

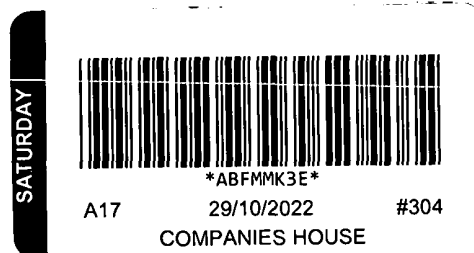
Company registration number: 00889743

**SUE RYDER DIRECT LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2022**



**SUE RYDER DIRECT LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**SUE RYDER DIRECT LIMITED**  
**COMPANY INFORMATION**

**DIRECTORS:**

K Rusling  
H Travis  
E Kanu (appointed 19 November 2021)

**SECRETARY:**

H Organ

**REGISTERED OFFICE:**

Kings House  
King Street  
Sudbury  
Suffolk  
CO10 2ED

**AUDITORS:**

BDO LLP  
55 Baker Street,  
London  
W1U 7EU

**BANKERS:**

Lloyds Bank Plc  
PO Box 111  
Lloyds Chambers  
Lloyds Avenue  
Ipswich  
IP1 3HF

**HISTORY:**

The Company was incorporated in England  
on 14 October 1966  
Company Number 00889743

**SUE RYDER DIRECT LIMITED  
REPORT OF THE DIRECTORS**

The Directors present their report and audited financial statements of the Company for the year ended 31 March 2022.

**Principal activities**

Sue Ryder Direct Limited is a private Company limited by shares. The principal activities of the Company throughout the year were the sale of new goods, Christmas cards and giftware, and the administration of the gift aid on donated goods agency agreement for Sue Ryder.

**Review of the business results**

The results for the year are set out in detail on page 10 of these Financial Statements.

The qualifying charitable donation due to Sue Ryder is £47,794 (2021: £46,540).

**Directors**

The Directors who held office during the year were:

K Rusling

H Travis

E Kahu (appointed 19 November 2021)

**Going concern**

The Directors are not aware of a specific or general event which would change the Company's going concern status. In assessing the going concern of the Company cashflows have been prepared for 12 months from the date of sign off in addition to assessing the impact that different scenarios would have on our financial forecasts; all of which demonstrate that the Company is able to end the year in a cash positive position. The Directors therefore consider it appropriate for the accounts to be prepared on a going concern basis.

During the year under review the Company has emerged from the pandemic seeing a steady increase in sales of new goods. We continue to operate tight cashflow management as the economic environment puts pressures on household finances driven by the war in Ukraine. We have prepared a detailed forecast for the remainder of 2022-23 and beyond.

In assessing the going concern of the Company, cashflows for 12 months were prepared from the date of sign off and several scenarios on key budget assumptions were assessed, all of which demonstrate that the Company is able to end the year in a cash positive position. A letter of support has also been provided by the parent Company, Sue Ryder, which will mitigate any deficits in working capital during 2022-23.

**Post Balance Sheet events**

No post balance sheet events have occurred since 31 March 2022 which require reporting or disclosing in the Financial Statements.

**Auditors**

BDO LLP were automatically reappointed as auditors.

**Small Company provisions**

The report of the Directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

**SUE RYDER DIRECT LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved and signed by order of the Board:



H. Organ  
Secretary

28th September 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUE RYDER DIRECT LIMITED

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit 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.

We have audited the financial statements of Sue Ryder Direct Limited ("the Company") for the year ended 31 March 2022 which comprise the Profit and Loss Account (including Statement of Income and retained Earnings) the Balance Sheet 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Directors other than the financial statements and our auditor's report thereon. 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 express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Other Companies Act 2006 reporting

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report;

#### Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We inquired of management, and the Board, including obtaining and reviewing supporting documentation, concerning the policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group. These include, but are not limited to, compliance with the Companies Act 2006, and UK GAAP.
- In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, health and safety laws and data protection.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.
- We also communicated relevant identified laws and regulations, potential fraud risks and the fact that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

#### **Audit response to risks identified**

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations
- We reviewed the financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Board, internal audit and management;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the allocation of costs including apportionment of support costs, deferral of income, dilapidations provision, stock provision, depreciation rates for assets, valuation of fixed assets and impairment considerations.
- We compared the result of estimates made in prior years and ensured that the basis of estimation was reasonable and did not lead to material differences to actuals

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council'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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Heather Wheelhouse*

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**Heather Wheelhouse (Senior Statutory Auditor)**  
**For and on behalf of BDO LLP, statutory auditor**  
**London, UK**

**Date** 19 October 2022

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

**Sue Ryder Direct Limited**

Profit and loss account (including statement of income and retained earnings)

Year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	2	5,178,017	4,556,930
Cost of sales		(3,718,806)	(2,725,805)
Gross profit		1,459,211	1,831,125
Administrative expenses		(206,243)	(835,417)
Selling and distribution costs		(1,205,174)	(949,285)
Operating profit and profit on ordinary activities before taxation	3	47,794	46,423
Interest Received			117
Tax on profit on ordinary activities	5	-	-
Net profit for the year		47,794	46,540
Qualifying charitable donation		(47,794)	(46,540)
Net profit retained		-	-

The Company has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

All of the Company's activities are derived from continuing operations.

