
Company Registration No. 3570204

SUNRISE MEDICAL LIMITED

Annual Report and Financial Statements

30 June 2013

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SUNRISE MEDICAL LIMITED

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SUNRISE MEDICAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Riley
E O'Brien
T Rossnagel
R Smith

COMPANY SECRETARY

P Riley

REGISTERED OFFICE

Thorns Road
Brierley Hill
West Midlands
DY5 2LD

BANKERS

Barclays Bank plc
Queen Square
Wolverhampton
WV1 1XJ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

SUNRISE MEDICAL LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period ended 30 June 2013

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principle activity of the company is the manufacture and distribution of mobility and healthcare products. Future developments are likely to be in similar fields.

The directors who served during the year and subsequently are

P Riley
E O'Brien
T Rossnagel
R Smith

The company continues to invest in research and development. This continues to result in updates to existing products as well as the development of new ones. The directors regard R&D investment as necessary for the continuing success of the company.

The results are shown in the company's profit and loss account on page 7 of the financial statements. They are summarised below.

Results for the year are as follows	2013	2012
	£'000	£'000
Turnover	28,238	28,479
Profit on ordinary activities before taxation	1,386	2,105

The results for the period have been impacted by costs incurred due to refinancing, which have been expensed in the period. The effect of this expense has been partially mitigated by favourable FX rates, particularly versus the USD. The balance sheet on page 8 of the financial statements shows that the company's financial position at the year end in net assets terms is an increase of £6,359k (87%) (2012 reduction of 18.9%) over the previous year. This was due to retained profit for the period of £1,105k plus an increase in share capital of £5,254k.

	2013	2012
	£'000	£'000
Net Assets	13,670	7,311

The company has maintained an acceptable level of service to its customers as expressed by its on time delivery performance which across all product lines and markets remains consistently above 90%. This is in the upper quartile for the industry.

Sunrise Medical manages its operations on a global basis. For this reason, the company's directors believe that further key performance indicators for this company, Sunrise Medical Limited, are not necessary or appropriate for an understanding of the development, performance or position of the business.

SUNRISE MEDICAL LIMITED

DIRECTORS' REPORT (CONTINUED)

PRINCIPLE RISKS AND UNCERTAINTIES

Competitive pressure globally is a continuing risk for the company, which could result in it losing market share to its competitors. The company manages this risk by investing heavily in R&D activities to maintain product superiority, by providing added value services to its customers, having fast response times not only in supplying products but also in handling customer queries and by maintaining strong relationships with customers.

There is also exposure to foreign currency exchange rates. The group's treasury function takes out contracts on behalf of Sunrise Medical Limited to cover the forecast foreign exchange requirements to manage the exchange rate risk at a group level.

There is a significant level of trading with other group undertakings, resulting balances are shown in notes 12 and 13. All amounts are classed as current as they fall due within one year.

The company is party to cross guarantees with the group's bankers, a syndicate headed by Commerzbank.

GOING CONCERN

The company's activities are described above. The directors believe the company is structured to successfully manage and control the business risks it faces as an integral part of the broader Sunrise Medical group, despite the current economic uncertainty. The company's liquidity is managed as an integral part of the group's cash management processes through a combination of cash balances, European-wide 'cash pooling' arrangements, term debt drawn under the group's senior facilities agreement, and intercompany loans. There are significant amounts receivable from fellow group companies. The directors expect to receive the support of fellow group companies in managing future cash flows, although such support is not confirmed as being legally binding. The directors review trading and cash flow forecasts regularly as a means of assessing risk to the business. On this basis the directors have a reasonable expectation that the company can continue in operational existence for the foreseeable future and they can therefore continue to adopt the going concern basis in preparing the annual report and accounts.

DIVIDEND

No dividend has been paid nor proposed during the year (2012: £nil).

EMPLOYEES

The directors recognise the important role played by the company's employees in the achievement of its business goals. Recruitment, development, training and retention of employees are all essential requisites, combined with enlightened personnel policies.

The company recognises the benefits of keeping employees informed of the progress of its business and providing them with information on matters concerning them as employees. Various methods of providing information are used within the company including consultative and discussion meetings between management and staff and the distribution of internal circulars and newsletters.

It is the company's policy to give full and fair consideration to the recruitment of disabled people for vacancies that they are able to fill and, as far as possible, maintain the employment of existing employees who become disabled. Appropriate training is given so as to ensure suitable opportunities exist for each disabled person.

SUNRISE MEDICAL LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting

Each of the persons who are a director at the date of approval of this report confirms that.

