

SUNRISE MEDICAL HOLDINGS LIMITED

Report and Financial Statements

29 June 2012



SUNRISE MEDICAL HOLDINGS LIMITED

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

SUNRISE MEDICAL HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Riley
E O'Brien
T J Rossnagel
R F Smith

SECRETARY

P Riley

REGISTERED OFFICE

Thorns Road
Brierley Hill
West Midlands
DY5 2LD

AUDITORS

Deloitte LLP
Statutory Auditors
Birmingham, United Kingdom

SUNRISE MEDICAL HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 29 June 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is acting as an investment and management services company. Future developments are likely to be in similar fields.

The director's report has been prepared in accordance with the provisions applicable to companies entitled to the small company's exemption.

The results for the year are as follows

	2012	2011
	£'000	£'000
Profit/(Loss) on ordinary activities after taxation	(487)	7,854

LIQUIDITY

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. Should it be required, the company will receive the support of fellow group companies in managing future cash flows, although such support is not confirmed as being legally binding. 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

During the year, the directors recommended the payment of a dividend of £7,745,313 (2011: £Nil).

AUDITORS

Each of the persons who is 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.

REAPPOINTMENT OF AUDITORS

Deloitte LLP has 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.

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



P Riley
Secretary

Date 28 March 2013

SUNRISE MEDICAL HOLDINGS 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, 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 AUDITORS' REPORT TO THE MEMBERS OF SUNRISE MEDICAL HOLDINGS LIMITED

We have audited the financial statements of Sunrise Medical Holdings Limited for the year ended 29 June 2012 which comprises the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 19. 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 29 June 2012 and of its loss 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 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.

David Hall, FCA

David Hall FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom

28 March 2013

SUNRISE MEDICAL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 29 June 2012

	Note	2012 £ 000	2011 £ 000
Administrative costs	5	-	(13,861)
OPERATING LOSS	4	-	(13,861)
Income from investments	7	-	23,300
Interest receivable and similar income	6	472	-
Interest payable and similar charges	6	(1,114)	(1,727)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(642)	7,712
Tax on profit/(loss) on ordinary activities	8	155	142
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	15	(487)	7,854

All results 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.

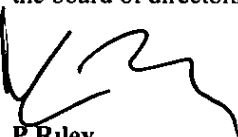
SUNRISE MEDICAL HOLDINGS LIMITED

BALANCE SHEET

29 June 2012

	Note	£ 000	2012 £ 000	£ 000	2011 £ 000
FIXED ASSETS					
Investments	9		21,508		21,200
CURRENT ASSETS					
Debtors	10	8,418		16,476	
CREDITORS: amounts falling due within one year	12	(198)		(18)	
NET CURRENT ASSETS			<u>8,220</u>		<u>16,458</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			29,728		37,658
CREDITORS: amounts falling due after more than one year	13		(20,793)		(20,491)
NET ASSETS			<u><u>8,935</u></u>		<u><u>17,167</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		8,285		8,285
Profit and loss account	15		650		8,882
EQUITY SHAREHOLDERS' FUNDS	16		<u><u>8,935</u></u>		<u><u>17,167</u></u>

The financial statements of Sunrise Medical Holdings Limited (Registration Number 4651691) were approved by the board of directors and authorised for issue on 28 March 2013. They were signed by



P Riley

Director

SUNRISE MEDICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 June 2012

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

At the balance sheet date, the company was a wholly owned subsidiary of Sunrise Medical Inc and is included in that company's consolidated financial statements.

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 is a wholly owned subsidiary of Sunrise Medical Inc which prepared publicly available consolidated financial statements that incorporate the results of the company and are drawn up in accordance with the Seventh Directive.

Cash flow statement

The Company has taken advantage of the exemption granted by Financial Reporting Standard 1 - 'Cash Flow Statements' and does not therefore provide a cash flow statement as it was a wholly owned subsidiary of Sunrise Medical LLC at the balance sheet date, the accounts of which are publicly available.

Liquidity and going concern

The company's activities are described in the directors' report. 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. Should it be required, the company will receive the support of fellow group companies in managing future cash flows, although such support is not confirmed as being legally binding. 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.

