

THE SUE RYDER FOUNDATION

Registered charity number : 1052076
Registered number : 9432228

943228

ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

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THE SUE RYDER FOUNDATION

Charity name The Sue Ryder Foundation Limited (a company limited by guarantee)

The company has reflected the transactions of The Sue Ryder Foundation with effect from 1 January 1996.

The company has been granted exemption from the requirement to include the word "Limited" in its title and is now called "The Sue Ryder Foundation"

Registered numbers

Charity	1052076
Company	9432228

Trustees/Directors

Lady Ryder of Warsaw CMG OBE (Founder)
Rev R W Clifton (Chairman)
K Baddiley OBE FHSM
J S R Baxter FRCS
Dr F C Dillon (appointed 14 May 1997)
R I Johnson
R M Jacquest
Father K O'Mahoney (appointed 19 September 1996)
Mrs J R Nicholson RSCN
R W R Ogden MBE

The above are referred to as Trustees throughout these financial statements

Secretary M Nicholson FCA

Registered office The Sue Ryder Home
Cavendish
Sudbury
Suffolk
CO10 8AY

Auditors Scrutton Bland
18 Sir Isaac's Walk
Colchester
CO1 1JL

Principal Bankers Lloyds Bank plc
Cornhill
Ipswich
IP1 1DG

THE SUE RYDER FOUNDATION

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 1996

Review of activities

It is a privilege to be able to report that the work of the Sue Ryder Foundation has continued to progress during the past year.

In the UK we have planned a programme of refurbishment of the Sue Ryder Homes to ensure that the high standards of care, which we strive to maintain, are matched by the surroundings. In addition extensions to provide further rooms have been completed at Stagenhoe Park and have been planned at the Sue Ryder Homes at Binny House and Manorlands with both of these being completed in 1997. Unfortunately, there were also difficult decisions to be made and none was more difficult than deciding not to renew the leases on Acorn Bank and Borden House. These decisions became inevitable when the needs for the facilities provided by these two Sue Ryder Homes had declined over the years to the position that there was a surplus of the facilities in each locality.

Times and needs change and it is very encouraging to report that the Foundation responded to patient needs with a 28% increase in the number of visits to the Foundation's day centres and a five fold increase in the number of home visits made by the Foundation's domiciliary care teams.

It is a tribute to the staff and volunteers in the Sue Ryder Homes that they cope so admirably with the changes that are taking place all the time. In trying to ensure that care with compassion is at the heart of the Sue Ryder Foundation we acknowledge that this can only be achieved with the continued support of so many people and organisations - our thanks go out to you all.

The work overseas has also been an important feature of the past year and the Council would like to record grateful thanks to and our admiration of the Founder whose energy and enthusiasm continue to inspire us all. In Poland the new home at Krolewska Gora has been completed and the rebuilding or refurbishment of others is a continuing need as many of the homes have been in use for more than 30 years. In Italy the domiciliary care team in Rome is extremely active and it is very encouraging that local volunteers are now strongly supporting the work. The new home in the Czech Republic in the Prague 4 district should be completed either later this year or early in 1998. There are great needs in this district of Prague and these, together with the high inflation locally, make it important that this home is completed quickly. In Malawi important work is being carried out by care teams going out from their base to give medical treatment at pre-arranged locations, to patients who have travelled long distances to receive this care. The distances are long and the needs are great and yet, on a limited budget, it is possible to significantly improve the quality of people's lives in this very poor Country. In Ireland the accommodation provided at Dalkey, Ballyroan, Owing and Holy Cross continues to be in great demand and the developments are fine examples of what can be achieved with the help and co-operation of local authorities. In Macedonia the new home for oncology patients in Skopje has taken longer to get under way than we had hoped but it is pleasing to report that work has now started on this much needed facility.

THE SUE RYDER FOUNDATION

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 1996

The Council wishes to acknowledge that it is only possible to report on the growth of the work of the Foundation because of the Sue Ryder Shops continuing success and because both public and corporate support is being maintained. The Sue Ryder Shops once again achieved a record year through the efforts of volunteers and staff alike. The team work and spirit that there is in the Sue Ryder Shops is excellent. The figures which follow this report underline the reliance we place upon the income from fundraising events, donations, corporation sponsorship and legacies. Our thanks goes to everyone who has so generously supported the Foundation.

