

Registered No. 09744396

Sunrise Medical (UK) No.1 Limited

Report and Unaudited Financial Statements

For the year ended 30 June 2019

Directors

E T O'Brien (Resigned 8 May 2019)

A J Platt

J L Barratt (Appointed 8 May 2019)

Secretary

Dr P Hasling

Registered Office

Sunrise Medical

Thorns Road

Brierley Hill

West Midlands

DY5 2LD

Registered No. 09744396

Directors' report

The directors present their report for the year ended 30 June 2019.

Principal activity

The principal activity of the Company is acting as a holding company.

The directors expect the general level of activity to remain consistent in the forthcoming year.

Business review

The loss for the period and the total comprehensive loss for the period amounted to €29,994 (2018: €6,113,628). Net assets for the year amounted to €292.6m (2018: €292.7m). The directors do not recommend the payment of a dividend (2018: nil).

During the year ended 30 June 2018, Sunrise Medical Holdings Limited, a wholly owned subsidiary of Sunrise Medical (UK) No. 1 Limited increased its share capital as a result of its acquisition of Sunrise Medical (US) LLC. This increase in equity resulted in an increase in Sunrise Medical (UK) No. 1 Limited's investment in Sunrise Medical Holdings Limited (note 6). This was funded by way of a share issue on 16 April 2018 (note 9).

Going Concern

Each of the directors has considered the fact that the entity is an intermediate holding company and should it be required, the Company will receive the support of fellow group companies in managing future cash flows for a minimum of 12 months from the date of approval of the accounts, although such support is not confirmed as being legally binding. On this basis, the directors have a reasonable expectation that the Company can continue for the foreseeable future. When making its assessment the directors are not aware of any material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern. The financial statements are therefore made up as a going concern.

Key performance indicators

The directors consider there to be no additional key performance indicators other than those disclosed in the business review section.

Principal risks and uncertainties

The Company is not actively trading and therefore has no material trading risks and uncertainties. The Company's only major asset is its investment in Sunrise Medical Holdings Limited. The principal risk for Sunrise Medical (UK) No. 1 Limited is the continuing profitability of its subsidiary undertakings.

Directors' report (continued)

Cash flow risk

Interest bearing assets and liabilities are held in euro, which ensures certainty of the value of cash flows.

Liquidity risk

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.

Exchange rate risk

The choice of euros as the functional currency eliminates the exchange rate risk.

Directors

The directors who served the Company throughout the year including up to the date the financial statements were signed were as follows:

E T O'Brien (Resigned 8 May 2019)

A J Platt

J L Barratt (Appointed 8 May 2019)

Directors' indemnities

Qualifying third party indemnity provisions for the benefit of the directors were made by a group company. These were in force throughout the year, and remain in force at the date of this report.

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



A J Platt

Director

2 March 2020

Registered No. 09744396

Statement of directors' responsibilities

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 year. In preparing these financial statements, the directors are required to:

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

Profit and loss account

for the year ended 30 June 2019

	<i>Notes</i>	<i>2019</i>	<i>2018</i>
		€	€
Turnover		-	-
Cost of sales		-	-
Gross result		-	-
Administrative expenses		(30,739)	(5,162)
Operating loss	3	(30,739)	(5,162)
Finance costs (net)	4	745	(6,108,466)
Loss before taxation		(29,994)	(6,113,628)
Tax	5	-	-
Loss for the financial year		(29,994)	(6,113,628)

All amounts relate to continuing activities.

There is no other comprehensive loss other than the loss attributable to the shareholders of the Company of €29,994 in the year ended 30 June 2019 (2018: loss of €6,113,628).

Balance sheet

as at 30 June 2019

	Notes	30 June 2019 €	30 June 2018 €
Fixed assets			
Investments	6	293,874,256	293,874,256
		<u>293,874,256</u>	<u>293,874,256</u>
<i>Creditors: amounts falling due within one year</i>	7	(1,238,128)	(1,208,134)
Total assets less current liabilities		<u>292,636,128</u>	<u>292,666,122</u>
Net assets		<u>292,636,128</u>	<u>292,666,122</u>
Capital and reserves			
Called up share capital	8	14	14
Share premium		310,765,989	310,765,989
Profit and loss account		(18,129,875)	(18,099,881)
Shareholders' equity		<u>292,636,128</u>	<u>292,666,122</u>

Audit exemption statement

For the year ending 30 June 2019, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board of Directors on 2 March 2020 and signed on their behalf by:



