

Cidron Ollopa Investment B.V.

Annual Report

As at and for the year ended 30 June 2021

Registration number Chamber of Commerce ('Kamer van Koophandel'): 63389789

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Related to auditor's report
dated 17 September 2021

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Cidron Ollopa Investment B.V.

Management Board Report

for the year ended 30 June 2021

Introduction

Cidron Ollopa Investment B.V. ('the Company') was incorporated on 27 May 2015. It is a holding company, with its registered seat in Amsterdam, the Netherlands and its objective is to participate in, to finance or to have any other interest in, or to conduct the management of, other companies or enterprises.

The Company does not have any employees.

Organisation

Currently the Company holds one wholly owned subsidiary, Cidron Ollopa Intermediate Holding B.V. The majority shareholder is Cidron Liberty Systems S.à r.l., a company registered in Luxembourg. The ultimate parent company is Cidron Liberty Systems Ltd (Jersey), which is owned by several investment funds advised by Nordic Capital, including Nordic Capital CV1 fund.

On 17 August 2020, one of the Company's indirect subsidiaries, Sunrise Medical Holdings Ltd, acquired 100% of the shares of James Leckey Design Ltd and its subsidiaries ('Leckey'). Purchase accounting was applied to the acquisition.

On 26 February 2020, one of the Company's indirect subsidiaries, Sunrise Medical SL, acquired 100% of the shares of Oracing Wheelchairs SL (Spain). Purchase accounting was applied to the acquisition.

Cidron Ollopa Investment B.V. and its subsidiaries ("the Group") consist of a number of international companies, of which three, Sunrise Medical B.V., Sunrise Medical Logistics B.V. and Sunrise Medical HCM B.V. are actively trading in the Netherlands. In addition to the statutory directors, the Company has an Advisory Board, the role of which is to supervise the Management Board and decisions made by that Management Board. A full list of subsidiaries is shown in note 35.

Under the provisions of section 403 of the Dutch Civil Code Book 2 ("B2 DCC") the Company has issued a guarantee in respect of the liabilities of certain subsidiaries in the Netherlands, whereby these subsidiaries are exempt from audit requirements. The Company has also issued a guarantee under section 479C of the Companies Act 2006 in respect of the liabilities of certain subsidiaries in the UK, whereby these subsidiaries are exempt from the requirements of the Act relating to the audit of accounts under section 479A. Further details relating to the subsidiaries concerned are disclosed in note 36.

The Group designs, manufactures and distributes products for the global home and public care durable medical equipment market. Products include manual and power wheelchairs, motorised scooters, seating and positioning systems and daily living aids. The Group operates manufacturing facilities across the world, including in Europe, North America and Asia Pacific, and distributes its products worldwide. It undertakes research and development activities in order to develop new products through advances in materials and manufacturing processes to meet the functional, clinical and physical needs of end users.

Under the oversight of the Management Board and Advisory Board, the Group is managed by a Senior Leadership Team consisting of eleven executives. At 30 June 2021 the Group employed 2,349 (2020: 2,282) people worldwide.

The annual report of Cidron Ollopa Investment B.V. contains the audited consolidated financial statements under IFRS for the year ended 30 June 2021, as well as a report from the Management Board. The annual report for 2020 was published on 26 November 2020.

Financing

On 10 April 2018, a Facilities Agreement totalling €637.5 million was signed between Cidron Ollopa Holding B.V. and a consortium of banks. The First Lien Facility consists of Term Debt of €445 million (expiring on 16 April 2025) and a Revolving Credit Facility of €70 million (expiring on 16 April 2024). The Second Lien Facility consists of Term Debt of GBP106.8 million (expiring 16 April 2026).

The net proceeds from the Facilities Agreement entered into in April 2018 were used to settle outstanding amounts drawn under the previous Facilities Agreements, as well as a vendor loan associated with the Handicare Mobility acquisition, with the balance being used to repay some of the capital on preference shares.

As at 30 June 2021, €445 million and GBP106.8 million (2020: €445m + GBP106.8m) is drawn under the Facilities Agreement. The amounts drawn under the Revolver Facility at the prior year end have been repaid in full during the year with nil balance outstanding at 30 June 2021 (2020: €14m + USD11m).

Financial results (all amounts in millions of euros)

The consolidated financial results of Cidron Ollopa Investment B.V. for the year ended 30 June 2021 are summarised below.

The financial results for the year ended 30 June 2021 comprise a full 12 months of trading for all group companies, with the exception of Leckey, for which there is 10.5 months of trading (acquired on 17 August 2020). The financial results for the comparative year ended 30 June 2020 comprise a full 12 months of trading for all group companies with the exception of Oracing which was acquired during the prior year and for which 4 months of trading are included in the results for that year.

Result from operations

Revenue and operating profit are as follows:

In millions of euro	2021	2020
Revenue	474.9	479.6
Operating profit	41.1	45.2

The majority of revenues are generated from the European and North American markets.

The greatest impact of the COVID-19 pandemic was seen during the fourth quarter of the prior year ended 30 June 2020, with a reduction in sales of 21% compared to the same period in the prior year. The year to 30 June 2021 continued to be impacted by the pandemic, as restrictions continued to varying degrees in all the Group's key markets. Despite this, a steady recovery across all initially affected geographies was observed, which resulted in fourth quarter organic sales growth of 28% compared to the same period in the prior year, although still 2% behind the prior year as a whole on a comparable basis. Strong cost control mitigated the impact of the reduction in revenue on the Group's profitability to a large extent, together with a more profitable sales mix.

The operating profit includes a cost of €24.9 (2020: €24.5) for the amortisation of intangibles arising primarily from the acquisitions of Sunrise Medical and Handicare Mobility (refer to note 17 for more information), and €6.9 (2020: €4.3) in respect of non-recurring items (see below for more information).

Reconciliation to EBITDA

In millions of euro	2021	2020
Operating profit	41.1	45.2
Depreciation (Note 15 & 16)	15.2	14.4
Amortisation (Note 17)	30.8	28.6
Non-recurring items ¹	6.9	4.3
Realised FX (Included in finance expense in financial statements)	(0.2)	-
EBITDA²	93.8	92.5

¹Non-recurring items

Non-recurring items include costs related to acquisitions, disposals, strategic advisory costs and changes in the group structure as well as site relocations and exceptional costs related to the exit of senior positions within the Group. These include items of income as well as cost. This information is disclosed in order to facilitate improved understanding of the underlying trading performance of the Group and improved comparability year on year, and is consistent with the Group's internal management reporting.

²EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation)

The Group's management uses EBITDA as the internal measure of profitability. In addition to adding back Depreciation, Amortisation, and any non-recurring items to operating profit, realised foreign exchange gains and losses reported for IFRS purposes within finance income/(expense), which arise due to trading activities, are also added or deducted to arrive at EBITDA.

Non-recurring items

	for the year ended 30 June 2021	for the year ended 30 June 2020
In thousands of euro		
Transaction & strategic advisory costs	165	539
Business reorganisation & site relocation	152	586
Personnel changes	2,744	1,692
Impairment of intangible assets	543	223
Acquisition & integration costs	937	425
Other costs including direct COVID-19 expense	2,330	890
Non-recurring items	6,871	4,355

Net profit

In millions of euro	2021	2020
Operating profit	41.1	45.2
Net cash interest	(25.7)	(26.1)
Non-cash financial expenses	(5.0)	3.9
Realised foreign exchange (losses) / gains	(0.2)	(0.1)
Unrealised foreign exchange (losses) / gains	(4.0)	1.9
Net finance costs	(34.9)	(20.4)
Tax expense	(3.0)	(5.0)
Profit for the year	3.2	19.8

Non-cash financial expenses includes the impact of:

- amortising the cost of financing arrangement fees over the life of the debt.
- changes to future cash flows resulting from increases or reductions to the first lien term debt margin as stipulated by IFRS 9. Margin changes are applied according to the first lien leverage ratio as defined in the Facilities Agreement.
- changes to the amortised cost of debt in respect of second lien debt due to movements in the EUR/GBP FX rate.

Revaluation of the second lien term debt of GBP106.8 results in an unrealised exchange loss of €7.2 (2020: €2.0).

Cash flow

Cash flows can be summarised as follows:

In millions of euro	2021	2020
Operating cash flow	86.8	88.6
Change in working capital, provisions and other	(8.8)	0.6
Investments in subsidiaries	(20.7)	(5.0)
Investments in property, plant and equipment and intangibles	(14.6)	(11.0)
Net cash used in financing activities ¹	(59.8)	(11.7)
Income taxes paid	(8.2)	(9.6)
Net cash flow in the period	(25.3)	51.9

At 30 June 2021, the Group had cash and cash equivalents of €75.8 (2020: €100.9), and debt of €551.5 (2020: €562.6) net of capitalised transaction fees of €7.7 (2020: €9.7).

¹ Cash used in financing activities includes interest on term debt and leases as well as the repayment during 2021 of a drawing on the Revolving Credit Facility of €14.0 and USD11.0 made in the prior year.

Financial position

The financial position is as follows:

In millions of euro	2021	2020
Capital employed	711.7	693.2
Shareholders funding	131.7	129.2
Shareholders funding as a % of capital employed	18.5%	18.6%

Capital employed is defined as equity €131.7 (2020: €129.2), long-term loans and borrowings €551.6 (2020: €538.9), long term lease liabilities €20.7 (2020: €18.5) and short-term lease liabilities €7.8 (2020: €6.6).

Risk management objectives and policies

The principles of business policy and of risk management are established and monitored by the Management and Advisory Boards.

The strategic direction of the Company is determined by Management and approved by the Advisory Board, which also approves the annual operating plan of the Company and its subsidiaries. The annual operating plan includes targets which provide the basis for monitoring performance. Performance against operating plan is reported and monitored on a monthly basis, with discussion at meetings of the Advisory Board and of the Finance and Audit Committee.

Regular Senior Leadership Team (SLT) meetings, whose members comprise functional and operational heads of the respective divisions, also serve to monitor risks and risk mitigating activities, as do the Internal Audit and Consulting, Corporate Finance, and Group Treasury functions.

The Company's Business Code of Conduct, "Do The Right Thing" applies to all employees worldwide. This code contributes to the risk management process by providing a clear framework for a high standard of ethical conduct. All employees receive training on this code upon joining the Company and refresher training is undertaken annually.

The Company also operates a Compliance Program in order to ensure that legal and regulatory risks are recorded, monitored, and mitigated. Compliance risks are discussed periodically at SLT and the Finance and Audit Committee meetings.

The risk identification, assessment and mitigation process is a continuous one which operates on an ongoing basis. In addition, an Enterprise Risk Management process aims to ensure that the most significant business risks are identified and managed in a structured manner, in order to better achieve the Company's objectives. These risks and the related risk mitigation activities are tracked and regularly discussed in the appropriate meetings.

The Group reacted promptly to the COVID-19 pandemic in 2020 and formed a COVID response team focused specifically on the management of the specific issues around COVID-19 including employee safety, supply chain, customers, cash forecasting and management, internal operations and cost mitigation. As the pandemic has evolved, management of ongoing issues related to COVID has become part of the regular SLT meeting agenda, with specific resource additionally focused on emerging issues such as supply chain pressures.

Some of the risks facing the Company, along with examples of measures taken to control those risks, are set out below; this does not constitute a complete list of all risks to which the Group is exposed, nor does it imply an order of priority. The Group is willing to take risks in a responsible and calculated manner and hence a

careful and risk-based assessment process is applied in respect of all major strategic and operational decisions. Compliance with laws and regulations and our Business Code of Conduct are important preconditions.

Strategic/political risk

- The Group is subject to changes in government and other third party reimbursement levels in the countries in which it operates, which may result in changes in revenue and a requirement to amend product specifications.
- Consolidation in the medical device market may lead to increased price pressures.
- Political changes such as "Brexit" may impact sourcing and manufacturing decisions.
- The imposition of US tariffs may impact sourcing decisions.

The Group monitors planned changes in reimbursement levels and works with customers and suppliers to mitigate these, including re-engineering products where necessary. The Group is geographically diversified and therefore has flexibility in manufacturing sourcing decisions; this flexibility was used to help mitigate the impact of increased costs and transportation times as a result of Brexit.

