

**Company Registration No. 3570204**

**SUNRISE MEDICAL LIMITED**

**Annual Report and Financial Statements**

**30 June 2015**



# **SUNRISE MEDICAL LIMITED**

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**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

## STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

## 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.

## KEY PERFORMANCE INDICATORS

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:	2015	2014
	£'000	£'000
Turnover	33,858	32,016
Profit on ordinary activities before taxation	5,380	1,878

The results for the year have been favourably impacted by the strength of sterling versus the EUR, in which currency a large part of the Company's purchases are made. 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 28.7% (2014: increase of 9.4%). This was due to retained profit for the year of £4,287k.

	2015	2014
	£'000	£'000
Net Assets	19,240	14,953

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

## STRATEGIC 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.

### FUTURE DEVELOPMENTS

The directors expect the general level of activity of the continuing business to remain broadly consistent with 2015 in the forthcoming year. Subsequent to the balance sheet date, Sunrise Medical entered into an agreement to acquire the Mobility Business of the Handicare Group on 1 October 2015.

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



**P Riley**

Director & Company Secretary

30 November 2015

# SUNRISE MEDICAL LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2015.

### 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 (2014: £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.

### AUDITOR

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 auditor is 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 auditor is 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



Peter Riley

Director

30 November 2015

# **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 year ended 30 June 2015 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 25. 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 auditor**

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and 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

30 November 2015



**SUNRISE MEDICAL LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Note</b>	<b>2015 £000</b>	<b>2014 £ 000</b>
<b>Turnover</b>	2	33,858	32,016
Cost of sales		(22,897)	(22,166)
<b>Gross profit</b>		10,961	9,850
<b>Distribution costs</b>		(3,024)	(3,064)
<b>Administrative expenses (including amortisation of goodwill)</b>		(3,454)	(5,232)
<b>Total operating expenses</b>		(6,478)	(8,296)
<b>OPERATING PROFIT</b>		4,483	1,554
Income from shares in group undertakings		-	-
Interest receivable and similar income	5	1,780	2,044
Interest payable and similar charges	5	(883)	(1,720)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	5,380	1,878
Tax charge on profit on ordinary activities	7	(1,093)	(595)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	17,18	4,287	1,283

The results for the year shown above all derive from continuing operations.

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**

**AS AT 30 JUNE 2015**

	Note	£ 000	30 June 2015 £ 000	30 June 2014 £ 000
<b>FIXED ASSETS</b>				
Intangible assets	8	1,209		1,385
Tangible assets	9	786		759
Investments	10	579		579
			2,574	2,723
<b>CURRENT ASSETS</b>				
Stocks	11	3,577		2,556
Debtors	12	37,508		38,381
Cash at bank and in hand		4,864		3,356
		45,949		44,293
<b>CREDITORS: amounts falling due within one year</b>	13	(29,283)		(17,443)
<b>NET CURRENT ASSETS</b>			16,666	26,850
<b>CREDITORS: amounts falling due after more than one year</b>	14		-	(14,620)
<b>NET ASSETS</b>			19,240	14,953
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		6,254	6,254
Profit and loss account	17		12,986	8,699
<b>SHAREHOLDERS' FUNDS</b>	18		19,240	14,953

These financial statements of Sunrise Medical Limited company number 3570204 were approved by the Board of Directors and authorised for issue on 30 November 2015

Signed on behalf of the Board of Directors



**P Riley**

Director

**SUNRISE MEDICAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2015**

**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 Apollo Bidco Sarl (see note 23) 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.

**Licences**

Licences are amortised over their estimated useful economic lives; no amortisation is charged until the underlying fixed asset is brought into use.

**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%

**SUNRISE MEDICAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2015**

**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.

**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**

At the balance sheet date 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.