Organisation

The Council as Trustees of the Sue Ryder Foundation delegates some of our authority to four main Committees whose membership comprises some Trustees, other volunteers and some employees. In each case a mixture of skills is carefully chosen to achieve the right balance for a particular Committee. The Sue Ryder Homes in the UK report through the Homes' Executive Committee, the Sue Ryder Shops in the UK report through the Trading Team whilst the areas covered by the Overseas Committee and the Finance and General Purposes Committee are self-explanatory. In addition to these each Sue Ryder Home in the UK has a separate House Committee which is made up of extremely committed volunteers from the local community. It is important to note that Overseas there are separate independent Sue Ryder Foundations in each Country which are legal entities in their own right, have their own local Trustees and are subject to the laws of their particular Country. They do of course all have in common the same objects as the Sue Ryder Foundation in the UK.

Financial review

This has been a significant year of change in so far as the presentation of the results of the Sue Ryder Foundation are concerned.

As we reported last year, from 1 January 1996, the Sue Ryder Foundation changed its status to that of a company limited by guarantee. In addition, a new accounting framework for Charities has been established. Although these new regulations apply to the report and financial statements with effect from 1 January 1997, the provisions of the new legislation have been fully adopted in the year to 31 December 1996. Nowhere is this change more evident than in the inclusion of the new consolidated Statement of Financial Activities which replaces the General Income and Expenditure Account. This Statement on pages 6 and 7 shows that the Foundation achieved a net increase in overall funds of £3,839,030.

THE SUE RYDER FOUNDATION

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 1996

The Sue Ryder Foundation operates a number of unrestricted designated funds for particular needs including amounts set aside to finance future capital expenditure and to finance Sue Ryder Homes in the UK operational deficits. These designated funds are explained in more detail in note 15 to these financial statements. This year we have allocated to the various designated funds the following amounts, leaving the consolidated General Fund with a deficit of £352,981.

Sue Ryder Homes Building Fund	£ 4,596,584
Sue Ryder Homes Reserve Fund	£ 141,000
Deferred Repairs Fund	£50,000
Overseas Fund	£426,016

We should note that in the case of the Sue Ryder Homes Building Fund and the Overseas Fund, the balance on the designated fund only amounts to 73% and 74% respectively of the committed and projected expenditure. In the case of the Sue Ryder Homes Reserve Fund, the balance at 31 December 1996 represents only 5 months of the Homes' running and property expenditure that took place in 1996.

This year, for the first time, the results of the wholly owned subsidiary, The Sue Ryder Remembrance Company Limited have been included in these financial statements. This subsidiary achieved a net profit before tax of £570,575, of which £570,000 was covenanted to the Sue Ryder Foundation.

Employees

The average number of employees during the year was 2,306 (including part-time) and their emoluments totalled £19,258,546. We would like to thank them all for their hard work in ensuring that the work of the Sue Ryder Foundation continues to grow.

Auditors

Scrutton Bland have signified their willingness to continue in office as auditors and a resolution re-appointing them will be submitted to the Annual General Meeting.

By order of the Council

ROBERT CLIFTON

CHAIRMAN

Robert Clifton
3 September 1997

AUDITORS' REPORT TO THE TRUSTEES OF THE SUE RYDER FOUNDATION

We have audited the financial statements on pages 6 to 26, which have been prepared under the historical cost convention, and the accounting policies set out on pages 13 and 14.

Respective responsibilities of Trustees and auditors

Company law and Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Sue Ryder Foundation and of its subsidiary and of the net income and expenditure for that period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 1985 and with the Statement of Recommended Practice: Accounting by Charities. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

AUDITORS' REPORT TO THE TRUSTEES OF
THE SUE RYDER FOUNDATION

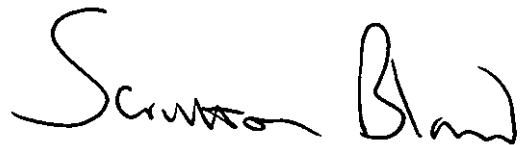
Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of The Sue Ryder Foundation and of the Foundation and its subsidiary as at 31 December 1996 and of the net incoming resources of The Sue Ryder Foundation and its subsidiary for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and with the Statement of Recommended Practice: Accounting by Charities.



