

Registered number: 05879183

Sunrise Operations Southbourne Limited

Report and Financial Statements

for the year ended 31 December 2015



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Sunrise Operations Southbourne Limited

Company Information

Directors	J Goodey C Roberts
Company secretary	Bedell Trust UK Ltd
Registered number	05879183
Registered office	2nd Floor 11 Old Jewry London EC2R 8DU
Independent auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

Sunrise Operations Southbourne Limited

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Sunrise Operations Southbourne Limited

Directors' Report For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Results and dividends

The profit for the year, after taxation, amounted to £338,055 (2014 - £140,212).

The directors do not recommend the payment of a dividend for the year.

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

E Ibele (resigned 1 April 2016)
J Skiver (resigned 1 April 2016)
K Crockett (resigned 30 June 2016)
J Goodey (appointed 1 April 2016)
C Roberts (appointed 1 April 2016)

Future developments

The directors do not anticipate any changes to the company or its activities.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies' exemption

The directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 for the requirement to prepare a Strategic Report for the year.

Sunrise Operations Southbourne Limited

Directors' Report For the Year Ended 31 December 2015

Going concern

Based on the current and forecast profitability and the fact that the company has net current assets, the directors believe it is appropriate to prepare the financial statements on a going concern basis. The company has earned a profit after tax of £338,055 for the current year (2014 – profit of £140,212) and has net current assets of £549,301 at the year end (2014 – net current assets of £217,611).

In forming their conclusion on the going concern basis of preparation, the directors have taken into account the current and forecasted cash flows to December 2017 expected from operating income and expenditure, as well as capital expenditure payments of the company. As a result of their assessment of the forecasts, the directors are satisfied that the going concern basis of preparation is appropriate for the statutory financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent and;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 21 July 2016 and signed on its behalf.


.....
C Roberts
Director

Independent Auditors Report to the Members of Sunrise Operations Southbourne Limited

We have audited the financial statements of Sunrise Operations Southbourne Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statement

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditors Report to the Members of Sunrise Operations Southbourne Limited
(continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Ernst & Young LLP

James Hilditch (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor

1 More London Place
London
SE1 2AF

22 July 2016

Sunrise Operations Southbourne Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2015**

	Note	2015 £	2014 £
Turnover	3	6,204,793	6,073,888
Cost of sales		<u>(2,304,233)</u>	<u>(2,318,196)</u>
Gross profit		3,900,560	3,755,692
Administrative expenses		<u>(3,418,695)</u>	<u>(3,612,030)</u>
Operating profit	4	481,865	143,662
Interest receivable and similar income	7	<u>1,390</u>	<u>1,153</u>
Profit before tax		483,255	144,815
Tax on profit	8	<u>(145,200)</u>	<u>(4,603)</u>
Profit for the year		338,055	140,212
Total comprehensive income for the year		<u>338,055</u>	<u>140,212</u>

Sunrise Operations Southbourne Limited
Registered number:05879183

Statement of Financial Position
As at 31 December 2015

	Note	2015 £	2014 £
Tangible assets	9	87,152	80,787
Current assets			
Stocks		6,374	5,407
Debtors: amounts falling due within one year	10	1,095,706	887,186
Cash at bank and in hand		306,379	358,323
		<u>1,408,459</u>	<u>1,250,916</u>
Creditors: amounts falling due within one year	11	(859,158)	(1,033,305)
Net current assets		549,301	217,611
Net assets		636,453	298,398
Capital and reserves			
Called up share capital	14	1,947,066	1,947,066
Share premium reserve	13	2,892,372	2,892,372
Retained earnings reserve	13	(4,202,985)	(4,541,040)
		<u>636,453</u>	<u>298,398</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 July 2016.



C Roberts
Director

Sunrise Operations Southbourne Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2015**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2015	1,947,066	2,892,372	(4,541,040)	298,398
Profit for the year	-	-	338,055	338,055
At 31 December 2015	1,947,066	2,892,372	(4,202,985)	636,453

Sunrise Operations Southbourne Limited

Statement of Changes in Equity
For the Year Ended 31 December 2014

	Share capital	Other reserves	Retained earnings	Total equity
	£	£	£	£
At 1 January 2014	1,947,066	2,892,372	(4,681,252)	158,186
Profit for the year	-	-	140,212	140,212
At 31 December 2014	1,947,066	2,892,372	(4,541,040)	298,398

The notes on pages 9 to 20 form part of these financial statements.