The accompanying notes on pages 12 to 16 form an integral part of these financial statements.

Sue Ryder Direct Limited  
Balance Sheet  
Year ended 31 March 2022

Companies House registered no: 00889743

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	6	-	-
<b>Current assets</b>			
Stock	7	1,423,610	1,159,520
Debtors	8	140,110	95,106
Cash at bank and in hand		8,158	50,769
		<u>1,571,878</u>	<u>1,305,395</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,437,631)</u>	<u>(1,180,800)</u>
<b>Net current assets</b>		<u>134,247</u>	<u>124,595</u>
Provision for liabilities	10	<u>(121,403)</u>	<u>(111,751)</u>
<b>Total assets less current liabilities</b>		<u>12,844</u>	<u>12,844</u>
<b>Capital and reserves</b>			
Share capital	12	5	5
Profit and loss account		12,839	12,839
		<u>12,844</u>	<u>12,844</u>

The accompanying notes on pages 12 to 16 form an integral part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies entitled to the 'small companies' exemption.

Approved by the Board and authorised for issue on 28 September 2022 and signed on its behalf by

*Heidi Travis*

H Travis  
Director

**1. Accounting policies**

**Accounting basis and standards**

The accounts have been prepared in accordance with the Companies Act 2006 and UK Generally Accepted Accounting Practice, under the provisions of FRS 102. There were no material departures from that standard. The financial statements comply with FRS 102 including Section 1A for small entities.

**Going Concern**

The Directors are not aware of a specific or general event which would change the Company's going concern status. In assessing the going concern of the Company cashflows have been prepared for 12 months from the date of sign off in addition to assessing the impact that different scenarios would have on our financial forecasts; all of which demonstrate that we are able to end the year in a cash positive position. The Directors therefore consider it appropriate for the accounts to be prepared on a going concern basis.

During the year under review we have emerged from the pandemic seeing a steady increase in sales of new goods. We continue to operate tight cashflow management as the economic environment puts pressures on household finances driven by the war in Ukraine. We have prepared a detailed forecast for the remainder of 2022-23 and beyond.

In assessing the going concern of the Company we prepared cashflows 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 the Company is able to end the year in a cash positive position. A letter of support has also been provided by the parent Company, Sue Ryder, which will mitigate any deficits in working capital during 2022-23.

**Depreciation**

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value, of each asset evenly over its expected useful economic life as follows:-

Fixtures and fittings	20% of cost per annum
Plant and equipment	20% of cost per annum
Computers	33.3% of cost per annum

**Stocks**

Stocks comprise goods for re-sale and are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

**Turnover**

Turnover represents the value of goods sold under the ordinary activities of the Company stated after trade discounts and net of value added tax and grants received. 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.

During the year, the Retail, Hospitality and Leisure Grant Fund (RHLGF) has been utilised to support the company. The level of grants that can be claimed is subject to subsidy control measures which set a limit on the amount that an entity can claim. The Directors have given due consideration to the guidance provided by The Department of Business, Energy and Industrial Strategy (BEIS) concerning entitlement to these grants. Turnover includes government support in the form of the RHLGF.

**1. Accounting policies (continued):**

During the year, the Coronavirus Job Retention Scheme (CJRS) has also been utilised. Employee costs have been recognised in full in the financial statements and the CJRS grant income is included in turnover.

**Pension scheme**

The Parent Company, Sue Ryder, makes contributions to a defined contribution pension scheme. The contributions that relate to the employees that work exclusively for the Company are recharged to the Company. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme and amounted to £19,179 (2021: £19,676). The assets of the scheme are held separately from those of the Parent Company in an independently administered fund. The Parent Company's liability is limited to the amount of the contribution and there were no outstanding commitments at the year-end.

**Cash flow Statement**

The Company has taken advantage of the exemption applicable to small companies and subsidiary undertakings and not produced a cash flow statement.

**Foreign currency**

Sue Ryder Direct Limited accounts for foreign currency purchases at the rate prevailing at the time the currency is bought. All other transactions are calculated using the previous month's average rate. All differences are taken to the profit and loss account. Assets and liabilities are retranslated at the balance sheet date.

**Operating leases**

Rental paid under an operating lease where substantially all the benefits and risks of ownership remain with the lessor is charged to expenditure as incurred.