Operational risk

- Decreased availability of materials or a loss of certain suppliers may result in reductions in quality, increase in lead times or additional costs.
- Increase in commodity and freight costs may result in decreased profits.
- New products designed and manufactured by the Group may not achieve the anticipated market acceptance or targeted production cost levels.
- Global events such as the COVID-19 pandemic may impact demand for products, interrupt supply chains and disrupt normal operations.
- The Group may experience disruptions to production as a result of unforeseen local circumstances such as fire or flood.
- Cyberattack or data breach may result in loss of data or production capability.
- Implementing Enterprise Resource Planning systems or other IT systems may impact operational efficiency.

The Group implements thorough quality control processes with suppliers and seeks to avoid over-reliance on any individual supplier or region by establishing dual sourcing options wherever possible.

The Group reacted swiftly to the COVID-19 pandemic, with the strategic procurement team working proactively with suppliers and between the Group's various manufacturing facilities to ensure the continued supply of components. This proactive approach has continued as the pandemic and its impact on the global supply chain has evolved. Operational changes to individual sites, with a strong focus on employee and customer safety meant that every location remained open for business. The Group leveraged IT systems to enable effective remote working. All the Group's significant entities were defined as "systems relevant" during the pandemic which meant that no sites needed to close.

The Group has established robust disaster recovery plans and IT compliance programs.

New IT system implementations are resourced by adequately qualified teams and subject to executive and IT steering committee oversight and review.

Financial risk

- The Group is leveraged and is therefore subject to interest rate risk and to restrictions as laid down in its facilities agreement. It is also subject to the risk of being unable to raise new finance or renew existing loans due to market conditions or a decrease in credit rating.
- The Group manufactures and distributes in a range of countries worldwide and is therefore subject to foreign exchange rate fluctuations, both transactional and translational. Foreign exchange rate movements could have an adverse impact on the profits and cash flows of the Group.
- Financial difficulties or bankruptcies of customers may impact the collectability of trade receivables.
- Tax exposures or tax rate increases may affect the Company's future profitability and cash flow.

- The management judgements required to estimate significant provisions may result in actual costs being higher than those estimated.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group has access to a €70m Revolving Credit Facility and has a multi-currency cash concentration pool with a leading global bank which maximises liquidity available to the majority of geographical locations within the Group. The Group has systems in place to facilitate detailed and timely visibility of cash balances and liquidity requirements which mean that when operational risks materialise Management is able to adapt and plan accordingly.

The Group seeks to minimise the effect of financial risks by using derivative financial instruments to hedge risk exposures; the use of these is governed by the Group's risk management policies. Compliance with these policies is reviewed on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The geographical diversification of the Group provides, to a certain extent, a natural hedge against foreign exchange movements. In addition, the Group utilises forward foreign exchange contracts to hedge expected foreign currency cash flows at the level of a Group holding entity based on net currency positions. Note 29 includes a sensitivity analysis estimating the potential impact on the net profit/loss for the Group assuming a 10% movement in relevant currencies.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

Trade receivables consist of a large number of customers spread across a wide range of geographical areas. Customers include Governments, distributors and dealers. This diversification reduces the credit risk exposure.

The Group assesses new customers for creditworthiness before entering into material sale transactions. In monitoring customer credit risk, customers are assessed according to their credit characteristics. Credit limits are applied and adjusted based on an assessment of all risk factors. All divisions comply with the Group's policy regarding provisions for doubtful debts. Management believes that the remaining risk would not be significant enough to have a material impact on the results.

The Corporate tax team monitors tax rate changes and tax exposures on a regular basis and reports on these to executive management. Management believes there are no significant uncertain tax positions or material tax losses capitalised and the remaining risk would not be significant enough to have a material adverse impact on the results. The risk of jurisdictional challenge on the adopted transfer pricing methodology is mitigated by regular updates of profitability benchmarks using third-party data.

The assumptions underlying management estimates are reviewed and updated on a regular basis.

Legislatory & regulatory risk

- The Group is subject to the requirement to comply with a range of laws and regulations across its operating entities worldwide, including Governmental bodies responsible for the regulatory approval of its products such as the FDA in the US and EU directives including the Medical Devices Regulations. The risk of non-compliance in this area may impact on the Group's ability to manufacture and distribute certain products, or may incur additional cost through product recalls or additional warranty claims.
- The Group risks being subject to legal actions, including settlements of litigation or claims in excess of insurance limits.

- Data protection and privacy laws, such as the EU General Data Protection Regulation (GDPR) or the California Consumer Privacy Act, present a risk of non-compliance that may result in fines, legal actions or reputational damage.

The majority of the Group's production facilities are certified in accordance with the ISO 13485 medical devices quality standard and/or the ISO 9001 general quality standard.

The Compliance Program and internal quality procedures seek to ensure that requirements are documented and discussed regularly, with corrective or mitigating actions implemented promptly where required.

The Group has a Data Protection Officer (DPO) who advises management and ensures compliance with GDPR and other data protection regulations globally.

SLT members meet regularly with external counsel to discuss any litigation, including product liability claims.

Sustainability risk

- The Group's manufacturing and distribution operations could potentially cause damage to the environment through air, land or water contamination, even if our operations are essentially non-pollutive. Product manufacturing may impact the environment through the consumption of raw materials and packaging.
- The Group relies on a skilled and compliant workforce to produce high quality products and to work within Sunrise's Business Code of Conduct to further develop the business. An unsafe working environment could cause accidents and sickness levels may impact the ability to fulfil orders.

The Group's major manufacturing facilities maintain ISO 14001 certifications and monitor resource consumption in order to target improvements in areas such as electricity usage and packaging waste. The Group has partnered with consultants to measure greenhouse gas emissions and set targets for reduction.

Associates are all subject to annual refresher training in "Do The Right Thing", the Group's Business Code of Conduct. Training hours are measured and all Associates take part in regular performance reviews. Accidents and near misses are reported on and investigated, and Associates are equipped with personal protective equipment where necessary. The Group reacted to the increased safety concerns during the COVID-19 pandemic by rearranging work areas and shift patterns and by providing personal protective equipment in order to ensure the safety of all personnel.

The strategic and operational risks and the risks in the area of legislation and regulations could have a material impact on the financial performance and position of the Group. Risks concerning product quality and sustainability could also harm the reputation of the Group and its brands. The potential impact of the financial risks is more limited. Processes and management information systems are designed in order to identify these risks in a timely manner in order to respond quickly to changing circumstances.

Subsequent events

There are no subsequent events which would have a material impact on the Group's results or financial position.

Going concern

The ongoing COVID-19 pandemic continues to cause worldwide economic disruption with wide-ranging impacts on global and regional markets, particularly relating to Far East supply chains and shipping freight rates. Whilst the impact on sales and consequently profits in the prior year was restricted to a sharp drop in the final quarter, we have seen a gradual recovery throughout the year ended 30 June 2021, apart from some peaks and troughs which appeared during the second and third waves of the pandemic. These were broadly aligned with

tailwinds from pent-up demand which built up during the first COVID waves to be harvested during the next two financial years. The Group continues to take measures to preserve liquidity and minimise the impact of reduced revenues through attention to management of costs as required.

Considering the current operating performance, the liquidity position of Cidron Ollopa Investment B.V. and its subsidiaries, and anticipated cash and earning developments for the coming year, management believes the going concern assumption for this annual report is appropriate.

Outlook

It is the Group's intention to continue its current business activities, pursuing opportunities for growth through geographical expansion, strategic acquisition and new product development.

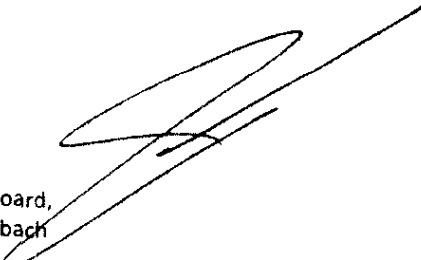
Continued recovery from the impact of COVID-19 is evident across a range of markets as order and revenue levels continue to rise, albeit more rapidly in some geographies than others. The Group will continue to exercise firm control over discretionary spending in line with the recovery of individual markets.

The Company operates in a highly competitive market and does not expect this to change in the near future although there may be further consolidation within the industry which may provide opportunities for the Group.

The level of capital investment is expected to be ahead of that of the year ended 30 June 2021, due mainly to establishment of a new facility in the US and investments to further unify IT systems across the Group. Research and development into new products and technologies continues to be a key investment area in order to drive growth and remain competitive, with the intention to launch new or enhanced products across the range of the Group's product portfolio in the next year.

Significant fluctuations in major currencies could, in the short-term, impact revenue and profitability.

The Group considers that it will have sufficient liquidity available throughout the year to fulfil its growth and investment plans. It expects that the number of employees will remain broadly stable.



Management Board,
Jan-Hein Kallenbach
Roel Langelaar

Amsterdam, the Netherlands, 17 September 2021

Cidron Ollopa Investment B.V.
Consolidated financial statements
Consolidated income statement
for the year ended 30 June 2021

In thousands of euro	Note	for the year ended 30 June 2021	for the year ended 30 June 2020
Revenue	6	474,914	479,597
Cost of sales	7	(306,727)	(313,155)
Gross profit		168,187	166,442
Other income	8	1,585	666
Selling and marketing expenses	10	(60,278)	(59,070)
Administrative expenses	11	(34,176)	(31,407)
Research and development expenses		(8,867)	(6,222)
Amortisation of intangible assets	17	(24,860)	(24,456)
Other expenses	9	(508)	(845)
Share of results of associates		48	64
Operating profit		41,131	45,172
Finance income	12	1,256	2,970
Finance costs	12	(36,214)	(23,413)
Net finance costs		(34,958)	(20,443)
Profit before tax		6,173	24,729
Tax expense	18	(2,954)	(4,971)
Profit for the year		3,219	19,758
Profit attributable to:			
Owners of the Company		3,204	19,621
Non-controlling interests	23	15	137
Profit for the year		3,219	19,758

All results are derived from continuing operations. The accompanying notes are an integral part of these consolidated financial statements.

Cidron Ollopa Investment B.V.
Consolidated statement of comprehensive income
for the year ended 30 June 2021

In thousands of euro	Note	for the year ended 30 June 2021	for the year ended 30 June 2020
Profit for the year		3,219	19,758
Other comprehensive loss			
Exchange differences on translating foreign operations		(798)	(2,424)
Total items that are or may be reclassified subsequently to profit or loss		(798)	(2,424)
Other comprehensive loss for the year		(798)	(2,424)
Total comprehensive income for the year		2,421	17,334
Total comprehensive income attributable to:			
Owners of the Company		2,406	17,197
Non-controlling interests	23	15	137
		2,421	17,334

All results are derived from continuing operations. The accompanying notes are an integral part of these consolidated financial statements.

Cidron Ollopa Investment B.V.
Consolidated statement of financial position
as at 30 June 2021

In thousands of euro	Note	30 June 2021	30 June 2020
Assets			
Property, plant and equipment	15	22,089	20,758
Right-of-use assets	16	25,237	21,535
Goodwill	17	271,553	257,754
Other intangible assets	17	299,757	313,615
Investments in associates		161	119
Other receivables	20	1,642	800
Receivable from a related party	20	15,946	13,686
Financial assets	21	-	7
Deferred tax assets	18	5,230	4,229
Non-current assets		641,615	632,503
Inventories	19	79,059	74,509
Current tax assets	18	2,248	2,457
Trade and other receivables	20	77,183	62,997
Prepayments		3,328	3,225
Other current assets		951	1,243
Financial assets	21	422	118
Cash and cash equivalents	22	75,824	100,904
Current assets		239,015	245,453
Total assets		880,630	877,956
Equity			
Share capital	23	229	229
Share premium	23	90,498	90,498
Legal reserves	23	6,241	4,883
Retained earnings		33,601	32,553
Equity attributable to owners of the Company		130,569	128,163
Non-controlling interests		1,087	1,072
Total equity		131,656	129,235
Liabilities			
Loans and borrowings	24	551,574	538,905
Lease liabilities	28	20,657	18,454
Other non-current liabilities	27	1,359	1,508
Deferred tax liabilities	18	64,393	69,824
Non-current liabilities		637,983	628,691
Loans and borrowings	24	64	23,906
Lease liabilities	28	7,831	6,632
Other financial liabilities	25	176	1,217
Current tax liabilities	18	4,699	3,881
Trade payables	27	42,943	35,424
Provisions	26	11,468	11,334
Accruals and other current liabilities	27	43,810	37,636
Current liabilities		110,991	120,030
Total liabilities		748,974	748,721
Total equity and liabilities		880,630	877,956

The accompanying notes are an integral part of these consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 17 September 2021

Cidron Ollopa Investment B.V.
Consolidated statement of changes in equity
for the year ended 30 June 2021

In thousands of euro	Share capital	Share premium	Legal reserves	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total equity
Balance at 30 June 2019	229	90,498	5,171	15,068	110,966	935	111,901
Profit for the year	-	-	-	19,621	19,621	137	19,758
Other comprehensive loss (OCI) for the year, net of income tax	-	-	(2,424)	-	(2,424)	-	(2,424)
Total comprehensive income for the year	-	-	(2,424)	19,621	17,197	137	17,334
Transfer to legal reserves (R&D)	-	-	2,136	(2,136)	-	-	-
Balance at 30 June 2020	229	90,498	4,883	32,553	128,163	1,072	129,235
Profit for the year	-	-	-	3,204	3,204	15	3,219
Other comprehensive loss (OCI) for the year, net of income tax	-	-	(798)	-	(798)	-	(798)
Total comprehensive (loss) / income for the year	-	-	(798)	3,204	2,406	15	2,421
Transfer to legal reserves (R&D)	-	-	2,156	(2,156)	-	-	-
Balance at 30 June 2021	229	90,498	6,241	33,601	130,569	1,087	131,656

Legal reserves are detailed in note 23 (v).