Investments

Fixed asset investments are recorded at cost less provision for impairment.

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.

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.

SUNRISE MEDICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 29 June 2012

2. DIRECTORS' EMOLUMENTS

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

Mr E O'Brien and Mr P Riley were employees of Sunrise Medical Ltd and their remuneration costs were borne by that company. It is not practicable to apportion their remuneration between the companies

3. INFORMATION REGARDING EMPLOYEES

No staff have been employed in the year by the company (2011 Nil)

4. OPERATING LOSS

The operating loss of £nil (2011 profit of £13,861,000) includes audit fees of £5,000 (2011 £5,000). In addition, fees of £1,000 were paid to auditors for non-audit services relating to tax advice

5. ADMINISTRATIVE COSTS

	2012 £ 000	2011 £ 000
Professional fees	-	12
Impairment of investment	-	13,849
	-	13,861

6. INTEREST

	2012 £ 000	2011 £ 000
Interest payable and similar charges		
On loans from group undertakings	1,114	1,727
	1,114	1,727
Interest receivable and similar income		
On loans from group undertakings	472	-
	472	-

7. INVESTMENT INCOME

	2012 £ 000	2011 £ 000
Income from fixed asset investments	-	23,300
	-	23,300

SUNRISE MEDICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 29 June 2012

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2012 £ 000	2011 £000
Current tax		
United Kingdom corporation tax at 25 5% (2011 25 5%)	-	-
Group Relief		
Current year	(155)	(465)
Prior year adjustment	-	323
Total current tax	(155)	(142)
Deferred taxation		
Current year	-	-
Tax (credit) on profit/(loss) on ordinary activities	(155)	(142)

Factors affecting tax credit in year

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 25 5% (2011 27 5%) The actual tax charge for the current and the previous periods differs from the standard rate for the reasons set out in the following reconciliation

	2012 £ 000	2011 £ 000
Profit / (Loss) on ordinary activities before taxation	(642)	7,712
Tax on profit / (loss) on ordinary activities at standard rate	(164)	2,121
Effects of		
Disallowed expenses and non-taxable income	(1)	(2,597)
Movement in losses not recognised	-	(570)
Capital gain transferred in	-	571
Group relief surrendered for no payment	10	10
Prior year adjustment	-	323
Current tax (credit)	(155)	(142)

Finance Act 2012 lowered the rate of UK Corporation from 26% to 24%, effective on 1 April 2012 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 2012 did not complete its passage through the House of Commons until 3 July 2012, 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 2012 regarding the 24% rate, it is considered to have statutory effect from that date

Therefore these accounts only reflect the full change in rate from 26% to 24% Current tax is therefore provided at a blended rate of 25 50% and deferred tax at 24% For future periods a rate will be utilised for current tax of 23 75% and for deferred taxes of 23%, subject to any further legislative changes enacted by the UK Parliament, including the proposed rate reduction to 20% announced in the March 2013 budget The effect of this rate reduction will be accounted for in the period it is substantively enacted

SUNRISE MEDICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 29 June 2012

9. FIXED ASSET INVESTMENTS

The company had the following investments at 29 June 2012

Name of subsidiary undertaking	Class of shares held	Proportion held	Nature of business
Sunrise Medical Limited *	Ordinary	100%	Manufacture and sale of healthcare products
Lomax Mobility Limited	Ordinary	100%	Dormant
Sunrise Medical Poland Sp Zoo *	Ordinary	100%	Sale of healthcare products
Sunrise Medical (China) No 1 Limited *	Ordinary	100%	Holding company
Sunrise Medical Equipment (Shanghai) Co Ltd	Ordinary	100%	Sale of healthcare products
Xiamen Lomax Industrial Co Ltd	Ordinary	80%	Manufacture of healthcare products

* Direct subsidiary of Sunrise Medical Holdings Limited

Sunrise Medical Limited, Sunrise Medical (China) No 1 Limited are incorporated in Great Britain and registered in England and Wales Lomax Mobility Limited is incorporated and registered in Scotland Xiamen Lomax Industrial Co Ltd and Sunrise Medical Equipment (Shanghai) Limited are incorporated and registered in China Sunrise Medical Poland Sp Zoo is incorporated and registered in Poland