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006

Approved by the Board of Directors
and signed on behalf of the Board



P Riley

Company Secretary

29 November 2013

SUNRISE MEDICAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNRISE MEDICAL LIMITED

We have audited the financial statements of Sunrise Medical Limited for the period ended 30 June 2013 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.



Peter Gallimore FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

29 November 2013

SUNRISE MEDICAL LIMITED

PROFIT AND LOSS ACCOUNT Period ended 30 June 2013

	Note	2013 £ 000	2012 £ 000
Turnover		28,238	28,479
Cost of sales		(19,041)	(19,236)
Gross profit		9,197	9,243
Distribution costs		(2,482)	(2,744)
Administrative expenses (including amortisation of goodwill)		(6,208)	(4,083)
Total operating expenses		(8,690)	(6,827)
OPERATING PROFIT		507	2,416
Income from shares in group undertakings	6	664	-
Interest receivable and similar income	5	733	5
Interest payable and similar charges	5	(518)	(316)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	1,386	2,105
Tax charge on profit on ordinary activities	7	(281)	(700)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	17,18	1,105	1,405

There are no recognised gains and losses other than the result for the financial years. Accordingly, no statement of total recognised gains and losses is given.

SUNRISE MEDICAL LIMITED

BALANCE SHEET 30 June 2013

	Note	30 June 2013 £ 000	29 June 2012 £ 000
FIXED ASSETS			
Intangible assets	8	1,522	1,848
Tangible assets	9	619	307
Investments	10	579	579
		<u>2,720</u>	<u>2,734</u>
CURRENT ASSETS			
Stocks	11	3,159	3,478
Debtors	12	41,109	6,040
Cash at bank and in hand		2,039	9,598
		<u>46,307</u>	<u>19,116</u>
CREDITORS: amounts falling due within one year	13	<u>(19,632)</u>	<u>(14,539)</u>
NET CURRENT ASSETS		26,675	4,577
CREDITORS: amounts falling due after more than one year	14	(15,725)	-
NET ASSETS		<u>13,670</u>	<u>7,311</u>
CAPITAL AND RESERVES			
Called up share capital	16	6,254	1,000
Profit and loss account	17	7,416	6,311
SHAREHOLDERS' FUNDS	18	<u>13,670</u>	<u>7,311</u>

These financial statements of Sunrise Medical Limited company number 3570204 were approved by the Board of Directors and authorised for issue on 29 November 2013

Signed on behalf of the Board of Directors



P Riley
Director

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 30 June 2013

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and consistently with prior year. The particular accounting policies adopted by the directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Liquidity and going concern

The company's activities are described above. The directors believe the company is structured to successfully manage and control the business risks it faces as an integral part of the broader Sunrise Medical group, despite the current economic uncertainty. The company's liquidity is managed as an integral part of the group's cash management processes through a combination of cash balances, European-wide "cash pooling" arrangements, term debt drawn under the group's senior facilities agreement, and intercompany loans. There are significant amounts receivable from fellow group companies. The directors expect to receive the support of fellow group companies in managing future cash flows, although such support is not confirmed as being legally binding. The directors review trading and cash flow forecasts regularly as a means of assessing risk to the business. On this basis the directors have a reasonable expectation that the company can continue in operational existence for the foreseeable future and they can therefore continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of accounting

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by the Urgent Issues Task Force (UITF) abstract No. 43 "The interpretation of equivalence for the purposes of section 401 of the Companies Act 2006" because it was at the balance sheet date a wholly owned subsidiary of Sunrise Medical Inc which prepared publicly available consolidated financial statements which incorporated the results of the company and were drawn up in accordance with the Seventh Directive.

Investments

Investments are recorded at cost less provision for impairment.

Turnover

Turnover from the sale of goods is recognised when the goods are physically shipped to the customer, it is stated net of discounts and VAT.

Fixed assets

Tangible fixed assets are stated at cost less depreciation net of any provision for impairment.

Depreciation

Depreciation is provided so as to write-off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows. No depreciation is charged on assets in the course of construction. Fixed assets are stated at cost less depreciation and provision for impairment. The following annual rates on the straight-line method are in force:

Short leasehold land and buildings	Over the lease term
Motor vehicles, plant and machinery	10% to 50%
Fixtures and fittings, tools and office equipment	20% to 33%

Stocks

Stocks are stated at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes production overheads and the attributable proportion of indirect overhead expenses based on a normal level of activity.