SCRUTTON BLAND
Chartered Accountants
and Registered Auditors

Colchester

3 September 1997

THE SUE RYDER FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 1996

Notes

		Unrestricted funds £	Restricted funds £	Total 1996 £
INCOMING RESOURCES				
Donations		1,210,546	2,521,222	3,731,768
Legacies received		1,734,895	1,338,840	3,073,735
Receipts for patients' and residential maintenance		-	11,647,167	11,647,167
Rent receivable		84,167	49,372	133,539
Net income from Sue Ryder shops	2	3,370,743	-	3,370,743
Net income of trading subsidiary	3	414,141	-	414,141
Net gain on disposal of tangible fixed assets		15,286	-	15,286
Net gain on disposal of fixed asset investments		114,458	-	114,458
Investment income		1,123,460	139,646	1,263,106
TOTAL INCOMING RESOURCES		8,067,696	15,696,247	23,763,943
RESOURCES EXPENDED				
Direct charitable expenditure :				
Homes' running expenses		-	16,293,954	16,293,954
Property expenses		-	729,717	729,717
Depreciation		516,918	204,027	720,945
Other expenses		1,276	207,357	208,633
Overseas expenditure	15	1,323,729	-	1,323,729
VAT irrecoverable		15,276	194,587	209,863
		1,857,199	17,629,642	19,486,841
Other expenditure :				
Fundraising and publicity		87,341	-	87,341
Management and administration of the charity		587,045	59,015	646,060
Net loss on disposal of fixed assets		-	3,146	3,146
		674,386	62,161	736,547
TOTAL RESOURCES EXPENDED		2,531,585	17,691,803	20,223,388
NET INCOMING/(OUTGOING)				
RESOURCES before transfers		5,536,111	(1,995,556)	3,540,555
Transfers between funds		(2,024,779)	2,024,779	-
NET INCOMING RESOURCES carried forward		£ 3,511,332	£ 29,223	£ 3,540,555

THE SUE RYDER FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
YEAR ENDED 31 DECEMBER 1996

	Notes	Unrestricted funds £	Restricted funds £	Total 1996 £
NET INCOMING/(OUTGOING) RESOURCES brought forward		3,511,332	29,223	3,540,555
Gains on investment assets : Unrealised	9	298,475	-	298,475
NET MOVEMENT IN FUNDS		3,809,807	29,223	3,839,030
FUND BALANCES brought forward at 1 January 1996		44,135,157	727,543	44,862,700
FUND BALANCES carried forward at 31 December 1996		<u>£ 47,944,964</u>	<u>£ 756,766</u>	<u>£ 48,701,730</u>

NOTES

- 1 A separate Statement of Financial Activities has not been prepared for the Sue Ryder Foundation only on the grounds that the figures for the trading subsidiary are separately identifiable on pages 6 and 12.
- 2 The Sue Ryder Foundation group held no endowment funds at any time during the two years to 31 December 1996.

THE SUE RYDER FOUNDATION

SUMMARY CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 1996

	Note	1996 £
Gross income of continuing operations		23,349,802
Non-charitable trading activities : net income		414,141
Total income of continuing operations		23,763,943
Total expenditure of continuing operations		20,223,388
NET INCOME FOR THE YEAR		<u>£ 3,540,555</u>

The company has reflected the transactions of The Sue Ryder Foundation, a registered Charity with effect from 1 January 1996. Prior to this date the company was the sole trustee of The Sue Ryder Foundation but did not reflect the transactions through its accounting records. Accordingly comparative figures are not given. Fund balances of £45,095,161 were previously largely shown in the financial statements of the charity and its subsidiary and are now included in these financial statements. Total income comprises £8,067,696 for unrestricted funds and £15,696,247 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Turnover of non-charitable trading activities amounted to £ 1,815,490. A detailed analysis of the trading results is shown in Note 3.

Detailed analyses of the expenditure are provided in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on pages 6 and 7 which, together with the notes to the financial statements on pages 11 to 26 provides full information on the movements during the year on all the funds of the group.

The notes on pages 11 to 26 form part of these financial statements.

TOTAL RECOGNISED GAINS AND LOSSES

All gains and losses of the Sue Ryder Foundation and its subsidiary are shown on the Statement of Financial Activities.