Summary information on investments in subsidiary undertakings is as follows

	Shares in subsidiary undertakings £ 000
Cost	
At 1 July 2011	35,049
Investment in the year	308
At 29 June 2012	<u>35,357</u>
Provisions	
At 1 July 2011 and 29 June 2012	<u>13,849</u>
Net Book Value	
At 1 July 2011	<u>21,200</u>
At 29 June 2012	<u>21,508</u>

SUNRISE MEDICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 29 June 2012

10. DEBTORS

	2012 £ 000	2011 £ 000
Amounts owed by group undertakings	8,418	16,476
	<u>8,418</u>	<u>16,476</u>

11. DEFERRED TAXATION

A deferred tax asset of £170,000 (2011 £185,000) in respect of losses carried forward has not been recognised, as there is no certainty that the asset will reverse in the foreseeable future

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £ 000	2011 £ 000
Amount owed to group undertakings & fellow group subsidiaries	193	1
Accruals	5	17
	<u>198</u>	<u>18</u>

Amounts owed to group undertakings are denominated in Sterling

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £ 000	2011 £ 000
Amount owed to group undertakings	20,793	20,491
	<u>20,793</u>	<u>20,491</u>

Amounts owed to group undertakings relate to a single loan denominated in Sterling at £17,236,000 and accrued interest of £3,557,000. The interest rate is 6.48% and the loan is repayable on 30 June 2015, therefore the full amount is due to be paid within five years.

SUNRISE MEDICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 29 June 2012

14. CALLED UP SHARE CAPITAL

	2012 £ 000	2011 £ 000
Authorised		
50,000,000 Ordinary shares of £1 each	50,000	50,000
Called up, allotted and fully paid		
8,285,000 Ordinary shares of £1 each (2011 8,285,000)	8,285	8,285

15. PROFIT AND LOSS ACCOUNT

	£ 000
Retained profit brought forward	8,882
Loss for the financial year	(487)
Dividend paid	(7,745)
Retained surplus carried forward	650

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £ 000	2011 £ 000
Profit/(Loss) for the financial year	(487)	7,854
Dividend paid	(7,745)	-
Net (reduction in)/addition to shareholders' funds	(8,232)	7,854
Opening shareholders funds	17,167	9,313
Closing shareholders' funds	8,935	17,167

17. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption available under FRS 8 to dispense with the requirement to disclose transactions with fellow wholly-owned members of a group which produces consolidated financial statements that are publicly available. There were no transactions with Xiamen Lomax Industrial Co Ltd (an 80% holding).

18. CONTINGENT LIABILITIES

The company together with certain other United Kingdom companies has entered into cross guarantees with Barclays Bank plc in respect of the borrowings of the group companies concerned at the year end. There has been a refinancing of the Sunrise Medical global group post year end and the company is now party to cross guarantees with the group's bankers, a syndicate headed by Deutsche Bank.

SUNRISE MEDICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 29 June 2012

19. ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling party is Sunrise Medical Inc, a company incorporated in the United States. However, Sunrise Medical Inc is ultimately owned by VSM Investors LLC, a venture capital company incorporated in the United States of America which owns 100% shares in the parent company. The company's immediate parent company is Sunrise Medical (Luxembourg) Investments Sàrl, a company incorporated in Luxembourg. The parent company of the smallest and largest group to consolidate financial statement is Sunrise Medical LLC. Copies of these financial statements may be obtained from Sunrise Medical Limited, Thorns Road, Brierley Hill, West Midlands, DY5 2LD.

Subsequent to the balance sheet date, on 30 November 2012, one of the Company's intermediate parents, Sunrise Medical Holdings BV, a company incorporated in the Netherlands, was acquired by Apollo BidCo Sàrl, a company incorporated in Luxembourg. The ultimate owner of Apollo BidCo Sàrl is Equistone Partners Europe Limited, a venture capital company incorporated in the United Kingdom.