The accompanying notes are an integral part of these consolidated financial statements.

Cidron Ollopa Investment B.V.
Consolidated statement of cash flows
for the year ended 30 June 2021

In thousands of euro	Note	for the year ended 30 June 2021	for the year ended 30 June 2020
Cash flows from operating activities:			
Profit for the year		3,219	19,758
Adjustments for:			
Depreciation	15/16	15,201	14,378
Amortisation of intangible assets	17	30,848	28,586
Impairment loss on trade receivables	9	114	814
Net unrealised foreign exchange loss / (gain)	12	4,051	(1,907)
Net finance costs for the year		30,704	22,381
(Profit) on sale of property, plant and equipment		(296)	(429)
Tax expense for the year	18	2,954	4,971
		86,795	88,552
Movements in working capital:			
Change in inventories		(2,147)	(7,869)
Change in trade receivables		(12,350)	19,373
Change in trade payables		6,158	(7,539)
Change in other working capital		(472)	(3,326)
Cash generated from operating activities		77,984	89,191
Income taxes paid		(8,185)	(9,639)
Net cash generated from operating activities		69,799	79,552
Cash flows from investing activities:			
Consideration for business acquisitions (net of cash acquired)		(20,659)	(5,019)
Proceeds on disposal of property, plant and equipment		726	1,080
Purchase of property, plant and equipment	15 & 17	(15,387)	(11,970)
Net cash used in investing activities		(35,320)	(15,909)
Cash flows from financing activities:			
Net interest paid		(25,617)	(26,342)
Proceeds from borrowings	24	-	24,093
Repayment of borrowings	24	(24,511)	-
Interest paid on lease liabilities		(961)	(979)
Repayment of lease liabilities		(7,623)	(6,804)
Parent company loan		(1,105)	(1,669)
Net cash used in financing activities		(59,817)	(11,701)
Net (decrease) / increase in cash and cash equivalents		(25,338)	51,942
Cash and cash equivalents at beginning of the year		100,904	49,335
Effect of exchange rate fluctuations on cash held		258	(373)
Cash and cash equivalents at end of the year		75,824	100,904

The accompanying notes are an integral part of these consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 17 September 2021

Cidron Ollopa Investment B.V.

Notes to the consolidated financial statements

for the year ended 30 June 2021

1. Reporting entity

Cidron Ollopa Investment B.V. (the "Company") is a limited liability company with its registered office at Barbara Strozilaan 201, 1083 HN, Amsterdam, the Netherlands. The Company is a holding company, and its objective is to participate in, to finance or have any other interest in, or to conduct the management of, other companies or enterprises. The consolidated financial statements of the Company as at 30 June 2021 and for the year then ended comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'group entities'). The Group's subsidiaries are listed in note 35.

The Company was incorporated on 27 May 2015 and is registered with the Chamber of Commerce ('Kamer van Koophandel') in the Netherlands under the number 63389789.

The Group designs, manufactures, and distributes medical products for the global durable medical equipment market. Products include manual and power wheelchairs, motorised scooters, seating and positioning systems, and daily living aids.

Cidron Ollopa Investment B.V.'s shares are ultimately majority-owned by Cidron Liberty Systems Ltd, an investment company which is owned by several investment funds advised by Nordic Capital.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and Part 9, Book 2 of the Dutch Civil Code ("B2 DCC").

The financial information relating to Cidron Ollopa Investment B.V. is presented in the consolidated financial statements. Accordingly, in accordance with section 402, Part 9, B2 DCC, the Company financial statements only contain an abridged income statement.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as detailed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(c) Functional and presentation currency

These consolidated financial statements are presented in euro, which is the Group's reporting currency. All financial information presented in euro has been rounded to the nearest thousand, except where otherwise indicated.

(d) Use of critical accounting judgements and estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates. Details of the Group's most relevant judgements and estimates are described within the relevant accounting policy in note 3 below.

In the application of the Group's accounting policies, many assumptions or estimations are made but none of these are considered to have a significant risk of material adjustment to the carrying amount of assets or liabilities within the next year. The relevant assumptions or estimations are disclosed in more detail in the applicable accounting policies contained in note 3 below.

(e) Impact of COVID-19

The ongoing COVID-19 pandemic continues to cause worldwide economic disruption with wide-ranging impacts on global and regional markets, particularly relating to Far East supply chains and shipping freight rates. The impact on sales and consequently profits experienced during the final quarter of the prior year continued to a lesser extent throughout the year ended 30 June 2021, generally varying in line with the relaxation or tightening of regional lockdown restrictions. Whilst the timeline to full recovery is uncertain, management believes that the underlying demand for mobility products remains strong and some tailwinds from pent-up demand which built up during the first COVID waves could be enjoyed during FY22. The Group continues to take measures to preserve liquidity and minimise the impact of reduced revenues through attention to management of costs as required.

Considering the current operating performance, the liquidity position of Cidron Ollopa Investment B.V. and its subsidiaries, and anticipated cash and earning developments for the coming year, management believes the going concern assumption for this annual report is appropriate.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these consolidated financial statements, and have been applied consistently by group entities.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company has the power over the investee; is exposed, or has the rights, to variable returns from its involvements with the investee; and has the ability to use its power to affect its returns.

Income and expenses of subsidiaries acquired during the year are included in the consolidated income statement and in the consolidated statement of other comprehensive income from the effective date of acquisition. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated statement of cash flows has been prepared using the indirect method. Cash flows in foreign currencies are restated into euros at average rates.

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date when control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; less
- the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units that is expected to benefit from the synergies of the combination. The Group identifies its two cash generating units as Europe and North America. Europe includes entities such as Australia and China as the business is managed on a geographical basis.

Goodwill allocated to each cash generating unit is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in unit. Any impairment loss for goodwill is recognised directly in profit or loss.

Accounting judgements and estimates

In performing impairment testing for goodwill and intangible assets, management performs value in use calculations. These require management to estimate future cash flows. Selection of suitable discount rates to apply to the future cash flow estimates requires judgement. Judgement is also required in determining whether any triggers for impairment exist.

(ii) Non-controlling interests

For each business combination, the Group measures any non-controlling interests in the acquiree at their proportionate share of the acquiree's identifiable net assets.

Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Group's subsidiaries are listed in note 35.

(iv) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in any associate.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Any exchange differences arising are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets and liabilities acquired on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognised in other comprehensive income and accumulated in equity.

(c) Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVTPL:

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on amounts due from customers. The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial

instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 240 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL

are no longer met, the Group measures the loss allowance at an amount equal to 12 months ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Group classifies its preference shares as equity instruments as distributions to the preference shareholders are at the discretion of the issuer.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iii) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging

instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

In both the year ended 30 June 2021 and the year ended 30 June 2020 none of the derivative financial instruments held by the Group met the criteria for hedge accounting. As a result any movement in these instruments is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses

Costs include expenditure that is directly attributable to the acquisition of the asset.

Products from the Power, Adult Manual and Paediatric product groups issued as samples, which are not held for sale but used over an extended period in the generation of business, are recognised as fixed assets upon issue out of inventory. The value that is capitalised represents the full manufacturing and related delivery costs, excluding any intercompany profit.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. On-going repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognised in profit or loss.

Land is not depreciated.

The estimated useful lives for significant items of property, plant and equipment are as follows:

• buildings	25 - 40 years
• leasehold improvements	2 - 5 years
• plant and equipment	3 - 15 years
• fixtures and fittings	3 - 10 years
• samples	1 - 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(e) Intangible assets and goodwill

(i) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented separately in the consolidated statement of financial position.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Research and development

Pure research costs, being expenditure on original and planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognised in profit or loss as incurred.

Development costs, being the application of research to a plan or design for the production of new products, processes, systems and services, are capitalised as an intangible asset.

Accounting judgements and estimates

Determining which development projects meet the criteria for capitalisation according to IAS 38 requires judgement. Judgement is also required when reviewing development projects for impairment indicators. The assessment of the assets' ability to generate future economic benefits requires a number of estimates, including in relation to forecast sales of the developed product and costs which will be incurred in completing the project.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have accumulated amortisation are measured at cost less accumulated amortisation and any accumulated impairment losses. They comprise trademarks, customer relationships and technologies.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(v) Amortisation

Except for goodwill and the Company brand (included in trademarks), intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives of intangible assets are as follows:

- trademarks 8 - 15 years
- customer relationships 9 - 25 years
- technologies 5 - 20 years
- computer software 3 - 7 years
- development costs 2 - 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The Company brand, which has an indefinite useful life, is tested annually for impairment, and is not amortised. It is measured at cost less accumulated impairment losses.

(ff) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on standard cost as being an approximation to actual cost. It includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overhead based on normal operating capacity. Standard costs are frequently revised to take account of variances that arise when actual performance varies from the budgeted figures on which the standard costs are based.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. There are no defined benefit plans.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

(iv) Key management personnel

Key management personnel are defined as the Senior Leadership Team.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Warranties

Certain products are covered by warranties against defects in material and workmanship for periods of up to five years. Components of certain products carry a lifetime warranty. A provision for warranty is recognised at the time of sale. It is based on historical warranty data and management judgement in specific cases.

Accounting judgements and estimates

Judgement is required in assessing which warranty risks are significant enough to require a specific provision over and above any calculation based on historical warranty incidence data. Estimates applied to the warranty

provision process include the future cost of repairing or replacing faulty components or products and the quantity of products which will be subject to the cost of repair or replacement.

(ii) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. Restructuring costs are accounted for according to the separately disclosed items policy discussed in b) above.

(iii) Customer rebates

Certain group companies operate a customer rebate program based on selected customers achieving agreed annual targets for purchases of Sunrise Group products. Rebates are deducted from gross revenue and are recognised based on forecast annual volumes to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(iv) Product liability

The Group is responsible for meeting costs in relation to product liability which fall below the level at which the Group insures this liability. The provision is made on the basis of estimates for reported claims to which loss development factors are applied to reach a projected ultimate settlement value.

(i) Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and customer rebates.

The Group recognises revenue from the sale of wheelchairs, mobility scooters, seating and positioning systems and spare parts. Substantially all of the revenue is derived from the sale of goods, with an insignificant element resulting from the recovery of delivery charges invoiced to customers, and very limited provision of services in connection with the sale of wheelchairs and other products.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group recognises revenue when it transfers control of a product or service to a customer. This is generally considered to be when the goods have been shipped. Following delivery, the customer has primary responsibility for the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the revenue is recognised. This represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

The Group sells wheelchairs, mobility scooters, seating and positioning systems and spare parts to governmental agencies, dealers, and to a lesser extent directly to customers. Sales-related warranties cannot be purchased separately and they serve as an assurance that products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Under the Group's various contract terms, customers have a right to return only in very restricted circumstances, as the majority of sales relate to custom orders. Refunds as a result of these returns are considered immaterial.

At the point of sale, a refund liability and a corresponding adjustment to revenue are recognised for the products expected to be returned as well as for other adjustments to revenue such as pricing. The Group uses its accumulated historical experience to estimate the number of returns. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Delivery and handling costs charged to customers are recorded as revenue in the period the related sale of goods is recognised.

IFRS 15 uses the term "contract liability" to describe what might more commonly be known as "deferred revenue". The Group continues to use the term "deferred revenue" as it did prior to the adoption of IFRS 15.