THE SUE RYDER FOUNDATION

BALANCE SHEETS

31 DECEMBER 1996

	Notes	Consolidated 1996 £	Charity 1996 £
FIXED ASSETS			
Tangible assets	8	24,090,991	24,058,892
Investments	9	6,990,343	6,990,348
Loan account	10	939,131	939,131
Short term deposits		14,018,421	14,018,421
		<u>46,038,886</u>	<u>46,006,792</u>
CURRENT ASSETS			
Stocks		349,205	612,976
Debtors	11	1,880,749	1,851,413
Cash at bank and in hand		2,964,697	2,961,414
Prepayment - subsidiary undertaking		-	1,554,937
		<u>5,194,651</u>	<u>6,980,740</u>
CREDITORS: amounts falling due within one year	12	(2,531,807)	(3,986,854)
NET CURRENT ASSETS		<u>2,662,844</u>	<u>2,993,886</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		<u>£ 48,701,730</u>	<u>£ 49,000,678</u>
INCOME FUNDS			
Revaluation reserve	13	1,008,904	1,008,904
Restricted funds	14	756,766	756,766
Unrestricted (designated) funds :			
Capital reserve fund	15	24,090,991	24,058,892
Building fund	15	9,144,833	9,144,833
Homes' reserve fund	15	7,100,000	7,100,000
Deferred repairs fund	15	800,000	800,000
Overseas fund	15	6,153,217	6,153,217
General fund	15	(352,981)	(21,934)
		<u>£ 48,701,730</u>	<u>£ 49,000,678</u>

Approved by the Board of Trustees on

3 September 1997

and signed on its behalf by

Ryder of Wansan Trustee

THE SUE RYDER FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 1996

	Notes		Consolidated 1996 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		<u>2,503,580</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest and dividends received		1,171,347	
Income from The Sue Ryder Remembrance Company Limited		<u>482,433</u>	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			<u>1,653,780</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES, RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			<u>4,157,360</u>
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(1,535,697)	
Additional investments		(1,230,506)	
Short term deposits	20	(1,145,326)	
Loans made		(45,460)	
Receipts from sale of tangible fixed assets		76,280	
Receipts from sale of investments		<u>997,902</u>	
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES			<u>(2,882,807)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	20/21		<u><u>£ 1,274,553</u></u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996

1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with applicable accounting standards and the revised Statement of Recommended Practice : Accounting by Charities.

2 NET INCOME FROM THE SUE RYDER SHOPS

	1996
	£
SALES	13,606,863
Cost of sales	<u>833,689</u>
	12,773,174
Staff expenses	4,459,046
Property expenses	4,231,413
Selling expenses	90,220
Shop management expenses	<u>621,752</u>
	9,402,431
PROFIT FOR YEAR	<u><u>£ 3,370,743</u></u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

3 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The Sue Ryder Foundation has one wholly owned subsidiary which is incorporated in the UK. The principal activities of the subsidiary, the Sue Ryder Remembrance Company Limited, are the sale of Christmas cards, sundry merchandise, the running of coffee shops and the supply of fuel and power. The company covenants its taxable profits to The Sue Ryder Foundation. A summary of its trading results is shown below. Audited financial statements have been filed with the Registrar of Companies.

Profit and loss account

	Sue Ryder Remembrance Co Limited £
Turnover	1,815,490
Cost of sales	1,047,159
Gross profit	768,331
Other operating income	52,234
Distribution costs	(222,825)
Administration expenses	(129,053)
Interest receivable	101,888
Net profit before covenant	570,575
Amount covenanted to The Sue Ryder Foundation	(570,000)
Net profit after covenant	575
Corporation tax at 24%/25%	254
Retained profit	£ 321

Disclosed on Statement of Financial Activities as:

Profit for the year	321
Interest received from The Sue Ryder Foundation	(101,888)
Management charge paid to The Sue Ryder Foundation	14,000
Amount covenanted to The Sue Ryder Foundation	570,000
Profit on stocks held by The Sue Ryder Foundation	(68,292)

(Page 6) £ 414,141

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

4 ACCOUNTING POLICIES

(a) Scope

These financial statements cover the operation of the Sue Ryder Foundation in the United Kingdom consolidating the Sue Ryder Foundation and its wholly owned subsidiary. There are separate and independent Sue Ryder Foundations operating in many countries, formed as legal entities according to the law of the country of operation.

(b) Restricted and designated funds

All donations and other monies received by the Sue Ryder Homes are considered as funds restricted to expenditure on the continuing operation of the individual Homes.