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Period ended 30 June 2013

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements

Deferred tax is not provided on timing differences from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Cash flow statements

The company was a wholly owned subsidiary of Apollo BidCo S à r l and is included in that company's consolidated financial statements. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 – 'Cash Flow Statements'

Research and development

Expenditure on research and development is written off against profits in the year in which it is incurred

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions, or where there are forward currency contracts, at the contracted rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date, or the forward currency contracted rate, whichever is applicable. These translation differences are dealt with in the profit and loss account

Interest rate risk management

The company holds derivative financial instruments to hedge its interest rate exposures

Leasing and hire purchase

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases

Assets held for hire to third parties under operating leases and short term rental agreements are recorded as fixed assets and depreciated in accordance with the policy stated above. Rental income from operating leases and short term rental agreements is recognised as turnover on a straight line basis over the period of the lease agreement

Pension costs

The company operates a defined contribution pension scheme. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year

Goodwill

Goodwill is represented by the amounts by which the fair value of the consideration exceeds the aggregate of the fair value of the separable net assets acquired. This is being amortised over the directors' estimate of its useful economic life and charged against profits. Useful economic life is considered to be between 10 to 20 years

Related parties

During the year the Company recharged an element of joint expenses to various related parties. These transactions and the balances owed relating to them are fully disclosed in note 19 on page 20

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Period ended 30 June 2013

2. TURNOVER

Turnover represents amounts invoiced excluding value added tax and trade discounts. All of the company's turnover derives from its principal activity.

The analysis of turnover by geographical destination is as follows

	2013 £ 000	2012 £ 000
United Kingdom	24,256	23,487
Rest of Europe	3,522	4,575
Rest of the World	460	417
	<u>28,238</u>	<u>28,479</u>

3. DIRECTORS' EMOLUMENTS

	2013 £ 000	2012 £ 000
Emoluments	500	473
Company contributions to defined contribution pension schemes	29	31
	<u>529</u>	<u>504</u>
	No.	No.
Number of directors who are members of defined contribution pension schemes	2	2
	<u>2</u>	<u>2</u>
Highest paid director	£000	£ 000
Total emoluments (excluding pension contributions)	345	323
Pension contributions to defined contribution schemes	20	21
	<u>365</u>	<u>344</u>

Mr T Rossnagel and Mr R Smith are overseas directors and it is not practicable to apportion their remuneration between the companies of which they are directors.

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 30 June 2013

4. INFORMATION REGARDING EMPLOYEES

The average number of employees (including directors) during the period, analysed by category, was as follows

	2013 No	2012 No
Management and administration	95	94
Production	61	64
	<u>156</u>	<u>158</u>

The aggregate payroll costs of these employees (including directors) were as follows

	2013 £ 000	2012 £ 000
Wages and salaries	5,469	5,578
Social security costs	504	509
Other pension costs (note 22)	139	136
	<u>6,112</u>	<u>6,223</u>

5. INTEREST

	2013 £ 000	2012 £ 000
Interest receivable and similar income		
Bank interest	3	5
On loans to group undertakings	730	-
	<u>733</u>	<u>5</u>
	2013 £ 000	2012 £ 000
Interest payable and similar charges		
On bank loans and overdrafts	505	-
On loans from group undertakings	13	316
	<u>518</u>	<u>316</u>

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Period ended 30 June 2013

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):	2013 £ 000	2012 £ 000
Depreciation of tangible fixed assets	157	233
Operating lease rentals		
Plant and machinery	253	229
Land and buildings	336	439
Research and development expenditure	393	425
Exchange differences	140	(179)
Dividend received	(664)	-
Goodwill amortisation	326	326
	<u> </u>	<u> </u>

The analysis of auditors' remuneration is as follows

	2013 £ 000	2012 £ 000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	69	66
Total audit fees	<u>69</u>	<u>66</u>
Fees payable to the Company's auditor for other services		
- Tax compliance services	2	8
Total non audit fees	<u>2</u>	<u>8</u>

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 30 June 2013

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2013 £ 000	2012 £ 000
Current tax		
Corporation Tax		
Current year	-	321
Prior year adjustment	(18)	-
Group relief		
Current year	66	155
Total current tax	48	476
Deferred taxation		
Current year	151	158
Prior year adjustment due to change in balances	2	-
Prior year adjustment due to change in tax rates	80	66
Tax charge on profit on ordinary activities	281	700

Factors affecting tax charge in year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK (2013 23.25%, 2012 25.5%) The differences are explained below

