

Company Registration No. 3512875

DEVILBISS MEDEQUIP LIMITED

Report and Financial Statements

27 June 2008

TUESDAY



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DEVILBISS MEDEQUIP LIMITED

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DEVILBISS MEDEQUIP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Riley
E O'Brien
S A Jaye (American, resigned 20 June 2008)

SECRETARY

P Riley

REGISTERED OFFICE

Sunrise Business Park
High Street
Wollaston
Stourbridge
West Midlands
DY8 4PS

BANKERS

Barclays Bank plc
Queen Square
Wolverhampton
WV1 1XJ

AUDITORS

Deloitte LLP
Chartered Accountants & Registered Auditors
Birmingham

DEVILBISS MEDEQUIP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 week period ended 27 June 2008.

PRINCIPAL ACTIVITY

The principal activity of the company is the rental of healthcare products however; the company has not traded during the year.

BUSINESS REVIEW AND FUTURE PROSPECTS

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 (4) of the Companies Act 1985.

The results for the year are as follows:	2008	2007
	£'000	£'000
Turnover	-	20
(Loss) on ordinary activities before taxation	(601)	(1,729)

During the year there has been no trading activity.

The directors have no reasonable expectation that the company will recommence trading in the foreseeable future. Accordingly the directors have prepared the financial statements on the basis that the company is no longer a going concern (see Note 1).

Basis of preparation

As a result of the company ceasing to trade, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate:

- writing down the company's assets to net realisable value;
- reclassifying long term assets and liabilities to short term where required; and
- making provision for any onerous contractual commitments at the balance sheet date.

The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent such costs were committed at the balance sheet date.

Full details of significant matters relating to the basis of preparation of the financial statements are included in Note 1.

DIVIDEND

The directors do not recommend the payment of a dividend for the year (2007: £nil).

DEVILBISS MEDEQUIP LIMITED

DIRECTORS' REPORT

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 provisions of s234ZA of the Companies Act 1985.

REAPPOINTMENT OF 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.

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

A handwritten signature in black ink, appearing to be a stylized 'V' followed by a wavy line.

DEVILBISS MEDEQUIP LIMITED

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss 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 estimates that are reasonable and prudent; and
- 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 proper accounting records that 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 1985. 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 DEVILBISS MEDEQUIP LIMITED

We have audited the financial statements of Devilbiss Medequip Limited for the 52 week period ended 27 June 2008 which comprises the Profit and Loss Account and the Balance Sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 27 June 2008 and of its loss for the 52 week period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVILBISS MEDEQUIP LIMITED
(CONTINUED)**

Emphasis of matter – going concern

In forming our opinion on the financial statements which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham, England

27 April 2009

DEVILBISS MEDEQUIP LIMITED

PROFIT AND LOSS ACCOUNT 52 week period ended 27 June 2008

	Note	2008	2007
		£ 000	£ 000
TURNOVER	2	-	20
Cost of sales		-	114
Gross profit		-	134
Administrative expenses		(565)	(2,015)
OPERATING (LOSS)		(565)	(1,881)
Interest receivable and similar income		97	152
Interest payable		(133)	-
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(601)	(1,729)
Tax on (loss) on ordinary activities	5	21	(121)
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	10	(580)	(1,850)

All results derive from discontinued 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.

DEVILBISS MEDEQUIP LIMITED

BALANCE SHEET

27 June 2008

	Note	£ 000	2008 £ 000	£ 000	2007 £ 000
CURRENT ASSETS					
Debtors	6	1,652	-	-	-
Cash at bank and in hand		35	2,113	2,113	
		<u>1,687</u>		<u>2,113</u>	
CREDITORS: amounts falling due within one year					
	7	<u>(305)</u>		<u>(151)</u>	
NET CURRENT ASSETS			<u>1,382</u>		<u>1,962</u>
			1,382		1,962
NET ASSETS			<u>1,382</u>		<u>1,962</u>
CAPITAL AND RESERVES					
Called up share capital	9		1,000		1,000
Share premium account			6,331		6,331
Profit and loss account	10		<u>(5,949)</u>		<u>(5,369)</u>
EQUITY SHAREHOLDERS' FUNDS	11		<u>1,382</u>		<u>1,962</u>

These financial statements were approved by the Board of Directors on 27 April 2009

Signed on behalf of the Board of Directors



Director

DEVILBISS MEDEQUIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 27 June 2008

1. ACCOUNTING POLICIES

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

Going concern

As explained in the Directors Report, the company has ceased trading. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

Accounting convention

The financial statements are prepared under the historical cost convention.