Sunrise Operations Southbourne Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

1. Accounting policies

1.1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Sunrise Operations Southbourne Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of directors on 21 July 2016 and the balance sheet was signed on the board's behalf by C Roberts. Sunrise Operations Southbourne Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise indicated.

The principal accounting policies adopted by the Company are set out below.

1.2 Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the Company to take advantage of some of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

1.3 Going concern

Based on the current and forecast profitability and the fact that the company has net current assets, the directors believe it is appropriate to prepare the financial statements on a going concern basis. The company has earned a profit after tax of £338,055 for the current year (2014 – profit of £140,212) and has net current assets of £549,301 at the year end (2014 – net current assets of £217,611).

In forming their conclusion on the going concern basis of preparation, the directors have taken into account the current and forecasted cash flows to December 2017 expected from operating income and expenditure, as well as capital expenditure payments of the company. As a result of their assessment of the forecasts, the directors are satisfied that the going concern basis of preparation is appropriate for the statutory financial statements for the year ended 31 December 2015.

1.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

1. Accounting policies (continued)

Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Building improvements	-	5 years
Fixtures, fittings and equipment	-	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.8 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

1. Accounting policies (continued)

Financial instruments (continued)

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Financial Liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost are initially recognised at fair value plus any attributable transaction costs. Subsequent to initial recognition financial liabilities are measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

1.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1. Accounting policies (continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current and deferred tax are recognised in the Statement of Comprehensive Income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Sunrise Operations Southbourne Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Operating lease commitments

The Company has entered into commercial property leases and obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Statement of Financial Position.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

3. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Operating assisted living facilities	<u>6,204,793</u>	<u>6,073,888</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	29,908	15,126
Defined contribution pension cost	25,927	25,396
Operating lease payments		
Land and building lease	1,986,530	2,052,721
Equipment lease	6,548	87,205
Management fees	313,212	347,060
Other administration costs	<u>1,037,258</u>	<u>1,053,348</u>

Sunrise Operations Southbourne Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

5. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2015 £	2014 £
Fees for the audit of the Company	<u>7,300</u>	<u>9,990</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

6. Staff Costs and Directors Remuneration

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,942,028	1,937,379
Social security costs	132,880	135,688
Cost of defined contribution scheme	25,927	25,396
	<u>2,100,835</u>	<u>2,098,463</u>

During the year, no director received any emoluments (2014 - £nil).

J Goodey and C Roberts received remuneration from HCN UK Management Services Limited, a related company, as employees of that company. They received no remuneration for their services as directors of Sunrise Operations Southbourne Limited.

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Administrative staff	9	8
Other staff	47	41
Care assistants	85	96
	<u>141</u>	<u>145</u>

7. Interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	<u>1,390</u>	<u>1,153</u>

Sunrise Operations Southbourne Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

8. Taxation

	2015 £	2014 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	146,982	1,392
Adjustments in respect of prior years	(1,782)	3,211
Total deferred tax	145,200	4,603
Taxation on profit on ordinary activities	145,200	4,603

Factors affecting tax charge for the year

The tax assessed for the year is different to (2014 - different to) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	483,255	144,815
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	97,859	31,135
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(694)	1,272
Change in unrecognised deferred tax assets	50,007	(30,911)
Effect of change in DT rate	16,162	-
Effect of difference between CT and DT rate	(16,352)	(104)
Adjustments to tax charge in respect of prior periods	(1,782)	3,211
Total tax charge for the year	145,200	4,603

Deferred tax

At 31 December 2015, the company has estimated trading losses of approximately £4,148,808 (2014 - £4,680,044) that are available indefinitely for offset against future taxable profits arising from the same trade of the company.

At 31 December 2015, the company has a recognised deferred tax asset of £11,129 (2014 - £156,329) calculated at a rate of 18% (2014 - rate of between 20% - 20.25%) expected to apply when the asset reverses, resulting from a portion of trading losses carried forward and timing differences of £61,828 (2014 - £779,694). In accordance with the company's accounting policy the deferred tax asset has been recognised in the financial statements since the directors forecast taxable profits will be available for offset in the immediate future.