(j) Government grants

The Group accounts for government grants in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. A grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) that the grant will be received.

Grants are recognised in income over the period necessary to match them with the related costs for which they are intended to compensate. As the Group presents its income statement by function, grants are recorded as a reduction to the costs within the function which the grant is intended to compensate.

Grants receivable from governments which have been recognised in income but not yet paid are recognised in the Statement of financial position in trade and other receivables. Grants received in cash but which have not been recognised in income are recognised in the Statement of financial position in accruals and other current liabilities.

(k) Right-of-use assets and lease liabilities

The Group is a party to lease contracts for, among others:

- buildings (office space, factories and warehouses)
- motor vehicles
- plant and machinery
- IT equipment
- furniture and fixtures

Leases are recognised, measured and presented in line with IFRS 16 Leases.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (less than USD5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's incremental borrowing rate (IBR). The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

In calculating the IBR, Management has taken account of the baseline reference rate and made adjustments relating to the currency, economic environment and level of indebtedness of each lessee as well as adjustments according to the asset type and term of each lease.

The lease term determined comprises the non-cancellable period of lease contracts, periods covered by an enforceable option to extend the lease if the Group is reasonably certain to exercise that option. Subsequent to

initial measurement, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, and reducing it by lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any initial direct costs and an estimate of asset retirement obligations, less any lease incentives. Subsequently, right-of-use assets are measured at cost, less accumulated depreciation and any accumulated impairment losses, and are adjusted for certain measurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

Right-of-use assets are presented within non-current assets on the face of the Consolidated statement of financial position and lease liabilities are shown separately in current liabilities and non-current liabilities depending on the remaining length of the lease.

Accounting judgements and estimates

Management has made certain judgements in relation to the likelihood of exercising enforceable lease extension options based on a wide range of factors including economic factors, the Group's manufacturing footprint and current and planned product portfolio. A change in these factors may lead to an increase or decrease in lease liability and right-of-use asset in future periods. In calculating the IBR, management has also made adjustments to the base borrowing rate, which inherently contain an element of judgement.

(l) Finance income and finance costs

Finance income comprises interest income on cash held with banks and gains on hedging instruments that are recognised in profit or loss.

Finance costs comprise interest expense on borrowings, losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost.

(m) Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill (other than US goodwill which gives rise to tax deductible amortisation) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Accounting judgements and estimates

The Group is subject to income taxes in numerous jurisdictions. Judgement and estimation is required in determining the worldwide provision for income taxes and there are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for quantifiable anticipated tax audit issues based on estimates of whether additional taxes will be due. Amounts are recognised based on management's interpretation of tax law and the likelihood of settlement, which requires judgement. Where the final tax outcome of these matters is different from the amount that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Recognition of deferred tax assets requires the use of judgements regarding the value and timing of future taxable income.

(n) Cash flow statement

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid investments. Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences are shown separately in the cash flow statement.

Corporate income taxes are presented under the cash flow from operating activities. Issuance of share capital, interest paid or received and dividends paid or received are presented under the cash flow from financing activities.

The cost of group companies acquired is presented under the cash flow from investment activities, as far as payment has been made with cash and cash equivalents. The cash and cash equivalents of the group companies acquired are deducted from the purchase cost.

4. New Standards and Interpretations

(i) Adoption of new and revised standards

The Group has not adopted any new or revised standards in the current year.

(ii) Standards and Interpretations effective in the current period

Annual Improvement to IFRS Standards 2018-2020 – amendments to the following:

- IFRS 1
- IFRS 9
- IFRS 16
- IAS 41

Interest Rate Benchmark Reform (Amendments to IFRS 9, IFRS 7)

Amendments to Reference to the Conceptual Framework (Amendments to IFRS 3)

Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)

None of the above amendments has had a material impact on the Group's financial statements.

(iii) Standards and Interpretations issued by the IASB but not yet effective

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IFRS 7 and IFRS 16) (effective for annual reporting periods beginning on or after 1 January 2021).

5. Acquisition of subsidiaries

On 17 August 2020 the Company acquired 100% of the shares of James Leckey Design Ltd and its subsidiaries ('Leckey').

The acquisition of this UK (Northern Ireland) based designer and manufacturer of paediatric positioning and standing medical equipment will broaden the existing range of products available across the Group's global distribution channels.

The goodwill generated as a result of the transaction represents assets that do not qualify for separate recognition, including workforce, market share, and access to new customers and markets.

For the period ended 30 June 2021 Leckey contributed €14.1m to the revenue and €2.0m to the operating profit of the Group.

If this business combination had been effected at 1 July 2020, the revenue of the Group would have been €476.9m, and the profit from operating activities would have been €41.3m. The Group considers these "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

(i) Consideration transferred

In thousands of euro	Total
Initial cash consideration	23,114
Total consideration	23,114
Less: cash and cash equivalent balances acquired	(2,455)
Net cash outflow on acquisition of subsidiary	20,659

(ii) Identifiable assets acquired and liabilities assumed

In thousands of euro	Note	Book value	Fair value adjustments	Total
Property, plant and equipment	15	1,866	-	1,866
Right-of-use assets	16	2,444	-	2,444
Intangible assets	17	1,338	8,511	9,849
Investments in subsidiaries		21	-	21
Inventories		2,032	-	2,032
Trade and other receivables		2,180	-	2,180
Cash and cash equivalents		2,455	-	2,455
Bank debt and lease obligations		(3,512)	-	(3,512)
Trade and other payables		(1,304)	-	(1,304)
Other liabilities		(4,853)	(1,837)	(6,690)
		2,667	6,674	9,341

The gross value of trade receivables included above is €2,565. In determining the fair value, the Company has applied the group policy regarding the provision for doubtful debts and therefore anticipates collection of the fair values in full.

(iii) Goodwill

Goodwill was recognised as a result of the acquisition as follows:

In thousands of euro	Note	Total
Total consideration		23,114
Fair value of identifiable net assets		(9,341)
Goodwill on acquisition	17	13,773

The goodwill arising on the acquisition of Leckey is not tax deductible.

(iv) Acquisition-related costs

The Group incurred acquisition-related costs of €930 mainly comprising external legal fees, due diligence costs and expenses related to the integration period.

Cidron Ollopa Investment B.V.
Notes to the consolidated income statement
for the year ended 30 June 2021

6. Revenue

	for the year ended 30 June 2021	for the year ended 30 June 2020
In thousands of euro		
Revenue from the sale of goods		
US	127,135	146,687
Europe - European Union	216,952	246,767
Europe - Non-European Union	71,411	34,560
Other Countries	59,416	51,583
Total revenue	474,914	479,597

Revenue from the sale of goods is stated net of returns, trade discounts and customer rebates.

Revenue from 1 January 2021 for UK entities amounting to €38,857 has been disclosed as Europe – Non-European Union following Brexit. If UK revenue had been outside the European Union for the whole period the impact would have been €64,052 (FY20: €55,640).

The transaction price allocated to unsatisfied performance obligations (deferred revenue) as at 30 June 2021 amounts to €1,237 (2020: €892) and will be recognised in the 2022 financial year (note 27). Deferred revenue of €756 as at 30 June 2020 has been recognised as revenue in the current reporting period.

The Group has no other sources of revenue apart from revenue from contracts with customers and all revenue is recognised at a point in time.

7. Cost of sales

	for the year ended 30 June 2021	for the year ended 30 June 2020
In thousands of euro		
Cost of raw materials and other inventory used	213,815	224,139
Payroll and related expenses	50,980	49,019
Depreciation	7,448	6,720
Manufacturing overhead, distribution costs and other costs	34,484	33,277
Total cost of sales	306,727	313,155

8. Other income

	for the year ended 30 June 2021	for the year ended 30 June 2020
In thousands of euro		
Miscellaneous income	437	666
Reversal of duty expenses	1,148	-
Total other income	1,585	666

9. Other expenses

In thousands of euro	Note	for the year ended 30 June 2021	for the year ended 30 June 2020
Increase in the allowance for doubtful debts	20	114	814
Other costs		394	31
Total other expenses		508	845

10. Selling and marketing expenses

In thousands of euro		for the year ended 30 June 2021	for the year ended 30 June 2020
Customer service expenses		11,431	11,304
Selling expenses		41,307	37,800
Marketing expenses		5,619	7,653
Product management expenses		1,921	2,313
Total selling and marketing expenses		60,278	59,070

The majority of selling and marketing expenses relate to staff costs including commissions. This amounted to 78% of the total costs incurred in the year ended 30 June 2021 (2020: 71%).

11. Administrative expenses

In thousands of euro	Note	for the year ended 30 June 2021	for the year ended 30 June 2020
Finance expenses excluding audit fees		8,503	7,298
Audit fees	34	854	672
HR expenses		2,469	1,914
Administration expenses		6,453	7,798
IT expenses		8,712	8,185
Corporate expenses		7,185	5,540
Total administrative expenses		34,176	31,407

12. Finance income and finance costs

Recognised in profit or loss:

	for the year ended 30 June 2021	for the year ended 30 June 2020
In thousands of euro		
Interest income	1,256	1,062
Net unrealised foreign exchange gains	-	1,908
Finance income	1,256	2,970
Interest expense on bank overdrafts and loans	(26,028)	(26,189)
Interest expense on leases	(961)	(979)
Non-cash financial expenses	(5,007)	3,885
Net realised foreign exchange losses	(167)	(130)
Net unrealised foreign exchange losses	(4,051)	-
Finance costs	(36,214)	(23,413)
Net finance costs recognised in profit or loss	(34,958)	(20,443)

Non-cash interest expense on bank overdrafts and loans includes €3,546 (2020: income of €5,282) non-cash impact in respect of adjustments to the amortised cost of debt under IFRS 9.

13. Personnel expenses

	for the year ended 30 June 2021	for the year ended 30 June 2020
In thousands of euro		
Employee benefits, excluding social security & defined contribution plans	101,789	93,065
Social security contributions	11,695	10,173
Defined contribution plans	3,504	3,052

Employee benefits are presented net of government grants of €773 (2020: €1,472) received through COVID-19 support programs by various group subsidiaries.

14. Average number of employees

The average number of employees of the Group for the year ended 30 June 2021 was 2,347 (2020: 2,339), of which 172 (2020: 138) were employed in the Netherlands.

Cidron Ollopa Investment B.V.
Notes to the consolidated statement of financial position
as at 30 June 2021

15. Property, plant and equipment

In thousands of euro	Land and buildings	Plant and equipment	Fixtures and fittings	Samples	Total
Cost					
Balance at 30 June 2019	11,937	17,069	1,129	15,235	45,370
Acquired through business combination	653	258	18	-	929
Additions	282	1,586	323	3,692	5,883
Disposals	(91)	(218)	(41)	(3,544)	(3,894)
Effect of movements in exchange rates	(14)	13	35	48	82
Balance at 30 June 2020	12,767	18,708	1,464	15,431	48,370
Acquired through business combination	-	1,355	211	300	1,866
Additions	176	2,526	342	4,452	7,496
Disposals	11	(277)	(45)	(1,743)	(2,054)
Effect of movements in exchange rates	(42)	(1,561)	428	(106)	(1,281)
Balance at 30 June 2021	12,912	20,751	2,400	18,334	54,397
Accumulated depreciation and impairment losses					
Balance at 30 June 2019	3,531	10,316	626	8,681	23,154
Acquired through business combination	52	125	12	-	189
Depreciation for the year	858	2,374	176	4,107	7,515
Eliminated in respect of disposals	(33)	(138)	(41)	(3,031)	(3,243)
Effect of movements in exchange rates	(11)	21	(41)	28	(3)
Balance at 30 June 2020	4,397	12,698	732	9,785	27,612
Depreciation for the year	695	2,671	325	3,800	7,491
Eliminated in respect of disposals	11	(260)	(45)	(1,330)	(1,624)
Effect of movements in exchange rates	(35)	(1,569)	440	(7)	(1,171)
Balance at 30 June 2021	5,068	13,540	1,452	12,248	32,308
Carrying amounts					
At 30 June 2020	8,370	6,010	732	5,646	20,758
At 30 June 2021	7,844	7,211	948	6,086	22,089

At 30 June 2021, the properties, plant and equipment of certain subsidiaries have been pledged as security under the Group's Senior Facilities Agreement (see note 30).

The disposal of these assets is permitted in the ordinary course of business under the terms of the Senior Facilities Agreement. Other disposals are subject to certain restrictions.

