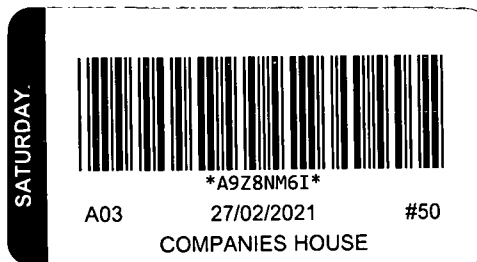


Company No. 02702930 (England and Wales)

COCHLEAR (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020



COCHLEAR (UK) LIMITED

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FOR THE YEAR ENDED 30 JUNE 2020

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COCHLEAR (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020**

Directors	D T M Ashton (resigned 31 December 2020) R J Brook C P Zuscak
Secretary	D T M Ashton (resigned 31 December 2020) C P Zuscak (appointed 31 December 2020)
Company number	02702930
Registered office	6 Dashwood Lang Road Bourne Business Park Addlestone Surrey KT15 2HJ
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	HSBC plc 8 Canada Square London E14 5HQ
Solicitor	Taylor Wessing 5 New Street Square London EC4A 3TW

COCHLEAR (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and financial statements for Cochlear (UK) Limited (Company No. 02702930 - England and Wales) for the year ended 30 June 2020.

Principal activities

The company is, and has been for some years, non-trading.

Business review

During the year ended 30 June 2020, the Cochlear group was significantly impacted by COVID-19. This has not had a direct impact on Cochlear (UK) Limited since it is non-trading.

Results and dividends

There was a loss for the year of £nil (£nil: 2019). No dividends were paid or proposed during the year.

Going concern

During the year the sole subsidiary of the Company was dissolved however it is the intention of the directors to retain the Company as a non-trading entity. The directors have considered the cash flows of the Company, which are expected to be limited, for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due through funding from its ultimate parent, Cochlear Limited.

As the Company's funding lines come from its ultimate parent company, Cochlear Limited, the Directors have sought, and received, confirmation that the Cochlear Limited will continue to make available such funds as are needed by the company for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors

The following directors have held office during the year as follows:

D T M Ashton (resigned 31 December)
R J Brook
C P Zuscak

Employee involvement

The company has no employees.

Political contributions

Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

COCHLEAR (UK) LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2020**

Research and development

Expenditure on research and development for the year was £nil (2019: £nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure to auditor

The directors, who held office at the date of the approval of this Directors' Report, confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 18 February 2021.

Signed on behalf of the board:



C P Zuscak
Director

Date: 18 February 2021

Registered Office
6 Dashwood Lang Road
Bourne Business Park
Addlestone
Surrey
KT15 2HJ

COCHLEAR (UK) LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2020**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



C P Zuscak
Director
6 Dashwood Land Road
Bourne Business Park
Addlestone
Surrey KT15 2HJ

Date: 18 February 2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCHLEAR (UK) LIMITED

Opinion

We have audited the financial statements of Cochlear Europe Limited ("the company") for the year ended 30 June 2020 which comprise the profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover this report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in this report for the financial year is consistent with the financial statements; and
- in our opinion this report has been prepared in accordance with the Companies Act 2006.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCHLEAR (UK) LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's 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.

Chrissy Douka (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London E14 5GL

19th February 2021

COCHLEAR (UK) LIMITED

**PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 £	2019 £
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Distribution costs		-	-
Administrative expenses		-	-
Operating loss		-	-
Loss on ordinary activities before taxation	4	-	-
Income tax (expense)/credit	7	-	-
Loss for the financial year		-	-
Other comprehensive income		-	-
Total comprehensive income for the financial year		-	-

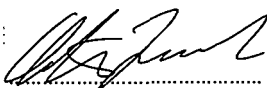
The notes on pages 10 to 15 form part of these financial statements.

**BALANCE SHEET
AS AT 30 JUNE 2020**

	Notes	2020 £	2019 £
Fixed assets			
Investments	8	-	100
Total fixed assets		-	100
Current assets			
Debtors	9	7,739	7,739
Total current assets		7,739	7,739
Less: current liabilities			
Creditors: Amounts falling due within one year			
Trade and other payables	10	-	100
Total assets less current liabilities		7,739	7,739
Net assets		7,739 =====	7,739 =====
CAPITAL AND RESERVES			
Called up share capital	11	10,000	10,000
Profit and loss account	12	(2,261)	(2,261)
SHAREHOLDERS FUNDS		7,739 =====	7,739 =====

The notes on pages 10 to 15 form part of these financial statements.

The financial statements on pages 7 to 15 were approved by the board of directors and authorised for issue On 18 February 2021 and are signed on its behalf by:



C P Zuscak
Director

Date: 18 February 2021

COCHLEAR (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Share capital £	Retained earnings £	Total equity £
Balance at 1 July 2018	10,000	(2,261)	7,739
Total comprehensive income for the financial year	-	-	-
Balance at 30 June 2019	<u>10,000</u> =====	<u>(2,261)</u> =====	<u>7,739</u> =====

	Share capital £	Retained earnings £	Total equity £
Balance at 1 July 2019	10,000	(2,261)	7,739
Total comprehensive income for the financial year	-	-	-
Balance at 30 June 2020	<u>10,000</u> =====	<u>(2,261)</u> =====	<u>7,739</u> =====

The notes on pages 10 to 15 form part of these financial statements.

COCHLEAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

Cochlear (UK) Limited (the "company") is, and has been for some years, non-trading.

The company (Company No. 02702930 - England and Wales) is a private company limited by shares and it is incorporated and domiciled in the UK. The address of its registered office is 6 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey KT15 2HJ.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. They have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

These financial statements have been prepared under the historical cost convention, using the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("EU adopted IFRS"), amended where necessary in order to comply with Companies Act 2006 and as set out below where advantage of the FRS 101 disclosure exemptions have been taken.