	2013 £ 000	2012 £ 000
Profit on ordinary activities before taxation	1,386	2,104
Tax on profit on ordinary activities at standard rate	323	537
Effects of		
Permanent Items		
Disallowed expenses and non-taxable income	11	22
Depreciation on assets not qualifying for capital allowances	7	29
Goodwill amortisation	76	83
Additional deductions for R&D expenditure	(21)	(17)
Non-taxable dividends received	(154)	-
Transfer pricing adjustments not paid for	(9)	(11)
Timing Differences		
Accelerated capital allowances	(67)	(39)
Movement in short-term timing differences	(84)	(118)
Difference in current and deferred tax rates	(16)	(10)
Prior year adjustment	(18)	-
Current tax charge	48	476

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 30 June 2013

7. TAX CHARGE/(CREDIT) ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Finance Act 2013 has lowered the rate of UK Corporation Tax from 24% to 21%, effective on 1 April 2013

UK GAAP requires that only those laws enacted or substantively enacted by the balance sheet date taken into account in deciding on the appropriate tax rate. Ordinarily, as Finance Act 2013 did not complete its passage through the House of Commons until 17 July 2013, it would not normally be considered to be substantively enacted until that point. However, as the House of Commons passed a Budget resolution which falls within the provisions of the Provisional Collection of Taxes Act 1968 in March 2013 regarding the 21% rate, it is considered to have statutory effect from that date.

Therefore these accounts only reflect the full change in rate from 24% to 21%. Current tax is therefore provided at a blended rate of 23.25% and deferred tax at 21%. For future periods a rate of 21% will be utilised for both current tax and deferred tax, subject to any further legislative changes enacted by the UK Parliament.

8. INTANGIBLE FIXED ASSETS

	Company goodwill £ 000
Cost	
At 30 June 2012	8,270
At 30 June 2013	8,270
Amortisation	
At 30 June 2012	6,422
Charge for the year	326
At 30 June 2013	6,748
Net book value	
At 30 June 2013	1,522
At 30 June 2012	1,848

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Period ended 30 June 2013

9. TANGIBLE FIXED ASSETS

	Short Leasehold land and buildings £ 000	Motor vehicles, plant and machinery £ 000	Fixtures, fitting, tools and office equipment £ 000	Assets under construction £ 000	Total £ 000
Cost					
At 29 June 2012	885	1,603	5,587	158	8,233
Additions	359	3	265	(158)	469
Disposals	(885)	(316)	(3,069)	-	(4,270)
At 30 June 2013	359	1,290	2,786	-	4,432
Depreciation					
At 29 June 2012	885	1,582	5,459	-	7,926
Charge for the year	28	6	123	-	157
On disposals	(885)	(316)	(3,069)	-	(4,270)
At 30 June 2013	28	1,272	2,513	-	3,813
Net book value					
At 30 June 2013	331	18	270	-	619
At 29 June 2012	-	21	128	158	307

Commitments for capital expenditure at the period end were as follows

	2013 £ 000	2012 £ 000
Contracted for but not provided in the financial statements	677	230

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 30 June 2013

10. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £ 000
Cost	
At 29 June 2012 & 30 June 2013	21,789
Amounts written off	
At 29 June 2012 & 30 June 2013	21,210
Net book value	
At 29 June 2012 & 30 June 2013	579

The company had the following investments at 30 June 2013

Name of subsidiary undertaking	Class of shares held	Proportion held	Nature of business
Lomax Mobility Limited	Ordinary	100%	Holding company
Xiamen Lomax Industrial Company Limited	Ordinary	80% *	Manufacturer

Lomax Mobility Limited is registered in Scotland Xiamen Lomax Industrial Company Limited is incorporated and registered in China

* indicates indirect holding

11. STOCKS

	2013 £ 000	2012 £ 000
Raw materials and consumables	351	686
Work in progress	231	170
Finished goods and goods for resale	2,577	2,622
	<u>3,159</u>	<u>3,478</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Period ended 30 June 2013

12. DEBTORS DUE WITHIN ONE YEAR

	2013 £ 000	2012 £ 000
Trade debtors	3,729	3,064
Amounts owed by other group undertakings	36,466	1,402
Deferred taxation (note 15)	407	639
Other debtors	34	612
Corporation tax	227	-
Prepayments and accrued income	246	323
	<u>41,109</u>	<u>6,040</u>

13. CREDITORS

	2013 £ 000	2012 £ 000
Amounts falling due within one year:		
Bank loan	669	-
Trade creditors	2,729	2,049
Amount owed to group undertakings	10,615	7,239
Group relief	2,957	2,891
Corporation tax	-	186
Other taxation and social security	828	660
Other creditors	1,040	803
Accruals and deferred income	794	711
	<u>19,632</u>	<u>14,539</u>