**SUNRISE MEDICAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2015**

**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:

	<b>2015</b> <b>£ 000</b>	<b>2014</b> <b>£ 000</b>
United Kingdom	30,359	28,280
Rest of Europe	3,024	3,281
Rest of the World	475	455
	<u>33,858</u>	<u>32,016</u>

**3. DIRECTORS' EMOLUMENTS**

	<b>2015</b> <b>£ 000</b>	<b>2014</b> <b>£ 000</b>
Emoluments	576	538
Company contributions to defined contribution pension schemes	45	30
	<u>621</u>	<u>568</u>
	<b>No.</b>	<b>No.</b>
Number of directors who are members of defined contribution pension schemes	2	2
<b>Highest paid director</b>	<b>£000</b>	<b>£ 000</b>
Total emoluments (excluding pension contributions)	398	371
Pension contributions to defined contribution schemes	36	20
	<u>434</u>	<u>391</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**  
**Year ended 30 June 2015**

**4. INFORMATION REGARDING EMPLOYEES**

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

	<b>2015</b>	<b>2014</b>
	<b>No</b>	<b>No</b>
Management and administration	97	93
Production	60	60
	<u>157</u>	<u>153</u>

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

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	5,916	5,873
Social security costs	531	530
Other pension costs (note 21)	164	143
	<u>6,611</u>	<u>6,546</u>

**5. INTEREST**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Interest receivable and similar income</b>		
Bank interest	5	3
On loans to group undertakings	1,775	2,041
	<u>1,780</u>	<u>2,044</u>
	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Interest payable and similar charges</b>		
On bank loans and overdrafts	709	1,175
On loans from group undertakings	174	545
	<u>883</u>	<u>1,720</u>

**SUNRISE MEDICAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2015**

**6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

<b>Profit on ordinary activities before taxation is stated after charging/(crediting):</b>	<b>2015 £ 000</b>	<b>2014 £ 000</b>
Depreciation of tangible fixed assets	274	193
Operating lease rentals:		
Plant and machinery	253	234
Land and buildings	342	342
Research and development expenditure	409	389
Exchange differences	(1,188)	(173)
Dividend received	-	-
Goodwill amortisation	326	326
	<u>326</u>	<u>326</u>

The analysis of auditors' remuneration is as follows:

	<b>2015 £ 000</b>	<b>2014 £ 000</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	40	41
Total audit fees	<u>40</u>	<u>41</u>
Fees payable to the Company's auditor for other services:		
- Tax compliance services	-	-
Total non audit fees	<u>-</u>	<u>-</u>

**SUNRISE MEDICAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2015**

**7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2015</b> <b>£ 000</b>	<b>2014</b> <b>£ 000</b>
<b>Current tax</b>		
Corporation Tax:		
Current year	1,041	357
Prior year adjustment	(100)	128
 Group relief:		
Current year	-	-
Prior year adjustment	(4)	4
<b>Total current tax</b>	<u>937</u>	<u>489</u>
<b>Deferred taxation</b>		
Current year	132	131
Prior year adjustment due to change in balances	24	(44)
Prior year adjustment due to change in tax rates	-	19
<b>Tax charge on profit on ordinary activities</b>	<u><u>1,093</u></u>	<u><u>595</u></u>

**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 (2015: 20.75%, 2014: 22.5%). The differences are explained below:

	<b>2015</b> <b>£ 000</b>	<b>2014</b> <b>£ 000</b>
Profit on ordinary activities before taxation	<u>5,380</u>	<u>1,878</u>
Tax on profit on ordinary activities at standard rate	1,116	423
Effects of:		
Permanent Items		
Disallowed expenses and non-taxable income	44	28
Depreciation on assets not qualifying for capital allowances	-	1
Goodwill amortisation	68	73
Additional deductions for R&D expenditure	(44)	(21)
Non-taxable dividends received	-	-
Group relief not paid for	(6)	-
Timing Differences		
Accelerated capital allowances	(62)	(57)
Movement in short-term timing differences	(70)	(74)
 Difference in current and deferred tax rates	(5)	(16)
Prior year adjustment	(104)	132
<b>Current tax charge</b>	<u><u>937</u></u>	<u><u>489</u></u>



**SUNRISE MEDICAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2015**

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

The main rate of UK corporation tax reduced from 21% to 20%, effective from 1 April 2015. Current tax is therefore provided at a blended rate of 20.75% and deferred tax at 20%.