A J Platt

Director

Registered No. 09744396

Statement of changes in equity

for the year ended 30 June 2019

	<i>Ordinary share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total</i>
	€	€	€	€
At 1 July 2017	<u>3</u>	<u>-</u>	<u>(11,986,253)</u>	<u>(11,986,250)</u>
Loss for the financial year, being total comprehensive loss	-	-	(6,113,628)	(6,113,628)
Issue of share capital	11	310,765,989	-	310,766,000
At 30 June 2018	<u>14</u>	<u>310,765,989</u>	<u>(18,099,881)</u>	<u>292,666,122</u>
Loss for the financial year, being total comprehensive loss	-	-	(29,994)	(29,994)
At 30 June 2019	<u>14</u>	<u>310,765,989</u>	<u>(18,129,875)</u>	<u>292,636,128</u>

Notes to the financial statements

for the year ended 30 June 2019

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

1.1 General information and basis of accounting

Sunrise Medical (UK) No.1 Limited ('the Company') is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out on pages 2 and 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

As a wholly owned subsidiary of Cidron Ollopa Investment B.V. the company has taken advantage of the exemption under section 400 of the Companies Act 2006 from preparing consolidated financial statements. The Company is consolidated in the financial statements of Cidron Ollopa Investment B.V., a copy of which may be obtained from its registered office in Amsterdam, The Netherlands (Principal place of business at Barbara Strozilaan 201, 1083HN Amsterdam, The Netherlands, registered with the Dutch Trade Register (handelsregister) under number 63389789).

Exemptions have also been taken in these separate Company financial statements in relation to presentation of a cash flow statement, basic financial instruments and related party disclosure.

1.2 Going concern

The financial statements are made up as a going concern.

1.3 Functional Currency

The functional currency of the Company is euros.

1.4 Fixed Assets - Investments

Investments in subsidiaries are measured at cost less any impairment in value.

1.5 Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

for the year ended 30 June 2019

1 Accounting policies (continued)

1.5 Financial assets and liabilities (continued)

Financial assets are derecognised when and only when: a) the contractual rights to the cash flows from the financial asset expire or are settled; b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.6 Impairment of assets

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated amount is lower, the carrying amount is reduced to its estimated recoverable amount, and the impairment loss is recognised immediately in the profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

1.7 Taxation

Current tax, including UK corporation tax and foreign 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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements

for the year ended 30 June 2019

1 Accounting policies (continued)

1.7 Taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model.

Where items recognised in other comprehensive income or equity are expendable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.8 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account.

1.9 Trade and other creditors

Trade and other creditors are recognised and carried forward at invoiced amounts.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. There are no critical accounting judgements and key sources of estimation uncertainty due to the nature of the Company's activities.

Notes to the financial statements

for the year ended 30 June 2019

3. Operating (Loss)/Profit

Loss before tax is stated after expensing / (crediting):

	2019	2018
	€	€
Professional fees	30,739	2,842
Auditor's remuneration - auditing of the financial statements	-	2,320
	<u>30,739</u>	<u>5,162</u>

Fees payable to the auditors of the Company in 2019 are nil (2018: €2,320).

There are no employees and no staff costs incurred (2018: nil).

The current directors of the Company are employees of another group company and have not received any remuneration or out of pocket expenses from Sunrise Medical (UK) No.1 Limited. It is not practicable to apportion their remuneration between the companies of which they are directors.

4. Finance costs (Net)

	2019	2018
	€	€
Interest payable and similar charges to group companies	-	5,266,142
Amortisation of bank loan transaction fees	-	842,324
Net foreign exchange gain	(745)	-
	<u>(745)</u>	<u>6,108,466</u>

5. Tax

(a) Tax on loss on ordinary activities

The tax expense is made up as follows:

Current tax:

	2019	2018
	€	€
Total current tax	-	-
	<u>-</u>	<u>-</u>

Notes to the financial statements

for the year ended 30 June 2019

5. Tax (continued)

Deferred tax:

	2019	2018
	€	€
Total deferred tax	-	-
Tax on loss	-	-

(b) Factors affecting the tax expense for the year

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2019	2018
	€	€
Loss before tax	(29,994)	(6,113,628)
Tax on Company loss at standard UK corporation tax rate of 19.00% (2018: 19.00%)	(5,699)	(1,161,589)
Effects of:		
- Disallowed expenses and non-taxable income	5,400	838,438
- Group relief surrendered for no payment	299	323,151
Current tax expense for the year/period	-	-

(c) Deferred taxation

There is no deferred tax in the balance sheet.

