,458 | 8,889 | 2,254 |
| Cost of sales | (6,327) | (256) | (6,598) | (239) |
| Gross profit | 2,632 | 2,202 | 2,291 | 2,015 |
| Other expenses | (2,583) | (12) | (2,293) | (11) |
| Profit / (loss) on ordinary activities before tax | 49 | 2,190 | (2) | 2,004 |
| Interest received | - | 2 | - | - |
| Tax on profit on ordinary activities | - | - | 3 | - |
| Profit on ordinary activities after tax | 49 | 2,192 | 1 | 2,004 |
| Qualifying charitable donation | (49) | (2,192) | (1) | (2,004) |
| Retained profit for the period | - | - | - | - |
| Tangible fixed assets | 2 | - | 2 | - |
| Net current assets | 10 | - | 10 | - |
| Total net assets | 12 | - | 12 | - |
| Share capital | - | - | - | - |
| Profit and loss account | 12 | - | 12 | - |
| Shareholder's funds | 12 | - | 12 | - |

A subsidiary charity exists, Sue Ryder Care (Chantry), to administer a permanent endowment passed to Sue Ryder by the Charity Commission. The registered office for all subsidiaries is Kings House, King Street, Sudbury, Suffolk CO10 2ED



Recognition of our high value supporters

Although we can't mention everyone who has made our work possible, we'd like to recognise the following donors' significant support this year.

Trusts:

Aberdeen Asset Management Charitable Foundation
 Alan Boswell Insurance Advisers Limited
 Bedfordshire Charitable Trust
 Buckles Solicitors
 CRH Charitable Trust
 Duncan and Jackie Skinner Charitable Trust
 Gale Family Charity Trust
 Harry Cureton Charitable Trust
 Kathleen and Michael Connolly Foundation UK Limited
 Lord Mayor of Bradford's Appeal
 Miss Caroline Jane Spence's Fund
 Peter Baker Foundation
 Summerfield Charitable Trust
 The Band Trust
 The Batchworth Trust
 The Beatrice Laing Trust
 The Bradbury Foundation
 The Burdett Trust for Nursing
 The Christopher Laing Foundation
 The Gordon and Ena Baxter Foundation
 The Guy Charitable Foundation
 The Harry & Mary Foundation
 The House of Industry Estate
 The Hugh Fraser Foundation
 The Liz and Terry Bramall Foundation
 The Loving Charitable Trust
 The Masonic Charitable Foundation
 The Milne Family Foundation
 The Morningfield Association

The National Lottery Community Fund (Scotland)
 The Panacea Charitable Trust
 The Shears Foundation
 The Summerfield Charitable Trust
 The Wixamtree Trust
 The Wolfson Foundation

Individuals:

C Ratcliffe, J Sutor and A Chapman in memory of Mrs Pamela Chapman
 Colin Lammie and Tamzin Ripley
 David Felwick
 David Webb, in memory of Anna Webb
 Duncan and Lesley Hawthorne
 Geoff Richardson
 Glyn Rowlands
 Jason Humm
 Jeroen and Liz Huysinga
 John Edward Bigham and Susan Elizabeth Bigham
 Kevin Nelson

Lesley Bers
 Meinie Oldersma
 Mr and Mrs William McClay
 Mr David Coe
 Mr Ian Andrew
 Mrs Anne Hoskins
 Peter Anthony Erskine
 Philip Cooper
 Sandy Leventon
 Stephen Gough
 Trevor Garlick OBE

We would also like to thank the anonymous supporters who donated in memory of the following people:

Andrew Mallett
 Jacqueline Bicknell
 Kathleen Ashcroft MBE
 Robin Gibson

Thank you also to the donors who wished to remain anonymous.

Every aspect of Sue Ryder's work is reliant on voluntary donations to continue. Donations from trusts and major donors are instrumental in helping us provide expert palliative, neurological and bereavement support to people who need it.



There when it matters

Sue Ryder supports people through the most difficult times of their lives. For over 65 years our doctors, nurses and carers have given people the compassion and expert care they need to help them live the best life they possibly can.

We take the time to understand what's important to people and give them choice and control over their care. This might be providing care for someone at the end of their life, in our hospices or at home. Or helping someone manage their grief when they've lost a loved one. Or providing specialist care, rehabilitation or support to someone with a neurological condition.

We want to provide more care for more people when it really matters. We see a future where our palliative and neurological care reaches more communities; where we can help more people begin to cope with bereavement; and where everyone can access the quality of care they deserve.

For more information about Sue Ryder

call: **0808 164 4572**

email: **info@sueryder.org**

visit: **sueryder.org**



[/SueRyderNational](https://www.facebook.com/SueRyderNational)



[@sue_ryder](https://twitter.com/sue_ryder)

Sue Ryder, 183 Eversholt Street, London NW1 1BU

This document is available in alternative formats on request.



**palliative,
neurological
and bereavement
support**