16. Right-of-use assets

In thousands of euro	Right-of-use: Buildings	Right-of-use: Vehicles	Right-of-use: Plant and equipment	Right-of-use: Other	Total
Cost					
Balance at 1 July 2019	46,322	6,354	1,927	624	55,227
Acquired through business combination	212	-	57	-	269
Additions	7,677	1,830	346	6	9,859
Disposals	(936)	(1,711)	(152)	(271)	(3,070)
Effect of movements in exchange rates	(54)	(132)	(28)	(1)	(215)
Balance at 30 June 2020	53,221	6,341	2,150	358	62,070
Acquired through business combination	1,783	133	528	-	2,444
Additions	6,320	1,937	515	18	8,790
Disposals	(4,292)	(1,854)	(294)	(92)	(6,532)
Effect of movements in exchange rates	(299)	81	17	(3)	(204)
Balance at 30 June 2021	56,733	6,638	2,916	281	66,568
Accumulated depreciation and impairment losses					
Balance at 1 July 2019	32,410	3,051	902	374	36,737
Acquired through business combination	-	-	15	-	15
Depreciation for the year	4,455	1,865	390	153	6,863
Eliminated in respect of disposals	(881)	(1,605)	(112)	(271)	(2,869)
Effect of movements in exchange rates	(125)	(68)	(15)	(3)	(211)
Balance at 30 June 2020	35,859	3,243	1,180	253	40,535
Depreciation for the year	5,111	1,902	631	66	7,710
Eliminated in respect of disposals	(4,457)	(1,807)	(266)	(101)	(6,631)
Effect of movements in exchange rates	(346)	46	12	5	(283)
Balance at 30 June 2021	36,167	3,384	1,557	223	41,331
Carrying amounts					
At 30 June 2020	17,362	3,098	970	105	21,535
At 30 June 2021	20,566	3,254	1,359	58	25,237
Average lease term (years)					
At 30 June 2020	10	4	6	5	
At 30 June 2021	8	3	6	5	

In relation to the disclosure requirements of IFRS 16.59, there are no leases with significant residual value guarantees, variable lease payments that do not depend on an index or rate, sale or leaseback transactions, leases subject to material restrictions or covenants. A property lease in the US with a value of €3,274 will commence in September 2021. Whilst there are a number of leased properties with enforceable extension options, none of these would have a material impact on the value of future cash outflows.

Information in relation to lease liabilities is shown in note 28.

17. Goodwill and other intangible assets

In thousands of euro	Goodwill	Trademarks	Customer relationships and technologies	Capitalised development costs	Computer software	Total
Cost						
Balance at 30 June 2019	253,411	77,140	338,533	20,054	8,198	697,336
Acquired through business combination	-	249	-	10	-	259
Additions	4,572	-	-	5,059	1,028	10,659
Disposals	-	-	-	(41)	-	(41)
Other adjustments	-	-	-	8	(226)	(218)
Effect of movement in exchange rates	(229)	-	-	(61)	(73)	(363)
Balance at 30 June 2020	257,754	77,389	338,533	25,029	8,927	707,632
Acquired through business combination	-	2,163	6,348	2,534	-	11,045
Additions	13,773	-	-	5,982	1,909	21,664
Disposals	-	-	-	(14)	(41)	(55)
Other adjustments	-	-	-	(163)	(380)	(543)
Effect of movement in exchange rates	26	-	-	(356)	211	(119)
Balance at 30 June 2021	271,553	79,552	344,881	33,012	10,626	739,624
Accumulated amortisation and impairment losses						
Balance at 30 June 2019	-	13,258	82,166	7,610	4,805	107,839
Amortisation for the year	-	3,671	20,785	2,938	1,192	28,586
Effect of movement in exchange rates	-	-	-	(99)	(63)	(162)
Balance at 30 June 2020	-	16,929	102,951	10,449	5,934	136,263
Acquired through business combination	-	-	-	1,196	-	1,196
Amortisation for the year	-	3,976	20,884	4,718	1,270	30,848
Disposals	-	-	-	(9)	(40)	(49)
Effect of movement in exchange rates	-	-	-	(76)	132	56
Balance at 30 June 2021	-	20,905	123,835	16,278	7,296	168,314
Carrying amounts						
At 30 June 2020	257,754	60,460	235,582	14,580	2,993	571,369
At 30 June 2021	271,553	58,647	221,046	16,734	3,330	571,310

(a) Amortisation and impairment loss

The Sunrise Medical brand has a carrying amount of €27.3m (2020: €27.3m) and is assigned an indefinite useful life. It is the intention of the Group to receive a benefit from the brand indefinitely and there is no indication

that this will not be the case. The Sunrise Medical brand is allocated equally between the two cash generating units and is assessed for impairment annually.

The amortisation of trademarks, customer relationships and technologies is included in the amortisation of intangible assets line in the consolidated income statement. The amortisation of capitalised development costs is shown in research and development expenses, and the amortisation of computer software is shown in IT expenses within administrative expenses.

An impairment loss of €380 was recorded within computer software during the year. This relates to an Enterprise Resource Planning (ERP) system in Europe. An impairment loss of €163 was recorded within capitalised development costs. This primarily relates to a US development project. These losses are recorded within the research and development expenses line of the Consolidated income statement.

(b) Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units (CGU). These CGUs are Europe and North America. The aggregate carrying amount of goodwill allocated to each CGU is as follows:

In thousands of euro	30 June 2021	30 June 2020
Europe	172,444	158,645
North America	99,109	99,109
	271,553	257,754

(i) Europe

The Europe CGU's impairment test was based on value in use, which was estimated using discounted cash flow projections.

Key assumptions used in the calculation of recoverable amounts are discount rates, terminal value growth rates and EBITDA growth rate. The values assigned to the key assumptions represented management's assessment of future trends in the global homecare durable medical equipment market, and were based on both external and internal sources (historical data). The key assumptions were as follows:

Weighted average (in percent)	30 June 2021	30 June 2020
Discount rate	5.10	4.90
Terminal value growth rate	1.50	1.50
Forecast normalised EBITDA growth rate	3.85	3.51

The discount rate was a pre-tax measure based on past experience and an industry weighted average cost of capital. Four years of cash flows were included in the discounted cash flow model. A long-term growth rate in perpetuity was determined based on an estimate of inflation specific to the CGU. Forecast EBITDA was based on expectation of future outcomes taking into account past experience.

The estimated recoverable amount of the Europe CGU exceeded its carrying amount. Sensitivity analysis was performed which indicated that based on reasonably possible changes in assumptions on which the goodwill impairment test was based would not indicate a requirement to impair the goodwill.

(ii) North America

The North America CGU's impairment test was based on value in use, which was estimated using discounted cash flow projections.

Key assumptions used in the calculation of recoverable amounts are discount rates, terminal value growth and EBITDA growth rate. The values assigned to the key assumptions represented management's assessment of future trends in the global homecare durable medical equipment market, and were based on both external and internal sources (historical data). The key assumptions were as follows:

Weighted average (in percent)	30 June 2021	30 June 2020
Discount rate	5.10	4.90
Terminal value growth rate	2.30	1.50
Forecast normalised EBITDA growth rate	7.58	5.52

The discount rate was a pre-tax measure based on past experience and an industry weighted average cost of capital. Four years of cash flows were included in the discounted cash flow model. A long-term growth rate in perpetuity was determined based on an estimate of inflation specific to the CGU. Forecast EBITDA was based on expectation of future outcomes taking into account past experience.

The estimated recoverable amount of the North American CGU exceeded its carrying amount. Sensitivity analysis was performed which indicated that based on reasonably possible changes in assumptions on which the goodwill impairment test was based would not indicate a requirement to impair the goodwill.

(c) Impairment testing for other intangible assets

(i) Trademarks, customer relationships & technologies

The Group has a portfolio of global, highly recognised brands that were assessed at their fair value subsequent to the acquisition of Sunrise Medical. All of these brands continue to represent a valuable asset as they are well known in the market and therefore constitute brand relevance and strength.

Customer contacts and the related customer relationships have been established over a significant period of time. Sales forces build and maintain personal contact with customers who mainly comprise dealers selling to end users and government agencies. Due to long-term and well-established customer relationships management expect the vast majority of existing customers to continue to do business with the Group in the future.

Sunrise Medical owns a broad range of intellectual property including a sizeable number of utility and design patents. Sunrise Medical's product-specific technologies are widely protected by patents and represent a valuable asset of the business. The technologies recognised as intangible assets after the acquisition of Sunrise Medical continue to be employed today.

Management are not aware of any indicators that the current value of these intangible assets is not recoverable.

(ii) Capitalised development costs

Capitalised development costs include expenditure in respect of launched products and also products which are still being developed. Management has reviewed the net book value of development costs relating to launched products and is satisfied that the asset values are still expected to be recoverable based on expected future cash flows. Costs for products still in development were also reviewed prior to year end in order to confirm that the criteria for capitalisation according to IAS 36 continue to be met.

(iii) Computer software

Computer software primarily consists of the cost of the implementation of ERP systems. Management reviews the capitalised cost annually for impairment indicators. In the current year this review led to an impairment of €380.

18. Taxes

(a) Tax recognised in profit or loss

In thousands of euro	30 June 2021	30 June 2020
Current tax		
In respect of the current period	9,068	9,703
In respect of the prior period	(232)	(2,302)
	8,836	7,401
Deferred tax		
In respect of the current period	(5,918)	(2,927)
In respect of the prior period	36	497
	(5,882)	(2,430)
Tax expense from continuing operations	2,954	4,971

The tax expense for the period can be reconciled to accounting profit as follows:

In thousands of euro	30 June 2021		30 June 2020	
Profit before tax from continuing operations	6,328		24,729	
Income tax expense calculated at 25%	1,582	25.0 %	6,182	25.0 %
Effect of expenses that are not deductible in determining taxable profit	356	5.6 %	288	1.2 %
Effect of income that is exempt from taxation	(95)	(1.5)%	(163)	(0.7)%
Effect of tax losses now recognised as deferred tax assets	(375)	(5.9)%	(728)	(2.9)%
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	1,678	26.5 %	1,561	6.3 %
Effect of concessions (research & development and other allowances)	(147)	(2.3)%	(169)	(0.7)%
Effect of movement in the group tax reserve	(218)	(3.4)%	(230)	(0.9)%
Effect of different tax rates of subsidiaries operating in other jurisdictions	(103)	(1.6)%	(88)	(0.4)%
Effect on deferred tax balances due to a change in income tax rate	472	7.5 %	123	0.5 %
	3,150	49.8 %	6,776	27.4 %
Adjustments recognised in the current period in relation to prior periods	(196)	(3.1)%	(1,805)	(7.3)%
Income tax expense recognised in profit or loss (relating to continuing operations)	2,954	46.7 %	4,971	20.1 %

The underlying effective tax rate for 2021 was 29.0% (2020: 20.1%) which is higher than the headline rate of corporation tax in the Netherlands of 25%. The main reason for the difference was due to the limitation on interest deductions in key territories. The anticipated effective rate for 2022 is expected to be 28%.

A current tax credit of €597 (2020: €528) and a deferred tax credit of €2,442 (2020: debit of €639) has been recognised in OCI.

(b) Current tax assets and liabilities

In thousands of euro	30 June 2021	30 June 2020
Current tax assets		
Income tax refund receivable	2,248	2,457
	2,248	2,457
Current tax liabilities		
Income tax payable	4,699	3,881
	4,699	3,881

(c) Deferred tax balances

In thousands of euro	30 June 2021	30 June 2020
Non-current deferred tax assets	5,230	4,229
Deferred tax assets	5,230	4,229
Non-current deferred tax liabilities	64,393	69,824
Deferred tax liabilities	64,393	69,824
Net deferred tax (liabilities)	(59,163)	(65,595)

(d) Analysis of deferred tax balances

In thousands of euro	Opening balance	Acquired through business combination	Recognised in profit or loss	Recognised in OCI	Closing balance
At 30 June 2020					
Deferred tax (liabilities) / assets are in relation to:					
Property, plant & equipment	26	-	(38)	(1)	(13)
Intangible assets and goodwill	(69,136)	-	3,906	(598)	(65,828)
Inventory	2,107	-	412	(47)	2,472
Doubtful debts	690	-	(26)	(15)	649
Provisions	975	-	(131)	(22)	822
Other temporary differences (inc. GAAP differences)	(3,463)	(35)	(1,711)	76	(5,133)
	(68,801)	(35)	2,412	(607)	(67,031)
Tax losses	1,450	-	18	(32)	1,436
	(67,351)	(35)	2,430	(639)	(65,595)

In thousands of euro	Opening balance	Acquired through business combination	Recognised in profit or loss	Recognised in OCI	Closing balance
At 30 June 2021					
Deferred tax (liabilities) / assets are in relation to:					
Property, plant & equipment	(13)	(275)	(214)	(12)	(514)
Intangible assets and goodwill	(65,828)	(1,617)	4,157	2,224	(61,064)
Inventory	2,472	-	(1,952)	2,313	2,833
Doubtful debts	649	-	(653)	607	603
Provisions	822	-	(349)	769	1,242
Other temporary differences (inc. GAAP differences)	(5,133)	-	6,001	(4,803)	(3,935)
	(67,031)	(1,892)	6,990	1,098	(60,835)
Tax losses	1,436	-	(1,108)	1,344	1,672
	(65,595)	(1,892)	5,882	2,442	(59,163)

A deferred tax asset of €92k has been recognised in respect of entities in various countries where there have been tax losses in the current or preceding period and that is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. This has been done on the basis that the transfer pricing policy of the group ensures that the entity will generate sufficient profits for the foreseeable future.

