

Registered number: 06135748

Sunrise Operations Bramhall II Limited

Report and Financial Statements

for the period ended 30 June 2017

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Sunrise Operations Bramhall II Limited

Company Information

Directors	J Skiver C Roberts
Company secretary	Ocorian (UK) Ltd
Registered number	06135748
Registered office	2nd Floor 11 Old Jewry London EC2R 8DU
Independent auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

Sunrise Operations Bramhall II Limited

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Sunrise Operations Bramhall II Limited

Directors' Report For the Period Ended 30 June 2017

The directors present their report and the financial statements for the period ended 30 June 2017.

Results and dividends

The loss for the period, after taxation, amounted to £665,776 (31 December 2015 - loss £271,873).

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

Directors

The directors who served during the period 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; reappointed 1 January 2018)
K Crockett (resigned 30 June 2016)
J Goodey (appointed 1 April 2016, resigned 1 January 2018)
C Roberts (appointed 1 April 2016)

Future developments

The Company is part of a wider Group of Companies that operate residential and nursing care facilities in the UK, under the brand of Sunrise. The directors decided to consolidate the trade of 24 related operations companies, including this Company, into Sunrise UK Operations Limited. The intention is that the operations of the Company will be transferred over to Sunrise UK Operations Limited and the Company will cease trading. This is likely to happen by the end of 2018.

The accounting year end of the Company was changed from 31 December to 30 June extending the accounting period to give the directors more time to transfer the operations of the Company. Due to this the current accounting period reported is 18 months and the prior accounting period is 12 months and therefore the figures presented are not entirely comparable.

Going concern

The financial statements have not been prepared on a going concern basis. Instead they have been prepared on a basis other than going concern reflecting the assumption that the transfer of the Company's operations to a group company and then the Company ceasing to trade will happen in the future.

An amount of consideration, calculated at arms length, will be due to the Company for the transfer of operations when this happens. Therefore no impairment has been made to the value of the assets of the Company. In addition the directors have received confirmation from Welltower Inc., the Company's ultimate parent undertaking which provides funding to the group, that HCN UK Investments Limited, a parent undertaking, has implemented a policy whereby its wholly owned subsidiary undertakings will not seek intercompany settlement unless the borrowing entity (including this Company) has surplus working capital to enable repayment without adversely affecting its ability to settle its other liabilities as and when they fall due. Therefore amounts due to and from group companies have been stated at their original value.

Sunrise Operations Bramhall II Limited

Directors' Report (continued) For the Period Ended 30 June 2017

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

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 they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

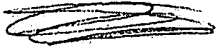
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Sunrise Operations Bramhall II Limited

Directors' Report (continued)
For the Period Ended 30 June 2017

This report was approved by the board on *June 27th 2018* and signed on its behalf.



C Roberts
Director

Independent Auditors' Report to the Shareholders of Sunrise Operations Bramhall II Limited

We have audited the financial statements of Sunrise Operations Bramhall II Limited for the period ended 30 June 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared on a basis other than going concern.

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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report 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 30 June 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditors' Report to the Shareholders of Sunrise Operations Bramhall II Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

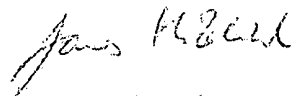
- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with those financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



James Hilditch (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP

1 More London Place
London
SE1 2AF

Date: 27 June 2018

Sunrise Operations Bramhall II Limited

**Statement of Comprehensive Income
For the Period Ended 30 June 2017**

	Note	18 months ended 30 June 2017 £	Year ended 31 December 2015 £
Turnover	3	7,069,862	4,359,593
Cost of sales		(3,470,374)	(1,949,403)
Gross profit		3,599,488	2,410,190
Administrative expenses		(4,265,739)	(2,682,656)
Operating loss	4	(666,251)	(272,466)
Interest receivable and similar income	7	475	593
Loss before tax		(665,776)	(271,873)
Taxation	8	-	-
Loss for the period/year		(665,776)	(271,873)
Total comprehensive loss for the period/year		(665,776)	(271,873)

All amounts relate to continuing activities.