UK Parliament has announced further reductions to the main rate of UK corporation tax to 19%, effective from 1 April 2017 and 18% effective from 1 April 2020. These reductions in tax rates were not substantively enacted at the balance sheet date and will therefore be applied in future periods.

**8. INTANGIBLE FIXED ASSETS**

	<b>Licences</b>	<b>Company goodwill</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£ 000</b>
<b>Cost</b>			
At 30 June 2014	189	8,270	8,459
Additions	150	-	150
	<hr/>	<hr/>	<hr/>
At 30 June 2015	339	8,270	8,609
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 30 June 2014	-	7,074	7,074
Charge for the year	-	326	326
	<hr/>	<hr/>	<hr/>
At 30 June 2015	-	7,400	7,400
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 June 2015	339	870	1,209
	<hr/>	<hr/>	<hr/>
At 30 June 2014	189	1,196	1,385
	<hr/>	<hr/>	<hr/>

**SUNRISE MEDICAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2015**

**9. TANGIBLE FIXED ASSETS**

	<b>Short Leasehold land and buildings £ 000</b>	<b>Motor vehicles, plant and machinery £ 000</b>	<b>Fixtures, fitting, tools and office equipment £ 000</b>	<b>Assets under construction £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>					
At 30 June 2014	370	1,206	3,027	-	4,603
Additions	5	8	279	-	292
Disposals	-	(712)	(1,637)	-	(2,349)
At 30 June 2015	375	502	1,669	-	2,546
<b>Depreciation</b>					
At 30 June 2014	65	1,176	2,603	-	3,844
Charge for the year	38	5	231	-	274
On disposals	-	(712)	(1,646)	-	(2,358)
At 30 June 2015	103	469	1,188	-	1,760
<b>Net book value</b>					
At 30 June 2015	272	33	481	-	786
At 30 June 2014	305	30	424	-	759

Commitments for capital expenditure at the period end were as follows:

	<b>2015 £ 000</b>	<b>2014 £ 000</b>
Contracted for but not provided in the financial statements	34	440

**SUNRISE MEDICAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2015**

**10. FIXED ASSET INVESTMENTS**

	<b>Shares in subsidiary undertakings £ 000</b>
<b>Cost</b>	
At 30 June 2014 & 30 June 2015	21,789
<b>Amounts written off</b>	
At 30 June 2015 & 30 June 2015	21,210
<b>Net book value</b>	
At 30 June 2014 & 30 June 2015	579

The company had the following investments at 30 June 2015:

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

Lomax Mobility Limited is registered in the United Kingdom. Xiamen Lomax Industrial Company Limited is incorporated and registered in China.

\* indicates indirect holding

**11. STOCKS**

	<b>2015 £ 000</b>	<b>2014 £ 000</b>
Raw materials and consumables	140	282
Work in progress	210	288
Finished goods and goods for resale	3,227	1,986
	<u>3,577</u>	<u>2,556</u>

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

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**12. DEBTORS DUE WITHIN ONE YEAR**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade debtors	3,603	3,948
Amounts owed by other group undertakings	33,434	33,640
Deferred taxation (note 15)	145	301
Other debtors	13	5
Prepayments and accrued income	313	487
	<u>37,508</u>	<u>38,381</u>

**13. CREDITORS**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Amounts falling due within one year:</b>		
Bank loan	14,190	563
Trade creditors	2,387	2,322
Amount owed to group undertakings	7,474	9,852
Group relief	-	4
Corporation tax	555	131
Other taxation and social security	1,056	998
Other creditors	1,276	1,289
Accruals and deferred income	2,345	2,284
	<u>29,283</u>	<u>17,443</u>