No deferred tax liability is recognised on temporary differences of €236.9m (2020: €238.7m) relating to the unremitted earnings of overseas subsidiaries and joint ventures as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

(e) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

In thousands of euro	30 June 2021	30 June 2020
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- tax losses (revenue in nature)	7,658	8,235
	7,658	8,235

Deferred tax assets of €2,714 (2020: €4,697) have not been recognised in respect of tax losses of certain subsidiaries totalling €20,294 (2020: €25,220). The tax losses do not expire.

Deferred tax assets of €4,944 (2020: €3,538) have not been recognised in respect of excess interest costs in Germany, Netherlands, Norway and the UK totalling €20,077 (2020: €14,412). These are available for future utilisation in the event that future capacity exists. The excess interest costs do not expire.

19. Inventories

	30 June 2021	30 June 2020
In thousands of euro		
Raw materials and consumables	47,449	47,305
Work in progress	4,644	3,462
Finished goods	26,966	23,742
Inventories	79,059	74,509

The cost of inventories recognised as an expense during the year was €276,400 (2020: €282,446). The cost of inventories recognised as an expense includes €1,051 (2020: €2,562) in respect of write-downs of inventory to net realisable value.

Inventories are shown net of a provision of €17,283 (2020: €15,736) for slow moving and obsolete inventory.

At 30 June 2021, the inventories of certain subsidiaries with a carrying value of €10,770 (2020: €9,301) have been pledged as security under the Group's Facilities Agreement (see note 30).

20. Trade and other receivables

	30 June 2021	30 June 2020
In thousands of euro		
Trade receivables	81,523	66,714
Allowance for doubtful debts	(5,440)	(4,951)
Net trade receivables	76,083	61,763
Receivable from a related party	15,946	13,686
Other receivables	2,742	2,034
Trade and other receivables	94,771	77,483
Non-current	17,588	14,486
Current	77,183	62,997
	94,771	77,483

The carrying amount of trade receivables approximates their fair value. The Group's exposure to credit and market risks is disclosed in note 29.

Ageing

The ageing of trade and other receivables (before the allowance for doubtful debts) at the end of the reporting period was as follows:

	30 June 2021	30 June 2020
In thousands of euro		
Current	76,035	59,746
Past due 1-30 days	3,707	4,881
Past due 31-60 days	1,132	953
Past due 61-150 days	784	1,180
Past due 151-240 days	350	531
Past due over 240 days	2,257	1,457
	84,265	68,748

Allowance for doubtful debts

The movement in the allowance for doubtful debts during the year was as follows:

In thousands of euro	Note	30 June 2021	30 June 2020
Balance at beginning of period		4,951	4,496
Acquired through business combination		493	-
Increase in the allowance for doubtful debts	9	114	814
Amounts written off		(108)	(373)
Effect of exchange rate fluctuations		(10)	14
Balance at end of period		5,440	4,951

The Group recognises an allowance for doubtful debts as follows:

- current 0.3%
- 1-30 days past due 2.0%
- 31-60 days past due 4.0%
- 61-150 days past due 25.0%
- 151-240 days past due 50.0%
- 240+ days past due 100.0%

This is based on the estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

The Group believes that the unprovided amounts are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk. Based on the Group's monitoring of customer credit risk, the Group believes that, except as indicated above, no allowance is necessary in respect of trade receivables not past due.

At 30 June 2021, the trade & other receivables of certain subsidiaries have been pledged as security under the Group's Senior Facilities Agreement (see note 30).

21. Other financial assets

In thousands of euro	30 June 2021	30 June 2020
FX forward contracts	-	7
Non-current balance at end of period	-	7
FX forward contracts	422	118
Current balance at end of period	422	118

22. Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

In thousands of euro	30 June 2021	30 June 2020
Bank balances	75,824	100,904
Cash and cash equivalents	75,824	100,904

At 30 June 2021, cash balances of certain subsidiaries have been pledged as security under the Group's Senior Facilities Agreement (see note 30).

23. Capital and reserves

(a) Share capital

In euro	30 June 2021	30 June 2020
Share capital, €0.01 per share, authorised and fully paid	229,280	229,280
Share premium	90,497,781	90,497,781
	90,727,061	90,727,061

Number of shares, by class	30 June 2021	30 June 2020
Ord. A	3,061,970	3,061,970
Ord. B	747,074	747,074
Ord. C	190,956	190,956
Pref. A	17,498,790	17,498,790
Pref. B	320,174	320,174
Pref. C	1,109,044	1,109,044
Balance at 30 June 2021	22,928,008	22,928,008

The issued share capital of the Company amounts to €229,280, divided into 3,061,970 ordinary shares A, 747,074 shares B, 190,956 shares C and 18,928,008 preference shares. The C preference shares hold no voting rights. The total number of issued shares is 22,928,008. The preference shares with a total value of €157.4m hold a preferred cumulative compounded dividend right of 11% per annum. The preference shares are classified as equity instruments as distributions to the preference shareholders are at the discretion of the issuer.

In euro	Number of shares
Balance at 30 June 2019	229,280
Balance at 30 June 2020	229,280
Balance at 30 June 2021	229,280

Shareholders of the share classes A, B and C are referred to as respectively A, B and C Shareholders, those of class Pref. A, B and C are referred to as respectively Pref. A, Pref. B and Pref. C Shareholders. All shares have equal voting rights, except for Classes C and Pref. C shares that have no voting rights. Any dividend distribution as decided by the Shareholders is allocated and paid in the following order: Class Pref. A, B and C Shareholders are entitled to €2.67 per share plus a cumulative preference dividend of 11% per annum. Thereafter the Class A, B and C Shareholders will receive the remainder of the distribution in an equal amount per Ordinary Share. In the case of cancellation or repurchase of shares, these are made pro-rata to all classes of shareholders.

(b) Reserves

(i) Foreign currency translation reserve

The foreign currency translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

(ii) Cash flow hedging reserve

There is no foreign currency hedging reserve at 30 June 2021.

(iii) Non-controlling interest

The Group holds and consolidates an 80% share in Xiamen Lomax Industrial Co. Ltd, in Xiamen, China, to manufacture and supply mobility healthcare parts and equipment to other group companies. Amounts attributable to non-controlling interest represent 20% of the net assets of Xiamen Lomax Industrial Co. Ltd.

(iv) Retained earnings

The unclaimed dividend with regard to the preference share amounts to €106,699,742 (2020: €91,098,888).

(v) Legal reserves

In thousands of euro	Translation		
	R&D	Reserve	Total
Balance at 30 June 2019	12,443	(7,272)	5,171
Other comprehensive income for the year	-	(2,424)	(2,424)
R&D	2,136	-	2,136
Balance at 30 June 2020	14,579	(9,696)	4,883
Other comprehensive income for the year	-	(798)	(798)
R&D	2,156	-	2,156
Balance at 30 June 2021	16,735	(10,494)	6,241

24. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk arising from these loans and borrowings, see note 29.

In thousands of euro	30 June 2021	30 June 2020
Non-current liabilities		
Secured bank loans	559,224	548,557
Bank loan transaction costs	(7,730)	(9,703)
Other liabilities	80	51
Total non-current loans and borrowings	551,574	538,905
Current liabilities		
Revolving credit facility	-	23,766
Other liabilities	64	140
Total current loans and borrowings	64	23,906
Total loans and borrowings	551,638	562,811

A reconciliation of liabilities arising from financing activities is detailed below.

In thousands of euro	30 June 2020	Repayment of borrowings	Non-cash changes	Borrowings from acquisition	Other debt	30 June 2021
Non-current liabilities	538,905	-	12,640	-	29	551,574
Current liabilities	23,906	(24,511)	(417)	1,115	(29)	64
Loans and borrowings	562,811	(24,511)	12,223	1,115	-	551,638

Repayment of borrowings relates primarily to settlement of the prior year drawings under the Revolving Credit Facility.

Non-cash movements on borrowings in the year include the amortisation of capitalised transaction fees from the April 2018 refinancing, foreign currency translation differences on the second lien borrowings, and the adjustment to financial liabilities that are subsequently measured at amortised cost using the effective interest method.

(a) Term and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of euro	Currency	Nominal interest rate	Fiscal year of maturity	30 June 2021 carrying amount	30 June 2020 carrying amount
First Lien Facilities Agreement	EUR	3.50%	2025	435,836	432,108
Second Lien Facilities Agreement	GBP	8.50%	2026	123,388	116,449
Revolving credit facility	EUR	2.25%	2025	-	13,985
Revolving credit facility	USD	3.29%	2025	-	9,781
Other liabilities	EUR	0.87%	Various	95	114
Other liabilities	USD	3.41%	2023	49	77
Total interest-bearing liabilities				559,368	572,514

The maturities of the liabilities above are analysed further in note 29 (c) (iii).

The term debt under the First and Second Lien Facilities Agreements is secured over assets of a number of the Group's subsidiaries (see note 30).

25. Other financial liabilities

	30 June 2021	30 June 2020
In thousands of euro		
FX forward contracts	176	537
Interest rate swaps	-	680
Current balance at end of period	176	1,217

26. Provisions

In thousands of euro	Warranties	Customer rebates	Product liability	Total
Balance at 30 June 2019 - current	2,868	7,959	2,630	13,457
Provisions made during the year	1,166	19,318	445	20,929
Payments made during the year	(592)	(20,043)	(648)	(21,283)
Provisions reversed during the year	(479)	(786)	(536)	(1,801)
Effect of exchange rate fluctuations	(5)	6	31	32
Balance at 30 June 2020 - current	2,958	6,454	1,922	11,334
Acquired through business combination	699	32	-	731
Provisions made during the year	1,382	16,182	787	18,351
Payments made during the year	(1,116)	(16,094)	(249)	(17,459)
Provisions reversed during the year	(556)	(562)	(272)	(1,390)
Effect of exchange rate fluctuations	22	(21)	(100)	(99)
Balance at 30 June 2021 - current	3,389	5,991	2,088	11,468

(a) Warranties

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties. The estimate has been made on the basis of historical warranty trends and other specific management judgements and may vary as a result of altered manufacturing processes, new products or materials or other events affecting product quality.

(b) Customer rebates

The provision for customer rebates represents the present value of management's best estimate of the future rebate payments that will be required under the Group's contractual agreements with customers. The estimate has been made on the basis of actual and forecast sales for the calendar year and may vary if the full calendar year's sales on a customer by customer basis are higher or lower than those forecast.

(c) Product liability

The provision for product liability represents the present value of the future outflow of economic benefits that will be required to settle product liability claims up to the level at which the Group insures this liability. The estimate has been made on the basis of historical actual losses and claims incurred but not yet settled. The actual amounts required to settle the liability may vary according to the eventual final settlement value and timing of claims.

27. Trade payables, accruals and other liabilities

In thousands of euro	30 June 2021	30 June 2020
Trade payables		
Current	42,943	35,424
Accruals and other current liabilities		
Current		
Accrued interest	4,650	4,236
Accrued employee benefits	18,161	14,352
Accrued VAT and duty	4,001	5,211
Accrued freight costs	1,223	1,046
Accrued legal and professional costs	2,268	1,754
Accrued restructuring costs	1,669	1,071
Deferred revenue	1,237	892
Other accrued costs - various	10,601	9,074
	43,810	37,636
Non-current		
Other non-current liabilities	1,359	1,508
Total accruals and other liabilities	45,169	39,144
Total trade payables, accruals and other liabilities	88,112	74,568

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 29.