Sunrise Operations Bramhall II Limited
Registered number:06135748

Statement of Financial Position
As at 30 June 2017

		30 June 2017 £	31 December 2015 £
	Note		
Fixed assets			
Tangible assets	9	209,775	63,554
Current assets			
Stocks		8,714	9,479
Debtors: amounts falling due within one year	10	513,086	599,113
Cash at bank and in hand		371,780	88,148
		<u>893,580</u>	<u>696,740</u>
Creditors: amounts falling due within one year	11	(3,624,829)	(2,615,992)
Net current liabilities		<u>(2,731,249)</u>	<u>(1,919,252)</u>
Net liabilities		<u>(2,521,474)</u>	<u>(1,855,698)</u>
Capital and reserves			
Called up share capital	13	3,470,818	3,470,818
Share premium account	12	2,859,469	2,859,469
Accumulated losses	12	(8,851,761)	(8,185,985)
		<u>(2,521,474)</u>	<u>(1,855,698)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

June 27th 2018


C Roberts
 Director

Sunrise Operations Bramhall II Limited

Statement of Changes in Equity
For the Period Ended 30 June 2017

	Called up share capital £	Share premium account £	Accumulated losses £	Total equity £
At 1 January 2015	3,470,818	2,859,469	(7,914,112)	(1,583,825)
Total comprehensive loss for the year	-	-	(271,873)	(271,873)
At 1 January 2016	3,470,818	2,859,469	(8,185,985)	(1,855,698)
Total comprehensive loss for the period	-	-	(665,776)	(665,776)
At 30 June 2017	3,470,818	2,859,469	(8,851,761)	(2,521,474)

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

Sunrise Operations Bramhall II Limited

Notes to the Financial Statements For the Period Ended 30 June 2017

1. Accounting policies

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

The financial statements of Sunrise Operations Bramhall II Limited (the "Company") for the 18 months ended 30 June 2017 were authorised for issue by the board of directors on XX XXXX 2018 and the balance sheet was signed on the board's behalf by C Roberts. Sunrise Operations Bramhall II 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 and legislation

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 Financial reporting standard 101 - reduced disclosure exemptions

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 30 June 2017.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- 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 and 18A 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 Period Ended 30 June 2017

1. Accounting policies (continued)

1.3 Basis other than going concern

The financial statements have not been prepared on a going concern basis. Instead they have been prepared on a basis other than going concern reflecting the assumption that the transfer of the Company's operations to a group company and then the Company ceasing to trade will happen in the future.

An amount of consideration, calculated at arms length, will be due to the Company for the transfer of operations when this happens. Therefore no impairment has been made to the value of the assets of the Company. In addition the directors have received confirmation from Welltower Inc., the Company's ultimate parent undertaking which provides funding to the group, that HCN UK Investments Limited, a parent undertaking, has implemented a policy whereby its wholly owned subsidiary undertakings will not seek intercompany settlement unless the borrowing entity (including this Company) has surplus working capital to enable repayment without adversely affecting its ability to settle its other liabilities as and when they fall due. Therefore amounts due to and from group companies have been stated at their original value.

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.

**Notes to the Financial Statements
For the Period Ended 30 June 2017**

1. Accounting policies (continued)

1.5 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.

Depreciation is provided on the following basis:

Leasehold land & building improvements	- 5 - 15 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 in the Statement of Comprehensive Income.

1.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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.

Notes to the Financial Statements
For the Period Ended 30 June 2017

1. Accounting policies (continued)

Financial instruments (continued)

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.

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 payment 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.

**Notes to the Financial Statements
For the Period Ended 30 June 2017**

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.

Notes to the Financial Statements
For the Period Ended 30 June 2017

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. Turnover

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

	18 months ended 30 June 2017 £	Year ended 31 December 2015 £
Operating residential and nursing care facilities	<u>7,069,862</u>	<u>4,359,593</u>

Turnover is stated after a deduction of £55,660 for community fee refunds for residents that moved out within two years of moving in. A provision for this amount is included in the accruals shown in note 11.

All turnover arose within the United Kingdom.

Sunrise Operations Bramhall II Limited

Notes to the Financial Statements For the Period Ended 30 June 2017

4. Operating loss

The operating loss is stated after charging:

	18 months ended 30 June 2017 £	Year ended 31 December 2015 £
Depreciation of tangible fixed assets	55,794	26,264
Defined contribution pension cost	26,146	17,798
Land and building lease payments	2,033,406	1,355,604
Equipment lease payments	12,429	6,548
Subcontract labour	638,706	110,408
Management fees	375,897	219,251
Other administration fees	1,635,528	1,013,259

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:

	18 months ended 30 June 2017 £	Year ended 31 December 2015 £
Fees for the audit of the Company	27,500	7,300

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.

Sunrise Operations Bramhall II Limited

Notes to the Financial Statements For the Period Ended 30 June 2017

6. Employees

Staff costs were as follows:

During the period, no director received any emoluments (31 December 2015 - £nil).

C Roberts and J Skiver 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 Bramhall II Limited.