The Sue Ryder Foundation designates funds for particular needs if no special restrictions are attached to those funds.

The capital reserve fund is designated to be equivalent to the net book amount of fixed assets at the balance sheet date.

Other reserve funds represent amounts designated to finance future expenditure as follows :

(a) Sue Ryder Homes' building fund : towards capital expenditure on :

- (i) committed existing projects and
- (ii) projected but not formally committed expenditure.

(b) Sue Ryder Homes' reserve fund : towards operational deficits

(c) Deferred repairs fund : for dilapidations on properties

The overseas fund represents allocations from general funds towards overseas purposes.

(c) Income

Patients' and residents' maintenance charges are largely received from Health Authorities and Social Services and are accounted for on an accruals basis.

Interest receivable is accrued on a day to day basis, and other investment income is recognised on receipt. Donations and legacies are credited when the amounts are received.

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

4 ACCOUNTING POLICIES - (continued)

(d) Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold properties	-	Over the term of the lease
Freehold properties	-	Additional costs incurred following the initial purchase are depreciated by equal instalments over 40 years
Fixtures and fittings	-	10%-25% of reducing balance
Motor vehicles	-	25% of reducing balance

(e) Stocks

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

No value is attributed in the balance sheet to stocks acquired by gift.

(f) Taxation

The Sue Ryder Foundation is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a Charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the Sue Ryder Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The Foundation is registered for Value Added Tax.

There is no recovery at all in respect of the Home's expenditure of either a revenue or capital nature and partial recovery in respect of administrative expenditure. The total amount irrecoverable in 1996 on both revenue and capital expenditure was approximately £257,200.

(g) Pension costs

The Foundation 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.

A defined contribution scheme with The Equitable Life Assurance Company was introduced with effect from 1 December 1992 with initially 5% contributions from both the Sue Ryder Foundation and from eligible employees who choose to join.

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

5 RESULTS FROM CONTINUING OPERATIONS

The results before transfers are :

	Consolidated 1996 £	Charity 1996 £
after charging :		
Loss on disposal of tangible fixed assets	3,146	3,146
Depreciation of tangible fixed assets	854,475	848,946
Auditors' fees and expenses	49,307	45,198
	<hr/>	<hr/>
and after crediting :		
Net gain on disposal of tangible fixed assets	15,286	15,286
Income from property	185,773	133,539
Net gain on disposal of fixed asset investments	114,458	114,458
	<hr/>	<hr/>

No emoluments are payable to any Trustee in their capacity as a Trustee and only directly incurred travel expenses are reimbursed, on request. During the year, the Sue Ryder Foundation incurred legal fees of £27,703 to Osborne Clark, a firm of solicitors of which a trustee, Robert Johnson is a partner.

6 STAFF COSTS

	Consolidated 1996 £	Charity 1996 £
Wages and salaries	17,918,020	17,773,354
Social security costs	1,189,275	1,181,351
Other pension costs	151,251	150,681
	<hr/>	<hr/>
	£ 19,258,546	£ 19,105,386
	<hr/>	<hr/>

The total staff costs figure of £19,258,546 includes costs derived from the following headings on the Statement of Financial Activities.

	Consolidated 1996 £	Charity 1996 £
Net income from the Sue Ryder Shops	4,303,025	4,303,025
Subsidiary company	153,160	-
Homes' running expenses	14,423,541	14,423,541
Management and administration of the Charity	378,820	378,820
	<hr/>	<hr/>
	£ 19,258,546	£ 19,105,386
	<hr/>	<hr/>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

6 STAFF COSTS - (continued)

The average weekly number of employees during the year was made up as follows :

	Consolidated 1996	Charity 1996
Homes	1,332	1,332
Shops	921	921
Administration, including management	53	26
Total	<u>2,306</u>	<u>2,279</u>

7 INTEREST PAYABLE

	Consolidated 1996 £	Charity 1996 £
On bank loans and overdrafts	7,041	7,041
On loan from subsidiary (note 3)	-	101,888
	<u>£ 7,041</u>	<u>£ 108,929</u>