**14. CREDITORS**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Amounts falling due after more than one year:</b>		
Bank loans	-	14,620
	<u>-</u>	<u>14,620</u>
<b>Borrowings are repayable as follows:</b>		
Less than one year	14,190	563
Between one and two years	-	1,305
Between two and five years	-	13,315
After five years	-	-
	<u>14,190</u>	<u>15,183</u>
<b>Total borrowings</b>	<u>14,190</u>	<u>15,183</u>

The bank loans bear interest at 3.6%, 4.6% and 5.6% per annum and were secured by a charge on all the Company's assets. Obligations under the Senior Facilities Agreement (SFA) were discharged in full on 30 July 2015. As a result of a binding sale and purchase agreement with Cidron Ollopa B.V. being signed prior to the Balance Sheet date, the secured bank loans and capex facility are presented as current liabilities. Subsequent to the balance sheet date, obligations under the Group's Senior Facilities Agreement (SFA) were discharged in full and a deed of release in respect of the security granted by the Company under the SFA was signed.

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**15. DEFERRED TAXATION**

	Balance at 30 June 2014 £ 000	Debit to profit and loss account £ 000	Balance at 30 June 2015 £ 000
Deferred tax asset	301	(156)	145

A deferred tax asset of £145,000 has been recognised at 30 June 2015 (2014: £301,000). This is made up as follows:

	2015 £ 000	2014 £ 000
Decelerated capital allowances	142	203
Trading losses	-	94
Short term timing differences	3	4
Deferred tax asset	145	301

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**

	2015 £ 000	2014 £ 000
<b>Called up, allotted and fully paid</b> 6,254,455 (2014 : 6,254,455) Ordinary shares of £1 each	6,254	6,254

**17. RESERVES**

	Profit and Loss account £ 000
At 30 June 2014	8,699
Retained profit for the period	4,287
At 30 June 2015	12,986

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**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2015</b> <b>£ 000</b>	<b>2014</b> <b>£ 000</b>
Profit for the financial year	4,287	1,283
Net increase in shareholders' funds	4,287	1,283
Opening shareholders' funds	14,953	13,670
<b>Closing shareholders' funds</b>	<b>19,240</b>	<b>14,953</b>

**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. OBLIGATIONS UNDER OPERATING LEASES**

At 30 June 2015, the company had the following annual commitments under operating leases which expire as follows.

	<b>2015</b>		<b>2014</b>	
	<b>Land and buildings £ 000</b>	<b>Plant and machinery £ 000</b>	<b>Land and buildings £ 000</b>	<b>Plant and machinery £ 000</b>
Within one year	15	44	15	32
Within two to five years	-	136	-	185
After five years	327	-	327	-
	<u>342</u>	<u>180</u>	<u>342</u>	<u>217</u>

**21. 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 £164,000 (2014: £143,000). The amount accrued at the end of the period was £5,182 (2014: £3,266).

**22. 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 2015, the comparison of the contracts to the market value showed a contingent profit of £49,000 (2014 contingent profit: £29,000).

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**23. 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. Under the new ownership structure as set out in Note 25, the Company's ultimate parent company and controlling party is Cidron Liberty Systems Ltd, a company incorporated in Jersey. The company's immediate parent company is Sunrise Medical Holdings Limited, a company incorporated in the UK. The parent company of the smallest and largest 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

**24. RELATED PARTY TRANSACTIONS**

Exemption under FRS 8 has been taken not to disclose transactions between fellow subsidiaries which are wholly owned members of the Group.

**25. POST BALANCE SHEET EVENT**

On 3 June 2015, the Company's ultimate parent company entered into a share purchase agreement regarding the sale and transfer of all of its shares with Cidron Ollopa B.V., a company incorporated in The Netherlands. The transaction was completed on 30 July 2015.