14. CREDITORS

	2013 £ 000	2012 £ 000
Amounts falling due after more than one year:		
Bank loans	<u>15,725</u>	<u>-</u>
 Borrowings are repayable as follows		
Less than one year	669	-
Between one and two years	1,165	-
Between two and five years	4,910	-
After five years	9,650	-
	<u>16,394</u>	<u>-</u>

The bank loans bear interest at 5.5% or 6% per annum and are secured by a charge on all the Company's assets

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Period ended 30 June 2013

15. DEFERRED TAXATION

	Balance at 29 June 2012 £ 000	Charge to profit and loss account £ 000	Balance at 30 June 2013 £ 000
Deferred tax asset	639	(232)	407

A deferred tax asset of £407,000 has been recognised at 30 June 2013 (2012 £639,000) This is made up as follows

	2013 £ 000	2012 £ 000
Decelerated capital allowances	235	351
Trading losses	169	284
Short term timing differences	3	4
Deferred tax asset	407	639

The directors are of the opinion that suitable profits will be available in the periods in which these differences will reverse

16. CALLED UP SHARE CAPITAL

	2013 £ 000	2012 £ 000
Called up, allotted and fully paid		
6,254,455 (2012 £1,000,100) Ordinary shares of £1 each	6,254	1,000

During the period the Company allotted 5,254,355 Ordinary £1 Shares at par value to its immediate holding company

17. RESERVES

	Profit and Loss account £ 000
At 29 June 2012	6,311
Retained profit for the period	1,105
At 30 June 2013	7,416

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Period ended 30 June 2013

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £ 000	2012 £ 000
Profit for the financial year	1,105	1,405
Capital distribution in kind	-	(3,118)
Shares issued	5,254	-
Net reduction in shareholders' funds	6,359	(1,713)
Opening shareholders' funds	7,311	9,024
Closing shareholders' funds	13,670	7,311

19. CONTINGENT LIABILITIES

The company together with certain other United Kingdom companies has entered into cross guarantees with Commerzbank in respect of the borrowings of the group companies concerned at the year end

20. RELATED PARTY TRANSACTIONS

Until 30 November 2012, the Company was related to Devilbiss Healthcare Limited and its parent company, as these undertakings had a common significant shareholder in the ultimate controlling party, VSM Investor LLC. After that date the Company had no related party transactions requiring disclosure.

Amounts due from related parties

	2013 £	2012 £
Devilbiss Healthcare Limited	-	16,590

Amounts due to related parties

Devilbiss Healthcare Limited	-	1,091
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No goods were bought from nor sold to Devilbiss Healthcare Limited in the period

Advantage has been taken of the exemption available under FRS 8 to dispense with the requirement to disclose transactions with fellow subsidiaries, 100% or more whose voting rights are held within a group which produces consolidated financial statements that are publicly available

SUNRISE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 30 June 2013

21. OBLIGATIONS UNDER OPERATING LEASES

At 30 June 2013, the company had the following annual commitments under operating leases which expire as follows

	2013		2012	
	Land and buildings £ 000	Plant and machinery £ 000	Land and buildings £ 000	Plant and machinery £ 000
Within one year	12	31	96	15
Within two to five years	-	164	16	122
After five years	327	-	300	-
	<u>339</u>	<u>195</u>	<u>412</u>	<u>137</u>

22. PENSION SCHEME

The company operates a defined contribution pension scheme. The total pension costs charged to the profit and loss account for the year relating to the scheme amounted to £139,000 (2012 £136,000). The amount accrued at the end of the period was £2,896 (2012 £2,981).

23. INTEREST RATE SWAP CONTRACTS

The company has interest rate swap contracts which are taken out in the normal course of business to hedge against interest rate exposures.

The company also has forward exchange contracts which are taken out in the normal course of business to hedge against exchange movement risk.

At 30 June 2013, the comparison of the contracts to the market value showed a contingent profit of £21,000 (2012 contingent loss £4,000).

24. ULTIMATE PARENT COMPANY

At the balance sheet date, the company's ultimate parent company and controlling party was Apollo Bidco S à r l, a company incorporated in Luxembourg. The company's immediate parent company is Sunrise Medical Holdings Limited, a company incorporated in the UK. The parent company of the smallest group to consolidate financial statement was Apollo Bidco S à r l. Copies of these financial statements may be obtained from Sunrise Medical Limited, Thorns Road, Brierley Hill, West Midlands DY5 2LD.