8 TANGIBLE FIXED ASSETS

	Leasehold properties £	Freehold properties £	Fixtures and fittings £	Motor vehicles £	Total £
Consolidated					
Cost					
At 1 January 1996	7,139,238	15,935,949	1,026,482	301,116	24,402,785
Additions	21,003	1,099,899	317,011	99,493	1,537,406
Disposals	(16,103)	(35,000)	(11,621)	(67,519)	(130,243)
At 31 December 1996	<u>7,144,138</u>	<u>17,000,848</u>	<u>1,331,872</u>	<u>333,090</u>	<u>25,809,948</u>
Depreciation					
At 1 January 1996	205,564	345,088	316,323	63,610	930,585
Charge for the year	210,981	341,041	222,347	80,106	854,475
Eliminated on disposals	(7,549)	-	-	(58,554)	(66,103)
At 31 December 1996	<u>408,996</u>	<u>686,129</u>	<u>538,670</u>	<u>85,162</u>	<u>1,718,957</u>
Net book values					
At 31 December 1996	<u>£ 6,735,142</u>	<u>£ 16,314,719</u>	<u>£ 793,202</u>	<u>£ 247,928</u>	<u>£ 24,090,991</u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996

8 TANGIBLE FIXED ASSETS - (continued)

	Leasehold properties £	Freehold properties £	Fixtures and fittings £	Motor vehicles £	Total £
Charity					
Cost					
At 1 January 1996	7,139,238	15,883,897	909,726	301,116	24,233,977
Additions	21,003	1,099,899	313,908	99,493	1,534,303
Disposals	(16,103)	(35,000)	(11,621)	(67,519)	(130,243)
At 31 December 1996	<u>7,144,138</u>	<u>16,948,796</u>	<u>1,212,013</u>	<u>333,090</u>	<u>25,638,037</u>
Depreciation					
At 1 January 1996	205,564	317,715	209,413	63,610	796,302
Charge for the year	210,981	340,521	217,338	80,106	848,946
Eliminated on disposals	(7,549)	-	-	(58,554)	(66,103)
At 31 December 1996	<u>408,996</u>	<u>658,236</u>	<u>426,751</u>	<u>85,162</u>	<u>1,579,145</u>
Net book values					
At 31 December 1996	<u>£ 6,735,142</u>	<u>£ 16,290,560</u>	<u>£ 785,262</u>	<u>£ 247,928</u>	<u>£ 24,058,892</u>

The net book value at 31 December 1996 represents fixed assets used for :

	£	£	£	£	£
Direct charitable expenditure					
Homes' activities	6,390,076	13,571,961	760,190	99,190	20,821,417
Other purposes					
Fundraising and publicity - shops activities	345,066	2,588,118	20,840	148,738	3,102,762
Management and administration of The Sue Ryder Foundation	-	130,481	4,232	-	134,713
	<u>£ 6,735,142</u>	<u>£ 16,290,560</u>	<u>£ 785,262</u>	<u>£ 247,928</u>	<u>£ 24,058,892</u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

9 FIXED ASSET INVESTMENTS

	Consolidated 1996 £	Charity 1996 £
Book value at 1 January 1996	5,634,377	5,634,382
Revaluation to market value at 1 January 1996	710,429	710,429
Less : Disposals at opening book value	(883,444)	(883,444)
Add :		
Acquisitions at cost	1,230,506	1,230,506
Net gains on revaluation at 31 December 1996	298,475	298,475
Market value at 31 December 1996	<u>£ 6,990,343</u>	<u>£ 6,990,348</u>
Historical cost at 31 December 1996	<u>£ 5,981,439</u>	<u>£ 5,990,400</u>

The investments shown above include an investment of £5 held by the Charity in its subsidiary undertaking, and largely comprise investments listed on the UK Stock Exchange.

10 LOAN ACCOUNTS

	Consolidated 1996	Charity 1996
Due from The Sue Ryder Foundation (Ireland) Limited (partly secured)	<u>£ 939,131</u>	<u>£ 939,131</u>

11 DEBTORS

	Consolidated 1996 £	Charity 1996 £
Sue Ryder Homes' debtors	724,568	724,568
Other debtors	550,094	520,758
Prepayments	606,087	606,087
	<u>£ 1,880,749</u>	<u>£ 1,851,413</u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 1996 £	Charity 1996 £
Creditors	1,930,733	1,905,384
Creditors in respect of capital works	254,109	254,109
Deposited covenants	16,831	16,831
Mortgage repayments	25,000	25,000
Corporation tax	254	-
Due to the Sue Ryder Remembrance Company Limited	-	1,643,637
Loans	5,250	5,250
Other taxes and Social Security	290,880	136,643
Accruals and deferred income	8,750	-
	<u>£ 2,531,807</u>	<u>£ 3,986,854</u>