Notes to the financial statements

for the year ended 30 June 2019

6. Investments

	€
Cost:	
At 30 June 2019 and 30 June 2018	<u>294,707,255</u>
Provision for impairment:	
At 30 June 2019 and 30 June 2018	<u>832,999</u>
Net book value:	
At 30 June 2019 and 30 June 2018	<u>293,874,256</u>

During the prior year Sunrise Medical Holdings Limited, a wholly owned subsidiary of Sunrise Medical (UK) No. 1 Limited increased its share capital as a result of its acquisition of Sunrise Medical (US) LLC. This increase in equity resulted in an increase in Sunrise Medical (UK) No. 1 Limited's investment in Sunrise Medical Holdings Limited.

The investments at 30 June 2019 are all held in ordinary shares, and are as follows:

Notes to the financial statements

for the year ended 30 June 2019

6. Investments (continued)

Name of Subsidiary Undertaking	Proportion Held	Nature of Business	Nature of Subsidiary	Country of Incorporation	Registered Office
Sunrise Medical Holdings Limited	100%	Holding Company	Direct	England	Sunrise Medical, Brierley Hill, West Midlands. DY5 2LD
Sunrise Medical Limited	100%	Manufacture and sale of healthcare products	Indirect	England	Sunrise Medical, Brierley Hill, West Midlands. DY5 2LD
Lomax Mobility Limited	100%	Holding company	Indirect	Scotland	15 Atholl Crescent, Edinburgh, EH3 8HA
Sunrise Medical (China) No.1 Limited	100%	Holding company	Indirect	England	Sunrise Medical, Brierley Hill, West Midlands. DY5 2LD
Medicco sro	15%	Sale of healthcare products	Indirect	Czech Republic	Praha 2, Moravska, 1687/34, 120 00. Czech Republic
RGK Wheelchairs Limited	100%	Manufacture and sale of healthcare products	Indirect	England	Sunrise Medical, Brierley Hill, West Midlands. DY5 2LD
Xiamen Lomax Industrial Co Ltd	80%	Manufacture and sale of healthcare products	Indirect	China	Number 68 Tong'an Section, Tong'an Industrial Zone. Tong'an, Xiamen, Fujian Province, People's Republic of China. 361100.
Sunrise Medical Poland Sp Zoo	100%	Sale of healthcare products	Indirect	Poland	ul. Elektronowa 6, 94-103 Łódź, Poland
Sunrise Medical Equipment (Shanghai) Co Ltd	100%	Sale of healthcare products	Indirect	China	Suite 743, Building B, 329 Tian Yao Qiao Road, Xuhui District, Shanghai. 200030
Sunrise Medical (US) LLC	100%	Manufacture and sale of healthcare products	Direct	USA	2711 Centerville Road, Suite 400, Wilmington, 19808

Notes to the financial statements

for the year ended 30 June 2019

7. Creditors: amounts falling due within one year

	30 June 2019	30 June 2018
	€	€
Amount owed to group undertakings	1,229,677	1,199,683
Accruals and deferred income	8,451	8,451
	<u>1,238,128</u>	<u>1,208,134</u>

Amount owed to group undertakings is in respect of ordinary trade payables, due within 30 days, unsecured, upon which no interest was charged.

8. Called-up share capital

	30 June 2019 No.	30 June 2019 €	30 June 2018 No.	30 June 2018 €
paid (Par value £1 per share)	12	<u>14</u>	12	<u>14</u>

The Company has one class of ordinary shares which carry equal voting rights.

The Company's other reserves are as follows:

- The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.
- The profit and loss reserve represents cumulative profits or losses.

10. Related party transactions

The Company has taken advantage of the exemptions under Section 33 of FRS 102 not to disclose transactions with wholly owned group companies.

11. Ultimate parent undertaking and controlling party

As at 30 June 2019 the Company's ultimate parent company and controlling party was Cidron Liberty Systems Ltd., a company incorporated in Jersey. The company's immediate parent company was Cidron Ollopa B.V., a company incorporated in The Netherlands. The parent company of the smallest and largest group to produce consolidated financial statements was Cidron Ollopa Investment B.V. The registered address for this entity is Barbara Strozilaan 201, 1083HN Amsterdam, Netherlands.