28. Lease liabilities

In thousands of euro	30 June 2021	30 June 2020
Amounts due for settlement within 12 months	7,831	6,632
Amounts due for settlement after 12 months	20,657	18,454
	28,488	25,086
Maturity analysis		
Not later than 1 year	7,831	6,632
Later than 1 year and not later than 5 years	17,669	15,532
Later than 5 years	2,988	2,922
	28,488	25,086

The Group does not face significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the Group Treasury team.

Information in relation to right-of-use assets is shown in note 16.

Included in the income statement are expenses related to short-term leases of €556 (2020: €677) and expenses relating to leases of low-value assets €52 (2020: €19). The total cash outflow for leases amounted to €8,584 (2020: €7,783).

29. Financial instruments

(a) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns whilst maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 24 offset by cash and bank balances) and equity, comprising issued capital, reserves, retained earnings and non-controlling interests (as detailed in note 23).

The Group is not subject to any externally imposed capital requirements.

(b) Categories of financial instruments

In thousands of euro	30 June 2021	30 June 2020
Financial assets		
Cash and bank balances	75,824	100,904
Trade receivables	76,083	61,763
Receivable from a related party	15,946	13,686
Financial liabilities		
Bank loans & other debt at amortised cost	551,638	562,811
Trade payables	42,943	35,424
Lease liabilities	28,488	25,086

(c) Financial risk management objectives

The Group's Corporate Treasury function coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effect of financial risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's risk management policies. Compliance with these policies is reviewed on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including interest rate swaps to mitigate the risk of rising interest rates, and foreign currency forward exchange contracts to hedge the exchange risk arising on purchases in currencies other than the functional currency of the various subsidiaries.

Foreign currency risk management

Exposures to exchange rate fluctuations arise through transactions denominated in foreign currencies. Exchange rate exposures are managed by the use of forward foreign exchange contracts, within the parameters of the risk management policies.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
In thousands of euro				
United States Dollars (USD)	14,175	26,469	49,203	54,644
Pound Sterling (GBP)	132,900	121,442	14,402	19,938
Canadian Dollars (CAD)	531	493	8,320	6,724
Norwegian Krone (NOK)	802	729	8,553	9,493
Australian Dollars (AUD)	764	980	12,539	7,816
Chinese Renminbi (RMB)	3,220	2,412	5,615	8,096
Other	1,190	1,175	6,301	4,449

Foreign currency sensitivity analysis

The Group is exposed to a number of foreign currencies but the main exposures are to the currencies of the United States and the UK.

The following table details the Group's sensitivity to a 10% increase and decrease in the euro against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or borrower. A positive number below indicates an increase in profit or equity where the euro strengthens 10% against the relevant currency. For a 10% weakening of the euro against the relevant currency, there would be a comparable impact on the profit or equity, and positive balances below would be negative. This analysis does not take into account the impact of any forward foreign exchange contracts in place at the balance sheet date.

	Profit or loss		Equity	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
In thousands of euro				
United States Dollars (USD)	1,032	4,653	(3,503)	(2,818)
Pound Sterling (GBP)	11,523	12,295	11,850	10,150
Canadian Dollars (CAD)	249	30	(779)	(623)
Norwegian Krone (NOK)	388	349	(775)	(876)
Australian Dollars (AUD)	(492)	(489)	(1,178)	(684)
Chinese Renminbi (RMB)	107	(313)	(240)	(568)
Other	778	815	(510)	(327)

Forward foreign exchange contracts

The Group enters into forward foreign exchange contracts to manage the risks associated with anticipated purchase transactions. At the balance sheet date there were hedges outstanding with a net fair value of €246 (2020: (€412)).

Forward foreign exchange contracts are designated at fair value through profit or loss and the change in fair value of the derivatives is recognised in the finance costs section of the consolidated income statement.

Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The Group's main borrowings are denominated in EUR and GBP and are therefore subject to

various reference rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and, if deemed necessary, by the use of interest rate swap contracts. Hedging activities are evaluated regularly to ensure the most cost-effective hedging strategies are applied.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section (c) (iii) of this note.

Interest rate sensitivity analysis

A sensitivity analysis has been performed based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 200 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 200 basis points higher and all other variables were held constant, the Group's profit for the period ended 30 June 2021 would have been negatively impacted by €8,078 (2020: negative impact of €8,461). There would have been nil impact for a similar scenario applying 200 basis points lower (2020: nil impact).

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

At the end of the reporting period, the Group had no outstanding pay fixed receive floating contracts. Previously held contracts terminated during April and May of 2021.

Interest rate swap contracts are designated at fair value through profit or loss and the change in fair value of the derivatives is recognised in the finance costs section of the consolidated income statement. The net fair value of the outstanding contracts is nil (2020: (€680)).

(ii) Credit risk management

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group assesses new customers for creditworthiness before entering into material sale transactions. In monitoring customer credit risk, customers are assessed according to their credit characteristics, including size and type of entity (e.g. Government or dealer), geographic location, ageing profile and maturity of current amounts receivable and payment history. Credit limits are applied and adjusted based on an assessment of all risk factors and customers whose risk profile increases may have their credit withdrawn.

Trade receivables consist of a large number of customers spread across a wide range of geographical areas. This diversification reduces the credit risk exposure; however the largest single customer represents 2.19% of gross trade receivables as at 30 June 2021 (2020: 10.55%).

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks, the majority of which have credit ratings of at least A- assigned by Standard & Poor's.

(iii) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk are shown later in this note under the heading Financing facilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

In thousands of euro	Weighted average effective interest rate %	Within 1 year	1-5 years	More than 5 years	Total	Carrying Value
At 30 June 2021						
Non-interest bearing						
Trade payables		-	-	-	-	42,943
Interest bearing						
Lease liabilities	3.4%	7,833	17,674	2,988	28,495	28,488
Variable interest rate instruments - term loans	4.6%	25,386	647,356	-	672,742	559,224
Other liabilities	1.6%	65	80	-	145	144
		33,284	665,110	2,988	701,382	630,799

In thousands of euro	Weighted average effective interest rate %	Within 1 year	1-5 years	More than 5 years	Total	Carrying Value
At 30 June 2020						
Non-interest bearing						
Trade payables		35,424	-	-	35,424	35,424
Interest bearing						
Lease liabilities	3.9%	7,503	17,173	3,030	27,706	25,086
Variable interest rate instruments - term loans	4.1%	23,502	661,398	-	684,900	548,557
Revolving credit facility	2.3%	24,162	-	-	24,162	23,766
Other liabilities	2.0%	64	134	-	198	191
		90,655	678,705	3,030	772,390	633,024

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets has been included in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

In thousands of euro	Weighted average effective interest rate %	Within 1 year	1-5 years	More than 5 years	Total
At 30 June 2021					
Non-interest bearing					
Trade receivables		76,018	64	1	76,083
Cash at bank and on hand		70,096	-	-	70,096
Interest bearing					
Fixed interest rate instruments - cash at bank & other financial assets	0.9%	5,728	-	-	5,728
Receivable from a related party	8.0%	-	-	15,946	15,946
		151,842	64	15,947	167,853

In thousands of euro	Weighted average effective interest rate %	Within 1 year	1-5 years	More than 5 years	Total
At 30 June 2020					
Non-interest bearing					
Trade receivables		61,733	30	-	61,763
Cash at bank and on hand		95,660	-	-	95,660
Interest bearing					
<i>Fixed interest rate instruments - cash at bank & other financial assets</i>					
	1.7%	5,244	-	-	5,244
Receivable from a related party	8.0%	-	-	13,686	13,686
		162,637	30	13,686	176,353

The amounts included above for variable rate instruments are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

Financing facilities

The Group has access to financing facilities as detailed in the table below, of which €67,302 (2020: €44,009) were unused at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows.

In thousands of euro	30 June 2021	30 June 2020
Secured term loan facilities with various maturity dates through to 2026		
- amount used	569,406	562,253
- amount unused	-	-
	569,406	562,253
Secured revolving credit facility		
- amount used	-	23,796
- amount unused	65,000	41,204
	65,000	65,000
Secured ancillary facilities		
- amount used	2,698	2,195
- amount unused	2,302	2,805
	5,000	5,000

(d) Fair value measurements recognised in the consolidated statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis consist of foreign exchange forward contracts. These have been classified as Level 2 fair value measurements and are summarised in the table below. All associated gains or losses for the period are included in finance income or expense in the profit or loss.

- level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation techniques and key inputs used in the calculation of the fair values are:

- Foreign exchange forward contracts – The fair values of forward exchange contracts are calculated based upon market data including end of the period foreign exchange and interest rates. These, in conjunction with the terms of each forward contract, are used to discount the future cash flows. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the group entity, and counterparty when appropriate.
- Interest rate swaps - The fair value of interest rate swaps is based upon quotations provided by banks in the lender group. The banks prepare these valuations based upon accepted financial methods such as the cash flow method, and on the basis of mid-market parameters as of the valuation date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the group entity, and counterparty when appropriate. The fair values provided by the banks have been validated by calculations based on market data.

The Group has no financial instruments with fair values that are determined with reference to unobservable inputs (level 3), nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

In thousands of euro	Level 1	Level 2	Level 3	Total
At 30 June 2021				
Foreign exchange forward contracts	-	246	-	246
	-	246	-	246
At 30 June 2020				
Interest rate swaps	-	(680)	-	(680)
Foreign exchange forward contracts	-	(412)	-	(412)
	-	(1,092)	-	(1,092)

30. Assets pledged as security

Certain group subsidiaries have pledged assets as security under the Group's Senior Facilities Agreement. Pledged assets mainly consist of material bank accounts to a value of €62,091, shareholdings in other group subsidiaries and intercompany receivables. In addition, certain UK subsidiaries are subject to an all asset floating charge totalling approximately €25,094, excluding shareholdings in subsidiaries and intercompany receivables.

31. Capital commitments

During the period the Group entered into contracts to purchase or lease assets within the next 12 months for €3,542 (2020: €85) (in thousands of euros). This includes €3,274 for a property lease in the US which will commence in September 2021 and other small items of plant and machinery.

32. Contingencies

The Group is involved in minor litigations in the normal course of business.

In addition, guarantees with a total value of €2,698 (2020: €2,195) (in thousands of euros) have been provided to third parties, secured by the ancillary facilities of the Senior Facilities Agreement.

Guarantees in respect of the liabilities of certain subsidiaries have also been issued in order to exempt those subsidiaries from the requirements of filing audited financial statements. Further details are provided in note 36.

Fiscal unities

The Group forms a number of fiscal unities for corporate income tax purposes. All companies in these fiscal unities are jointly and severally liable for tax obligations of their respective fiscal unity. Various entities in each jurisdiction within the Group are also members of fiscal unities for VAT purposes.

33. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

There were no trading transactions with related parties that are not members of the Group during the period.

At the end of the period there was a long-term balance receivable from a related party amounting to €15,946 (2020: €13,686) which is subject to interest calculated on an arm's length basis. Under the terms of the loan agreement, the loan will automatically be extended for additional three-month periods unless terminated by either party with a notice period of one month. Management does not expect this agreement to be terminated within the next 12 months and does not consider there to be any indication of any impairment losses in relation to amounts outstanding at the point the financial statements were approved.

(a) Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	30 June 2021	30 June 2020
In thousands of euro		
Short-term benefits	4,756	3,416
Post-employment benefits	87	128
Termination benefits	668	-
	5,511	3,544

No loans have been granted to any of the key management personnel.

Termination benefits include provisions for future payments to senior executives in respect of which service will not be rendered.

(b) Fees paid to Directors and other related parties

Directors' fees are nil, however a fixed administration fee has been paid to a third-party company which provides services including directorship to a number of group companies in the sum of €93 (2020: €95).

Fees incurred for members of the Advisory Board who are neither employed nor remunerated by any Sunrise group company are €81 (2020: €79) of which €17 (2020: €28) was accrued but not yet paid.