13 REVALUATION RESERVE

	Balance 31 December 1995	Net gains arising on revaluations in year	Balance 31 December 1996
Unrealised gains on investments (note 9)	<u>£ 710,429</u>	<u>£ 298,475</u>	<u>£ 1,008,904</u>

14 RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes :

	Movement in funds		
	Balance 31 December 1995	Incoming resources	Balance 31 December 1996
Consolidated and Charity		Expenditure gains/(losses) and transfers	
Homes' funds	<u>£ 727,543</u>	<u>£ 15,696,247</u>	<u>£ (15,667,024)</u>
			<u>£ 756,766</u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996

15 UNRESTRICTED FUNDS

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

	Balance 31 December 1995 £	Surplus for the year after transfers and before investment gains £	New designations £	Utilised/ released/ transfers to restricted funds £	Balance 31 December 1996 £
Charity Designated Funds					
Capital Reserve	23,437,675	-	621,217	-	24,058,892
Building Fund	5,669,151	-	4,596,584	(1,120,902)	9,144,833
Homes Reserve	6,959,000	-	141,000	-	7,100,000
Deferred Repairs Fund	750,000	-	50,000	-	800,000
Overseas Fund	7,050,930	-	426,016	(1,323,729)	6,153,217
Charity Designated Funds	43,866,756	-	5,834,817	(2,444,631)	47,256,942
General Fund	(442,028)	3,810,280	(5,834,817)	2,444,631	(21,934)
Unrestricted Charity Funds	43,424,728	3,810,280	-	-	47,235,008
Retained Funds in subsidiary as adjusted for profit on stock held at 31 December 1996	-	(298,948)	-	-	(298,948)
Unrestricted consolidated Funds	£ 43,424,728	£ 3,511,332	£ -	£ -	£ 46,936,060

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

15 UNRESTRICTED FUNDS - (continued)

Building Fund

The balance of £9,144,833 at 31 December 1996 represents 73% of the committed and projected expenditure.

Homes' Reserve Fund

The balance on the Homes' Reserve Fund at 31 December 1996 represents 5 months of the 1996 Homes' running and property expenditure of £17,023,671.

The number of beds available in the Sue Ryder United Kingdom Homes at 31 December 1996 was 570 and during the year, a total of 3,277 patients were nursed in these homes. In addition there were 10,794 visits to day centres and 27,274 home care visits were carried out.

Overseas Fund

The balance at 31 December 1996 represents 74% of the projected overseas expenditure.

Expenditure summary

	1996 £
Albania	5,436
Czech Republic	564,070
Former Yugoslavia	33,181
Italy	31,475
Malawi	36,236
Poland	413,774
France	223,889
Other	15,668
	<hr/>
	£ 1,323,729

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Consolidated			
Fund balances at 31 December 1996 are represented by :			
Tangible fixed assets	24,090,991	-	24,090,991
Investments	21,947,895	-	21,947,895
Current assets	4,437,885	756,766	5,194,651
Current liabilities	(2,531,807)	-	(2,531,807)
Total net assets	<u>£ 47,944,964</u>	<u>£ 756,766</u>	<u>£ 48,701,730</u>
Unrealised gains included above			
On investment assets (see note below)	<u>£ 1,008,904</u>	<u>£ -</u>	<u>£ 1,008,904</u>
Reconciliation of movements in unrealised gains on investment assets			
Unrealised gains at 31 December 1995	710,429	-	710,429
Add : Net gains arising on revaluations in year	<u>298,475</u>	<u>-</u>	<u>298,475</u>
Unrealised gains at 31 December 1996	<u>£ 1,008,904</u>	<u>£ -</u>	<u>£ 1,008,904</u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS - (continued)

