

# **Amplifon United Kingdom Limited**

## **Report and Financial Statements**

Registered number 5803524

31 December 2008

THURSDAY



\*AKLG6EBQ\*

A44

22/10/2009

96

COMPANIES HOUSE

## Contents

Directors' report	1-2
Statement of directors' responsibilities	3
Independent auditors' report to the members of Amplifon United Kindom Limited	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Reconciliation of movement in shareholders' funds	7
Notes	8-15

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

### **Principal activities**

The principal activity of the company is a holding company. The company operates within the United Kingdom.

### **Business Review**

On 31 December 2007, Amplifon S.p.A. increased its investment in the company by £6,000,000 from £26,000,000 to £32,000,000 by means of a shareholder contribution of £6,000,000. The cash received was used to repay part of the company's loan from Ampli UK LLP, a subsidiary undertaking of Amplifon S.p.A, the parent of Amplifon United Kingdom Limited.

On October 31 2008, Amplifon S.p.A. increased its investment in the company by £33,000,000. The company issued 33,000,000 ordinary shares and these shares were allotted, called up and fully paid by Amplifon S.p.A. At the same time, Amplifon S.p.A. made a loan to the company of £7,832,017.28. The company used the cash received from the increased investment and the loan to repay in full the loan from Ampli UK LLP.

Cash generated by the UK Group is currently insufficient to service the loan interest. The ultimate parent, Amplifon S.p.A. will continue to financially support the UK whilst initiatives to improve profitability and cash flow are implemented.

The results of the company for the period are set out on page 5 of the financial statements.

### **Proposed dividend and transfer to reserves**

The directors do not recommend the payment of a dividend

The loss for the period was £2,407,000 (2007 loss: £39,442,000)

### **Principal risks and uncertainties**

The subsidiaries are currently trading at a loss and cash flow is negative. The Directors have the full support of its own parent company to continue to invest in the UK operations, while re-organisation plans continue, to make the UK group ready for future market growth.

### **Directors**

The directors who held office during the financial period and until the signing of this report are as follows:

A A Chiono (resigned 31 December 2008)  
F Moscetti  
A R Webb  
S Fleming (appointed 23 December 2008)

### **Political and charitable donations**

The company and its subsidiaries made no political or charitable donations during the period

### **Future Developments**

The Amplifon United Kingdom Limited Group is being re-organised and rationalised to become more effective and efficient in the United Kingdom market. This will include continuing significant investment in the business and information management systems in conjunction with the ultimate parent company, Amplifon S.p.A.

### **Employees**

It is the company's policy that employees should be kept as fully informed as is practicable about the company's progress through regular visits to branches by head office staff.

## Directors' report (*continued*)

It is the policy of the company that there should be no unfair discrimination in considering applications for employment including any necessary re-training. All employees, whether or not disabled, are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers.

Persons who become disabled during the course of their employment with the company may be redeployed, if required, with due consideration being given to the individual's skills and abilities.

## Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with this report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

## Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board.



**A R Webb**

*Secretary*

15 October 2009

Ultravox House  
Styal Road  
Manchester  
M22 5WY

## Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss 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 estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent auditor's report to the members of Amplifon United Kingdom Limited

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, Reconciliation of Movements in Shareholders Funds and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

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

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

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

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

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

### Basis of audit opinion

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

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

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP  
Registered auditor  
Manchester

19/10/09

**Profit and loss account**  
**for the year ended 31 December 2008**

	Notes	12 months 31 December 2008 £'000	12 months 31 December 2007 £'000
Administrative expenses	2	(3)	(3)
<b>Operating Loss</b>		<b>(3)</b>	<b>(3)</b>
Write down of investments	8	-	(36,098)
Other interest receivable and similar income	5	264	268
Interest payable and similar charges	6	(2,668)	(3,609)
<b>Loss on ordinary activities before taxation</b>		<b>(2,407)</b>	<b>(39,442)</b>
Tax on loss on ordinary activities	7	-	-
<b>Loss on ordinary activities after taxation for the period</b>		<b>(2,407)</b>	<b>(39,442)</b>

All activities were derived from continuing operations.

**Statement of total recognised gains and losses**  
**for the year ended 31 December 2008**

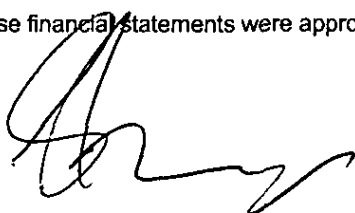
There have been no recognised gains or losses in either the current or preceding period other than those passing through the profit and loss account.