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

	18 months ended 30 June 2017 No.	Year ended 31 December 2015 No.
Administration & other staff	36	39
Care assistants	67	71
	<u>103</u>	<u>110</u>

7. Interest receivable and similar income

	18 months ended 30 June 2017 £	Year ended 31 December 2015 £
Bank interest receivable	<u>475</u>	<u>593</u>

8. Taxation

	18 months ended 30 June 2017 £	Year ended 31 December 2015 £
Total current tax	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Sunrise Operations Bramhall II Limited

Notes to the Financial Statements For the Period Ended 30 June 2017

8. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is different to (2015 -different to) the standard rate of corporation tax in the UK of 19.83% (2015 -20.25%). The differences are explained below:

	18 months ended 30 June 2017 £	Year ended 31 December 2015 £
Loss on ordinary activities before tax	(665,776)	(271,873)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.83% (2015 -20.25%)	(132,023)	(55,054)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,863	(963)
Change in unrecognised deferred tax asset	9,646	(346)
Group relief surrendered	115,927	56,363
Effect of difference between current and deferred tax rates	1,587	-
Total tax charge for the period/year	-	-

Deferred tax

At 30 June 2017, the company has estimated trading losses and other timing differences of approximately £6,655,994 (31 December 2015 - £6,517,425) that are available indefinitely for offset against future taxable profits arising from the same trade of the company.

At 30 June 2017, the company has an unrecognised deferred tax asset of approximately £1,131,519 (31 December 2015 - £1,173,137) calculated at 17% (2015 - 18%), resulting from trading tax losses and timing differences carried forward. 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 19% from 1 April 2017 from 20%. Further reductions in the standard rate have been announced; down to 17% from 1 April 2020. Any deferred tax expected to reverse in the future has been remeasured using the rates substantively enacted at 30 June 2017.

Sunrise Operations Bramhall II Limited

**Notes to the Financial Statements
For the Period Ended 30 June 2017**

9. Tangible fixed assets

	Leasehold land and building improv'm'ts £	Fixtures, fittings and equipment £	Work in progress £	Total £
Cost				
At 1 January 2016	7,706	89,635	-	97,341
Additions	67,062	92,814	42,139	202,015
At 30 June 2017	74,768	182,449	42,139	299,356
Depreciation				
At 1 January 2016	2,879	30,908	-	33,787
Charge for the period on owned assets	14,454	41,340	-	55,794
At 30 June 2017	17,333	72,248	-	89,581
Net book value				
At 30 June 2017	57,435	110,201	42,139	209,775
At 31 December 2015	4,827	58,727	-	63,554

10. Debtors

	30 June 2017 £	31 December 2015 £
Trade debtors	301,780	348,179
Amounts owed by group undertakings	103,943	-
Other debtors	-	157
Prepayments and accrued income	107,363	250,777
	513,086	599,113

Trade debtors are stated after provisions for impairment of £90,359 (2015 - £50,987).

Sunrise Operations Bramhall II Limited

Notes to the Financial Statements For the Period Ended 30 June 2017

11. Creditors: Amounts falling due within one year

	30 June 2017 £	31 December 2015 £
Trade creditors	103,239	42,500
Amounts owed to group undertakings	3,046,522	2,274,839
Amounts owed to related parties	131,816	58,522
Other taxation and social security	27,559	26,245
Obligations under finance lease and hire purchase contracts	-	401
Other creditors	4,150	4,190
Accruals and deferred income	311,543	209,295
	<u>3,624,829</u>	<u>2,615,992</u>

12. Reserves

Accumulated losses

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

Share premium account

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

13. Share capital

	30 June 2017 £	31 December 2015 £
Allotted, called up and fully paid		
3,470,818 Ordinary shares of £1 each	<u>3,470,818</u>	<u>3,470,818</u>

14. 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 £26,146 (2015 - £17,798). Contributions totalling £2,650 (2015 - £2,393) were payable to the fund at the reporting date.

Sunrise Operations Bramhall II Limited

Notes to the Financial Statements For the Period Ended 30 June 2017

15. Commitments under operating leases

The Company has a 25 year operating lease for the premises it operates. Rent charged under the lease was reviewed and revised on 8 August 2017 and will be reviewed every 3 years thereafter. The revised rental payments are reflected in the figures reported below. The Company has the option to take a further lease of the premises at the end of the current lease term.

At 30 June 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	30 June 2017 £	31 December 2015 £
Land and buildings		
Not later than 1 year	1,065,049	1,355,416
Later than 1 year and not later than 5 years	4,154,540	5,422,416
Later than 5 years	16,845,808	24,014,618
	<u>22,065,397</u>	<u>30,792,450</u>
Other		
Not later than 1 year	-	8,227
Later than 1 year and not later than 5 years	-	32,908
	<u>-</u>	<u>41,135</u>

The premises lease will be transferred to Sunrise UK Operations Ltd at the same time as the operations of the Company are transferred.

16. 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 period 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.