	Unrestricted funds £	Restricted funds £	Total funds £
Charity			
Fund balances at 31 December 1996 are represented by :			
Tangible fixed assets	24,058,892	-	24,058,892
Investments	21,947,900	-	21,947,900
Current assets	6,223,974	756,766	6,980,740
Current liabilities	(3,986,854)	-	(3,986,854)
Total net assets	<u>£ 48,243,912</u>	<u>£ 756,766</u>	<u>£ 49,000,678</u>
Unrealised gains included above			
On investment assets (see note below)	<u>£ 1,008,904</u>	<u>£ -</u>	<u>£ 1,008,904</u>
Reconciliation of movements in unrealised gains on investment assets			
Unrealised gains at 31 December 1995	710,429	-	710,429
Add : Net gains arising on revaluations in year	<u>298,475</u>	<u>-</u>	<u>298,475</u>
Unrealised gains at 31 December 1996	<u>£ 1,008,904</u>	<u>£ -</u>	<u>£ 1,008,904</u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

17 PENSION COSTS

A defined contribution scheme with the Equitable Life Assurance Company was introduced with effect from 1 December 1992 with initially 5% contributions from both The Sue Ryder Foundation and from eligible employees who choose to join.

The Foundation 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. The latest available report relates to the period from 1984 - 1989.

The National Health Service Superannuation Scheme provides benefits based on final pensionable salary. The pension costs under the scheme are valued under a projected benefits valuation method.

The assumptions and other data which have the most significant effect on the determination of the contribution levels are as follows :

Latest Actuarial Valuation (for which a report is available)	31 March 1989
Investment Returns per annum	8%
Salary scale increases per annum	6.5%
Pension increases per annum	5%
Market value of assets at date of last valuation	£28,550 million
Proportion of members accrued benefits covered by the actuarial value of the assets	90.61%

The total pension cost for the Sue Ryder Foundation for the year ended 31 December 1996 was £151,251.

18 CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	Unrestricted funds £	Restricted funds £	Total funds £
Consolidated			
Net movement in funds for the year	3,809,807	29,223	3,839,030
Net increase in tangible fixed assets for direct charitable purposes	(618,791)	-	(618,791)
For other purposes	-	-	-
Net movement in funds available for future activities	<u>£ 3,191,016</u>	<u>£ 29,223</u>	<u>£ 3,220,239</u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996

19 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

	Consolidated 1996 £
Changes in resources before revaluations	3,540,555
Depreciation	854,475
Loss on sale of assets	3,146
Gain on sale of assets	(15,286)
Net gain on sale of shares	(114,458)
Net income of trading subsidiary	(482,433)
Increase in stocks	(98,668)
Increase in debtors	(139,661)
Increase in creditors	220,725
Grants received	(1,709)
Interest receivable	(1,263,106)
Net cash inflow from operating activities (page 10)	<u>£ 2,503,580</u>

20 ANALYSIS OF THE BALANCES OF CASH AND SHORT TERM DEPOSITS
AS SHOWN IN THE BALANCE SHEET

	1996 £	1995 £	Change in year £
Consolidated			
Cash at bank and in hand (page 9)	2,964,697	1,690,144	1,274,553
Short term deposits (page 9)	14,018,421	12,873,095	1,145,326
	<u>£ 16,983,118</u>	<u>£ 14,563,239</u>	<u>£ 2,419,879</u>

21 CASH AND CASH EQUIVALENTS

The movement in short term deposits is shown under investing activities as it is considered that such deposits represent reserve funds rather than working capital.

Analysis of the changes in cash and cash equivalents during the year are as follows :

	Consolidated 1996 £
Balance at 1 January 1996 (note 20)	1,690,144
Net cash inflow/(outflow) (page 10)	1,274,553
	<u>£ 2,964,697</u>

THE SUE RYDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

22 LEASE OBLIGATIONS

	Land and buildings £
Consolidated and Charity	
Operating leases :	
Annual commitments which expire :	
Within one year	143,140
In the second to fifth years inclusive	800,519
After more than five years	895,646
	<u>£ 1,839,305</u>

23 COMMITMENTS

Consolidated and Charity

At 31 December 1996 capital expenditure commitments were as follows:

	1996
Contracted but not provided for in the financial statements	<u>£ 313,535</u>
Authorised by the directors but not contracted for	<u>£ 1,647,744</u>

24 RELATED PARTY DISCLOSURES

The company has the following wholly owned subsidiary as disclosed in note 9 to these financial statements.

Sue Ryder Remembrance Company Limited - Incorporated in the UK

Transactions with the subsidiary are eliminated on consolidation. Details regarding transactions between the company and its subsidiary are disclosed in note 3 to these financial statements.

The balance due to the Sue Ryder Remembrance Company Limited is disclosed in note 12 to these financial statements.