Reduced disclosures

The following exemptions from the requirements of EU adopted IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the group financial statements of the ultimate parent company, in accordance with FRS 101:

- Presentation of a statement of cash flow and related notes;
- Disclosure of the objectives, policies and processes for managing capital;
- Disclosure of key management personnel compensation;
- Disclosure of the categories of financial instruments and nature and extent of risks arising on these financial instruments;
- Comparative period reconciliations for Called up share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosure of the effect of financial instruments on the profit and loss and other comprehensive income; and
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date.

The financial statements of the company are consolidated into the financial statements of Cochlear Limited, a company incorporated in Australia. The consolidated financial statements of Cochlear Limited, prepared under IFRS, are available from its registered office, 1 University Avenue, Macquarie University, NSW 2109, Australia.

COCHLEAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2020

2. Summary of significant accounting policies (Continued)

Going concern

The company had net assets of £7,739 (2019: £7,739) as at 30 June 2020 and generated nil profit or loss for the year then ended (2019: nil). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

During the year the sole subsidiary of the Company was dissolved however it is the intention of the directors to retain the Company as a non-trading entity. The directors have considered the cash flows of the Company, which are expected to be limited, for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due through funding from its ultimate parent, Cochlear Limited.

As the Company's funding lines come from its ultimate parent company, Cochlear Limited, the Directors have sought, and received, confirmation that the Cochlear Limited will continue to make available such funds as are needed by the company for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Consolidation

The financial statements present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 401 of the Companies Act 2006, since it is a wholly owned subsidiary undertaking of Cochlear Limited, a company incorporated in Australia, and is included in the consolidated financial statements of Cochlear Limited. The consolidated financial statements are available from the registered office of Cochlear Limited whose address is given above.

Foreign and functional currencies

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses. The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. Impairment losses are recognised in the profit and loss and other comprehensive income.

2. **Summary of significant accounting policies (Continued)**

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, tax is recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is released or the deferred tax liabilities is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the profit and loss and other comprehensive income within interest income or expenses in the period in which they arise.

Trade and other receivables

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet includes cash in hand, deposits held at call with banks and cash equivalents. Bank accounts held which have an original maturity of more than three months, or which are subject to significant restrictions over access, are not presented as cash and cash equivalents. Such amounts are shown separately as short-term investments or other financial assets with appropriate disclosure of the related terms.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

COCHLEAR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2020****2. Summary of significant accounting policies (Continued)****Changes in accounting policies****IFRS 16 Leases**

IFRS 16 Leases has replaced the previous lease guidance including IAS 17 Leases. The new standard has no impact on the financial statements of Cochlear (UK) Limited.

3. Use of judgements and estimates

The preparation of financial statements in conformity with FRS 101 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future years affected.

4.	Profit on ordinary activities before taxation	2020	2019
		£	£

Auditor's remuneration:

- The audit fees are paid by Cochlear Europe limited, a related company 2,100 2,100

=====

5 Staff numbers and cost

The company has no employees; the directors of the company are employed by other group companies, Cochlear Europe Limited and Cochlear AG.

6.	Directors' remuneration	2020	2019
		£	£
	Directors' emoluments	7,391	6,954
		<u>7,391</u>	<u>6,954</u>
		=====	=====

At 30 June 2020, the number of directors for whom benefits were accruing under defined contribution schemes was (2) (2019: 2).

During the year, remuneration costs for 3 directors (2019: 3) were borne by other group companies (Cochlear Europe Limited and Cochlear AG) in relation to their work for those companies. The cost to those companies was £7,391 (2019: £6,954).

COCHLEAR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2020**

7. Income tax

	2020	2019
	£	£
Analysis of charge in period:		
Current tax	-	-
UK corporation tax on profits of the period	-	-
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	-	-
	<u> </u>	<u> </u>
	=====	=====

The tax expense in the current and prior period was £nil as the company was not active in the period.

8. Fixed asset investments

**Shares in group
undertakings**
£

Net book value:

At 30 June 2020

-
=====

At 30 June 2019

100
=====

The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. The company's subsidiary, Acoustic Implants Limited was dissolved and impairment recognised against the value of the fixed asset investment.

Name of company	Country of incorporation or registration	Class of shares held	Proportion of class
Acoustic Implants Limited (dissolved) <i>Registered Address - 5 New Street Square, London, EC4A 3TW</i>	England & Wales	Ordinary	100%

9. Trade and other receivables

	2020	2019
	£	£
Due within one year:		
Amounts owed by group undertakings	7,739	7,739
	<u> </u>	<u> </u>

10. Trade and other payables

	2020	2019
	£	£
Amounts owed to group undertakings	-	100
	<u> </u>	<u> </u>

11. Called up share capital

	2020	2019
	£	£
Allotted, issued and fully paid:		
10,000 ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
	=====	=====

12. The components of equity

Called up share capital:

The Called up share capital records the nominal value of shares issued and paid up.

Profit and loss account:

Represents the cumulative profit and loss of the company, net of distributions to owners.

13. Ultimate parent company and parent company of larger group

The company is a wholly owned subsidiary of Cochlear Limited, incorporated in Australia. Cochlear Limited is the parent undertaking of both the smallest and largest group of undertakings of which the company is a member and prepares consolidated financial statements to 30 June annually. The consolidated financial statements of Cochlear Limited are available to the public and may be obtained from 1 University Avenue, Macquarie University, NSW 2109, Australia.

Cochlear Limited is listed on the Australian stock exchange, and as such there is no ultimate controlling party.

14. Subsequent events

Subsequent to the year end the Company has waived and written off the intercompany debtor balance with Cochlear AG of £7,739.