Sunrise Operations Southbourne Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

8. Taxation (continued)

Deferred tax (continued)

At 31 December 2015, the company has an unrecognised deferred tax asset of approximately £735,656 (2014 - £780,070) calculated at 18% (2014 - 20%), resulting from trading tax losses carried forward and timing differences. In accordance with the company's accounting policy this amount has not been recognised in the financial statements due to uncertainty surrounding the timing of future taxable profits available for offset.

The standard rate of corporation tax was reduced to 20% from 1 April 2015 from 21%. Further reductions in the standard rate have been announced; down to 19% from 1 April 2017 and 18% from 1 April 2020. Any deferred tax expected to reverse in the year to 31 December 2016 has been remeasured using the rates substantively enacted at 31 December 2015.

9. Tangible fixed assets

	Leasehold land and building improvmnts £	Fixtures, fittings and equipment £	Work in progress £	Total £
Cost or valuation				
At 1 January 2015	29,604	45,781	20,528	95,913
Additions	2,072	29,426	4,775	36,273
Transfers between classes	-	20,528	(20,528)	-
At 31 December 2015	31,676	95,735	4,775	132,186
Depreciation				
At 1 January 2015	5,921	9,205	-	15,126
Charge for the period	6,335	23,573	-	29,908
At 31 December 2015	12,256	32,778	-	45,034
At 31 December 2015	19,420	62,957	4,775	87,152
At 31 December 2014	23,683	36,576	20,528	80,787

Sunrise Operations Southbourne Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

10. Debtors

	2015 £	2014 £
Trade debtors	408,238	400,110
Provision for bad debts	(93,281)	(82,797)
Amounts owed by group undertakings	709,561	365,000
Other debtors	522	905
Prepayments and accrued income	59,537	47,639
Deferred taxation	11,129	156,329
	<u>1,095,706</u>	<u>887,186</u>

11. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	43,851	66,865
Amounts owed to group undertakings	479,272	536,727
Amounts owed to related undertakings	63,836	88,687
Taxation and social security	26,362	28,218
Obligations under finance lease and hire purchase contracts	401	401
Other creditors	25,357	110,399
Accruals and deferred income	220,079	202,008
	<u>859,158</u>	<u>1,033,305</u>

12. Deferred taxation

	Deferred tax £
At 1 January 2015	156,329
Charged to the profit or loss	(145,200)
At 31 December 2015	<u>11,129</u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Tax losses carried forward and other timing differences	<u>11,129</u>	<u>156,329</u>

Sunrise Operations Southbourne Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

13. Reserves

Retained earnings reserve

The retained earnings reserve comprises the cumulative net gains and losses recognised in the statement of comprehensive income.

Share premium reserve

The share premium reserve comprises the cumulative additional consideration paid for shares above the nominal share value.

14. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,947,066 Ordinary shares of £1 each	<u>1,947,066</u>	<u>1,947,066</u>

15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,927 (2014 - £25,396). Contributions totalling £3,059 (2014 - £3,194) were payable to the fund at the reporting date.

16. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Land and buildings		
Not later than 1 year	1,986,530	1,986,530
Later than 1 year and not later than 5 years	7,946,120	7,946,120
Later than 5 years	33,564,193	35,550,723
	<u>43,496,843</u>	<u>45,483,373</u>
Other		
Not later than 1 year	9,475	6,627
Later than 1 year and not later than 5 years	37,900	26,508
	<u>47,375</u>	<u>33,135</u>

Sunrise Operations Southbourne Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

17. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Dawn Opco Limited. Dawn Opco Limited is itself a wholly owned subsidiary undertaking of Welltower Inc, a company registered and incorporated in the United States of America, which the directors consider to be the ultimate parent undertaking and controlling party.

At the year end, the parent undertaking of the largest and smallest group for which group financial statements were prepared was Welltower Inc, whose group accounts can be obtained from the corporate headquarters at 4500 Dorr Street, Toledo, Ohio 43615-4040 or from the corporate website, www.welltower.com.

18. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.