34. Independent auditor's fees

The independent auditor's fees paid per category can be summarised as follows:

In thousands of euro	30 June 2021			30 June 2020		
	Deloitte	Other firms	Total Auditor fees	Deloitte	Other firms	Total Auditor fees
Audit of the financial statements	722	132	854	564	108	672
Other audit engagements	15	20	35	12	3	15
Tax compliance	507	60	567	331	-	331
Other non-audit engagements	96	33	129	310	2	312
Total	1,340	245	1,585	1,217	113	1,330

35. Group entities

Name of subsidiary	Country of incorporation	City of incorporation	Ownership interest %	
			30 June 2021	30 June 2020
Sunrise Medical Pty Ltd	Australia	Sydney	100%	100%
Red Milawa Pty Ltd T/A Magic Mobility	Australia	Melbourne	100%	100%
Sunrise Medical Canada Inc	Canada	Ontario	100%	100%
Sunrise Medical Equipment (Shanghai) Co. Ltd	China	Xhui District	100%	100%
Sunrise Medical HCM (Xiamen) Co. Ltd	China	Haicong District	100%	100%
Xiamen Lomax Industrial Co. Ltd	China	Fujian Province	80%	80%
Medicco s.r.o.	Czech Republic	Brno-Bohunice	100%	100%
Sunrise Medical ApS	Denmark	Brøndby	100%	100%
De Vilbiss Medical France SAS	France	Chambray-les-Tours	100%	100%
SCI La Planche	France	Chambray-les-Tours	100%	100%
Sunrise Medical SAS	France	Chambray-les-Tours	100%	100%
Sunrise Medical GmbH	Germany	Malsch	100%	100%
Sunrise Medical Holdings GmbH	Germany	Malsch	100%	100%
Vida Global GmbH	Germany	Frankfurt	100%	-
Sunrise Medical S.R.L.	Italy	Piacenza	100%	100%
Sunrise Medical Tecnologias S.A. de C.V.	Mexico	Tijuana	100%	100%
Cidron Ollopa Intermediate Holding BV	Netherlands	Amsterdam	100%	100%
Cidron Ollopa Holding BV	Netherlands	Amsterdam	100%	100%
Cidron Ollopa BV	Netherlands	Amsterdam	100%	100%
Sunrise Medical (Netherlands) BV	Netherlands	Amsterdam	100%	100%
Sunrise Medical (NewCo) BV	Netherlands	Amsterdam	100%	100%
Sunrise Medical BV	Netherlands	Nieuwegein	100%	100%
Sunrise Medical HCM BV	Netherlands	Helmond	100%	100%
Sunrise Medical HCM Holdings BV	Netherlands	Helmond	100%	100%
Sunrise Medical Logistics BV	Netherlands	Nieuwegein	100%	100%
Sunrise Medical AS	Norway	Oslo	100%	100%
Sunrise Medical Poland Sp Zoo	Poland	Łódź	100%	100%
Sunrise Medical OOO	Russia	Moscow	100%	100%
Sunrise Medical SL	Spain	Vizcaya	100%	100%
Oracing Wheelchairs SL	Spain	Valencia	100%	100%
Sunrise Medical AB	Sweden	Göteborg	100%	100%
Sunrise Medical AG	Switzerland	Bern	100%	100%
Fireflyfriends Ltd	UK	Belfast	100%	-
James Leckey Design Ltd	UK	Belfast	100%	-
Lomax Mobility Ltd	UK	Dundee	100%	100%
RGK Wheelchairs Ltd	UK	Walsall	100%	100%
Sunrise Medical (China) No. 1 Ltd	UK	Brierley Hill	100%	100%
Sunrise Medical (UK) No 1 Ltd	UK	Brierley Hill	100%	100%
Sunrise Medical Holdings Ltd	UK	Brierley Hill	100%	100%
Sunrise Medical Ltd	UK	Brierley Hill	100%	100%
Vida Global Ltd	UK	Belfast	100%	-
Sunrise Medical (US) LLC	USA	Delaware	100%	100%

The ultimate majority owner of Cidron Ollopa Investment B.V. is Cidron Liberty Systems Ltd, an investment company which is owned by several investment funds advised by Nordic Capital.

36. Audit exemption of qualifying subsidiaries

The subsidiaries listed below, all incorporated in England and Wales, are exempt from the requirements of the Companies Act 2006 relating to the audit of the individual accounts by virtue of section 479A CA06. In order to comply with S479A, the Company has issued a guarantee under section 479C CA06 in respect of the liabilities of those subsidiaries.

Name of subsidiary	Country of incorporation	Registered Number
RGK Wheelchairs Ltd	UK	04685517
Sunrise Medical (China) No. 1 Ltd	UK	07609572
Sunrise Medical (UK) No 1 Ltd	UK	09744396
Sunrise Medical Holdings Ltd	UK	04651691
Sunrise Medical Ltd	UK	03570204
Lomax Mobility Ltd	UK	SC172767

Under the provisions of section 403 of the Dutch Civil Code (DCC) Book 2, the Company has also issued a guarantee in respect of the liabilities of certain subsidiaries in the Netherlands as listed below:

Name of subsidiary	Country of incorporation	Registered Number
Sunrise Medical BV	Netherlands	30115171
Sunrise Medical HCM BV	Netherlands	17091027

37. Subsequent events

There are no subsequent events which would have a material impact on the Group's results or financial position.

Company financial statements

Cidron Ollopa Investment B.V. **Company income statement** **for the year ended 30 June 2021**

In thousands of euro	Note	for the year ended 30 June 2021	for the year ended 30 June 2020
Result from subsidiaries after income taxes		3,423	19,788
Other result after income taxes		(219)	(167)
Net result		3,204	19,621

The accompanying notes on pages 64 to 66 are an integral part of these company financial statements.

Cidron Ollopa Investment B.V.
Company balance sheet
as at 30 June 2021

In thousands of euro, after appropriation of current year result	Note	30 June 2021	30 June 2020
Assets			
Subsidiaries	2	131,535	128,910
Total non-current assets		131,535	128,910
Cash and cash equivalents	3	33	246
Receivable from a related party		15,946	13,686
Intercompany receivable		894	894
Total current assets		16,873	14,826
Total assets		148,408	143,736
Equity			
Share capital		229	229
Share premium		90,498	90,498
Legal reserves	4	6,241	4,883
Retained earnings	5	33,601	32,553
Total equity		130,569	128,163
Liabilities			
Accruals and other current liabilities	6	36	33
Intercompany payable		17,803	15,540
Total liabilities		17,839	15,573
Total equity and liabilities		148,408	143,736

The accompanying notes on pages 64 to 66 are an integral part of these company financial statements.

Cidron Ollopa Investment B.V.

Notes to the company financial statements

for the year ended 30 June 2021

1. Significant accounting policies

(a) Basis of preparation

The company financial statements of Cidron Ollopa Investment B.V. have been prepared in accordance with section 402, Part 9, Book 2 of the Dutch Civil Code ("B2 DCC"). In accordance with subsection 8 of section 362, B2 DCC, the measurement principles applied in these company financial statements are the same as those applied in the consolidated financial statements (see note 2 of the consolidated financial statements).

In accordance with section 402, Part 9, B2 DCC, the income statement is presented in condensed form.

(b) Investments in subsidiaries

In the company financial statements, investments in subsidiaries are stated at net asset value if the Company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the accounting principles applied by the Company. In case the net asset value of an investment in subsidiaries is negative, a provision for group companies is set up only in case the Company is legally held liable for the subsidiaries' liabilities. As long as the net asset value of subsidiaries is negative no result from participations is recorded.

2. Subsidiaries

The movements in the investments in subsidiaries are as follows:

In thousands of euro	Net asset value participations
Balance as of 30 June 2019	111,546
Share of net result from participating interests 2020	19,788
Change in foreign currency translation reserve	(2,424)
Balance as of 30 June 2020	128,910
Share of net result from participating interests 2021	3,423
Change in foreign currency translation reserve	(798)
Balance as of 30 June 2021	131,535

The Company only holds a direct investment in subsidiary Cidron Ollopa Intermediate Holding B.V. For a list of group subsidiaries see note 35 to the consolidated financial statements.

3. Cash and cash equivalents

	30 June 2021	30 June 2020
In thousands of euro		
Bank accounts	33	246
Cash and cash equivalents	33	246

4. Legal reserves

	30 June 2021	30 June 2020
In thousands of euro		
Foreign currency translation reserve	(10,494)	(9,696)
Legal reserve - R&D capitalised	16,735	14,579
Legal reserves	6,241	4,883

5. Retained earnings

	30 June 2021	30 June 2020
In thousands of euro		
Retained earnings brought forward	32,553	15,068
Net result for the year	3,204	19,621
Transfer to legal reserve - R&D capitalised	(2,156)	(2,136)
Retained earnings	33,601	32,553

6. Accruals and other current liabilities

	30 June 2021	30 June 2020
In thousands of euro		
Accrued professional fees	36	33
Total accruals and other liabilities	36	33

7. Commitments

See note 31 and 36 of the consolidated financial statements.

The Company has guaranteed the liabilities of the following consolidated group companies in the Netherlands under the provisions of section 403 of B2 DCC:

- Sunrise Medical BV
- *Sunrise Medical HCM BV*

The Company has also guaranteed the liabilities of the following consolidated group companies in the UK under the provisions of section 479C of the Companies Act 2006:

- Sunrise Medical (UK) No. 1 Ltd
- Sunrise Medical Holdings Ltd
- Sunrise Medical Ltd
- *Sunrise Medical (China) No 1 Ltd*
- RGK Wheelchairs Ltd
- Lomax Mobility Ltd

The Company is therefore jointly and severally liable for the liabilities arising from the legal acts of these group companies.

8. Remuneration of the board of managing directors

Directors' fees are nil, however a fixed administration fee has been paid to a third-party company which provides services including directorship to the Company in the sum of €32 (2020: €31) (in thousands of euros).

Fees incurred for members of the Advisory Board who are neither employed nor remunerated by any Sunrise group company are €81 (2020: €79) of which €17 (2020: €28) (in thousands of euros) was accrued but not yet paid.

9. Employees

During the financial year 2021, the Company employed no employees (2020: nil).

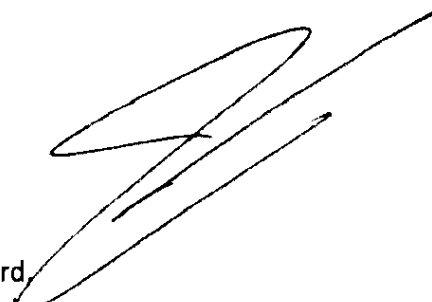
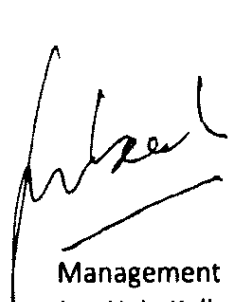
Cidron Ollopa Investment B.V.
Other information
Statutory appropriation of the result
for the year ended 30 June 2021

The holders of common shares are entitled to one vote per share and to participate in the distribution of dividends and liquidation proceeds. Pursuant to article 23 of the articles of association the income, after reservations made by the Board of Managing Directors in consultation with the Supervisory Board, will be available for distribution to the common shareholders upon approval at the General Meeting of Shareholders.

Amounts not paid in the form of dividends will be added to the retained earnings. The proposed profit-sharing statement reads as follows:

In thousands of euro	30 June 2021	30 June 2020
Net result	3,204	19,621
Added to the retained earnings	3,204	19,621

The proposed appropriation of the result is shown in the balance sheet.



Management Board,
Jan-Hein Kallenbach
Roel Langelaar

Amsterdam, the Netherlands, 17 September 2021

Independent auditor's report

To the General Meeting of Cidron Ollopa Investment B.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 INCLUDED IN THE ANNUAL ACCOUNTS

Our opinion

We have audited the financial statements for the year ended 30 June 2021 of Cidron Ollopa Investment B.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Cidron Ollopa Investment B.V. as at 30 June 2021, and of its result and its cash flows for the year ended 30 June 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Cidron Ollopa Investment B.V. as at 30 June 2021, and of its result for the year ended 30 June 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 30 June 2021.
2. The following statements for the year ended 30 June 2021: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 30 June 2021.
2. The company profit and loss account for the year ended 30 June 2021.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Cidron Ollopa Investment B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL ACCOUNTS

In addition to the financial statements and our auditor's report thereon, the annual accounts contain other information that consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Management is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amsterdam, 17 September 2021

Deloitte Accountants B.V.

Signed on the original: E. Scheffer

Cidron Ollopa Investment B.V.
Cautionary notice
for the year ended 30 June 2021

This annual report contains forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in such statements. Many of these risks and uncertainties relate to factors that are beyond Cidron Ollopa Investment B.V.'s ability to control or estimate precisely. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this annual report.