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 substantially 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 is a wholly owned subsidiary of Sunrise Medical Holdings Inc 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 (revised).

2. TURNOVER

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

3. INFORMATION REGARDING EMPLOYEES

The company had no employees during the year.

Directors' emoluments

None of the directors received any emoluments during the year (2007: nil) for services to the company.

Messrs P Riley and E O'Brien are remunerated by Sunrise Medical Holdings Limited for their services to the group.

DEVILBISS MEDEQUIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) 52 week period ended 27 June 2008

4. (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss) on ordinary activities before taxation is stated after charging/(crediting):	2008 £ 000	2007 £ 000
Profit on disposal of fixed assets (within cost of sales)	-	(38)
Redundancy, legal and other costs in respect of failure to win new revenue contract (within administrative expenses)	-	(98)
Waiver of intercompany debt (within administrative expenses) to immediate parent company	640	2,112
Waiver of intercompany debt (within administrative expenses) to intermediate parent company	(40)	-
	<u> </u>	<u> </u>

The audit fee of £5,000 was paid for and borne by the fellow group company, Sunrise Medical Ltd. No other amounts were paid to auditors for non-audit services.

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2008 £ 000	2007 £ 000
Current tax		
Corporation Tax:		
Current year	-	-
Prior year adjustment	(274)	(466)
 Group relief:		
Current year	-	(428)
Prior year adjustment	253	480
	<u> </u>	<u> </u>
Total current tax	(21)	(414)
 Deferred taxation		
Current year	-	542
Prior year adjustment	-	(7)
	<u> </u>	<u> </u>
Tax charge / (credit) on ordinary activities	<u>(21)</u>	<u>121</u>

DEVILBISS MEDEQUIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 week period ended 27 June 2008

5. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge in year

The blended standard rate of tax for the year, based on the UK standard rate of corporation tax, is 29.5% (2007 – 30%). The actual tax charge for the current and the previous periods differs from the blended standard rate for the reasons set out in the following reconciliation:

	2008 £ 000	2007 £ 000
(Loss) on ordinary activities before taxation	(600)	(1,729)
Tax on (loss) on ordinary activities at standard rate (29.5% / 30.0%)	(177)	(519)
Effects of:		
Capital allowances in excess of depreciation	-	(531)
Intercompany debt waiver	177	634
Profit on sale of fixed assets	-	(12)
Adjustments in respect of prior periods	(21)	14
Current tax charge / (credit)	(21)	(414)

6. DEBTORS

	2008 £ 000	2007 £ 000
Amounts owed by other group undertakings	1,347	-
Corporation tax recoverable	305	-
	1,652	-

7. CREDITORS

	2008 £ 000	2007 £ 000
Amounts falling due within one year:		
Trade creditors	-	1
Amounts due to group undertakings	-	40
Corporation tax	-	55
Group relief	305	53
Accruals and deferred income	-	2
	305	151

8. DEFERRED TAXATION

There were no deferred tax balances (provided or unprovided) at 29 June 2007 or 27 June 2008.

DEVILBISS MEDEQUIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 week period ended 27 June 2008

9. CALLED UP SHARE CAPITAL

	2008 £ 000	2007 £ 000
Authorised		
1,000,000 Ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid		
1,000,000 Ordinary shares of £1 each	1,000	1,000

10. RESERVES

	2008 £ 000	2007 £ 000
At 29 June 2007	(5,369)	(3,519)
Retained (loss) for the year	(580)	(1,850)
At 27 June 2008	(5,949)	(5,369)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £ 000	2007 £ 000
(Loss) for the financial year	(580)	(1,850)
(Decrease) in shareholders' funds	(580)	(1,850)
Opening shareholders' funds	1,962	3,812
Closing shareholders' funds	1,382	1,962

12. 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.

13. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption available under FRS 8 to dispense with the requirement to disclose transactions with fellow subsidiaries, 90% or more whose voting rights are held within a group which produces consolidated financial statements that are publicly available.

DEVILBISS MEDEQUIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

52 week period ended 27 June 2008

14. ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling party is Sunrise Medical Holdings Inc, a company incorporated in the United States. However, Sunrise Medical Holdings 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 Limited, a company incorporated in the United Kingdom. The parent company of the smallest and largest group to consolidate financial statement is Sunrise Medical Holdings Inc. Copies of these financial statements may be obtained from Sunrise Medical Limited, High Street, Wollaston, Stourbridge, West Midlands, DY8 4PS.