**Distributions**

The Directors have agreed to maintain a minimum level of shareholders' funds of £10,000. Any distribution from taxable profits, including charitable donations to the parent charity, takes account of this. Taxable profits transferred to the parent entity, a registered charity, are recognised as distributions from equity when the Company has made an irrevocable commitment to the parent to pay the taxable profits.

**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.

**Creditors and Provisions**

Creditors and provisions are recognised where the Company 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.

**Financial Instruments**

The Company 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.

**Accounting estimates and judgements**

**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.

**1. Accounting policies (continued):**

**Provision for slow moving and obsolete 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.

**2. Turnover**

	2022	2021
	£	£
Income from selling donated and bought in goods	5,125,214	4,019,471
Retail, Hospitality and Leisure Grant fund	43,103	308,275
Coronavirus Job retention scheme	9,700	229,184
	<u>5,178,017</u>	<u>4,556,930</u>

**3. Profit on ordinary activities before taxation**

Profit on ordinary activities before tax is arrived at after charging:

	2022	2021
	£	£
Rent paid under operating leases	196,000	196,000
Other operating leases	32,391	30,849
Depreciation	-	-
Defined contribution pension costs	19,179	19,676
Auditors' remuneration (including non-audit services)	12,500	20,000
Taxation fees	2,916	4,000
Foreign exchange (profit)/loss	1,551	(4,269)

**4. Employee costs:**

Sue Ryder Direct Limited does not have any employees. Certain employees of Sue Ryder, the Parent Company, work exclusively for Sue Ryder Direct Limited. Those costs are recharged to Sue Ryder Direct Limited and are set out below:

	2022	2021
	£	£
Wages and salaries	609,607	639,981
Social security costs	53,926	52,900
Pension costs	19,179	19,676
	<u>682,712</u>	<u>712,557</u>

**5. Taxation**

The Company makes a qualifying donation of all taxable profits to Sue Ryder. No corporation tax liability arises in the accounts.

Sue Ryder Direct Limited  
Notes to the Financial Statements (continued)  
Year ended 31 March 2022

6. *Tangible Fixed Assets*

	Plant & Machinery £	Fixtures & Fittings £	Computers £	Total £
Cost at 1 April 2021	7,278	220,288	113,297	340,863
Cost at 31 March 2022	7,278	220,288	113,297	340,863
Depreciation at 1 April 2021	7,278	220,288	113,297	340,863
Charge for the year	-	-	-	-
Depreciation at 31 March 2022	7,278	220,288	113,297	340,863
Net book value at 31 March 2021	-	-	-	-
Net book value at 31 March 2022	-	-	-	-

7. *Stocks*

	2022 £	2021 £
Finished goods and goods for resale	1,423,610	1,159,520

8. *Debtors*

	2022 £	2021 £
Trade debtors	5,439	2,801
Accrued income	112,470	14,495
Prepayments	22,201	77,810
	140,110	95,106

9. *Creditors: amounts falling due within one year*

	2022 £	2021 £
Qualifying charitable donation to parent	47,796	46,540
Current account - Sue Ryder	1,156,068	931,837
Bank overdraft	1,203,864	978,377
Trade creditors	176,545	106,039
Accruals and deferred income	57,222	96,384
	1,437,631	1,180,800

10. *Provisions for Liabilities*

	2022 £	2021 £
Provision for dilapidations	121,403	111,751
	121,403	111,751

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.

**11. Related company transactions**

In accordance with paragraph 33.1A of FRS102, the Company has taken the exemption not to disclose balances with or transactions between itself and its parent, Sue Ryder, on the basis that it is a wholly owned subsidiary.

**12. Share capital**

	2022	2021
	£	£
Authorised: 100 shares of £1 each	100	100
Allotted, issued and fully paid: 5 ordinary shares of £1 each	5	5

**13. Future financial commitments**

At 31 March 2022 the Company had total minimum commitments under operating leases as follows:

	2022	2021
	£	£
Operating leases with minimum commitments which expire:		
(a) within one year	210,000	210,000
(b) in two to five years	286,089	496,089
(c) after five years	-	-
	496,089	706,089

**Other leases:**

At 31 March 2022 the Company had total minimum commitments under operating leases as follows:

	2022	2021
	£	£
Operating leases with minimum commitments which expire:		
(a) within one year	29,232	26,823
(b) in two to five years	60,622	74,557
	89,854	101,380

**14. Sue Ryder**

Sue Ryder is the immediate and ultimate parent Company of Sue Ryder Direct Limited. The ordinary shares are 100% owned by Sue Ryder. The results of the Company are included in the consolidated financial statements of Sue Ryder. A copy of these financial statements can be obtained from the registered office detailed on page 3. Sue Ryder is a registered charity, number 1052076 and a Company limited by guarantee, registered number 00943228.