**Balance sheet**  
**at 31 December 2008**

	Notes	31 December 2008 £'000	31 December 2007 £'000 (restated)
<b>Fixed assets</b>			
Fixed asset Investments	8	26,255	26,255
		<u>26,255</u>	<u>26,255</u>
<b>Current assets</b>			
Debtors	9	3,314	3,278
Cash at bank and in-hand		6	-
		<u>3,320</u>	<u>3,278</u>
Creditors: amounts falling due within one year	11	(7,835)	(38,386)
		<u>(4,515)</u>	<u>(35,108)</u>
<b>Net current liabilities</b>		<b>(4,515)</b>	<b>(35,108)</b>
<b>Total assets less current liabilities</b>		<b>21,740</b>	<b>(8,853)</b>
<b>Net Assets</b>		<b>21,740</b>	<b>(8,853)</b>
<b>Capital and reserves</b>			
Called up share capital	14	59,000	26,000*
Other reserves	15	6,000	6,000*
Profit and loss account	15	(43,260)	(40,853)
		<u>21,740</u>	<u>(8,853)</u>
<b>Shareholders' funds</b>		<b>21,740</b>	<b>(8,853)</b>

\* - restated as 2007 shareholder contribution classified as share capital in 2007 financial statements.

These financial statements were approved by the board of directors on 15 October 2009 and were signed on its behalf by:



**S. Fleming**  
Director



**Reconciliation of movements in shareholders' funds  
for the year ended 31 December 2008**

	<b>12 months 31 December 2008 £'000</b>	<b>12 months 31 December 2007 £'000 (restated)</b>
Opening shareholders' funds	(8,853)	24,589
Loss for the financial period	(2,407)	(39,442)
Shareholder contribution	-	6,000
New shares issued	33,000	-
Net change in shareholders' funds	30,593	(33,442)
<b>Closing shareholders' funds</b>	<b>21,740</b>	<b>(8,853)</b>

## Notes

For the year ended 31 December 2008

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Going Concern*

The company is dependant on the ongoing support from the parent company Amplifon S.p.A. The Directors have undertakings from Amplifon S.p.A that this support will continue for the foreseeable future.

#### *Cash flow Statement*

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### *Related party transactions*

As the company is a wholly owned subsidiary of the group headed by Amplifon S.p.A., the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Amplifon S.p.A., within which this company is included, can be obtained from the address given in note 17.

#### *Interest Income*

Revenue is recognised as interest accrues.

#### *Deferred Tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the exception of deferred tax assets.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	50 years
Leasehold land and buildings	Shorter of life of lease or 10 years
Freehold improvements	5 years

No depreciation is provided on freehold land.

## **Notes (continued)**

**For the year ended 31 December 2008**

### **1 Accounting policies (continued)**

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. The results of the overseas branches are translated at average rates in the profit and loss account.

#### ***Leases***

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit & loss account on a straight line basis over the period of the lease.

#### ***Investments***

Shares in subsidiary companies are stated at their net asset value at the end of the year. This basis has been adopted as it is considered that it more fairly represents the value of the investment to Amplifon UK Limited.

#### ***Deferred Tax***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the exception of deferred tax assets.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### ***Basis of Preparation***

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### ***Prior Period Adjustment***

The prior period balance sheet and certain related notes have been restated to correctly reflect a £6million Shareholder Contribution disclosed as an issue of Share Capital in the 2007 Financial Statements.

## Notes (continued)

For the year ended 31 December 2008

### 2 Loss on ordinary activities before taxation

	12 months 31 December 2008 £'000	12 months 31 December 2007 £'000
Loss on ordinary activities before taxation is stated after charging:		
Auditor's remuneration:	3	3
	<u>3</u>	<u>3</u>

### 3 Remuneration of directors

No Director has received remuneration for the period.

### 4 Staff numbers and costs

There are no employees under contracts of services.

### 5 Interest receivable

	12 months 31 December 2008 £'000	12 months 31 December 2007 £'000
Intercompany loan interest receivable	264	268
	<u>264</u>	<u>268</u>

### 6 Interest payable

	12 months 31 December 2008 £'000	12 months 31 December 2007 £'000
Intercompany loan interest payable	2,668	3,609
	<u>2,668</u>	<u>3,609</u>

**Notes (continued)**  
**For the year ended 31 December 2008**

**7 Taxation**

Analysis of the charge in the period	2008	12 months 31 December 2008	2007	12 months 31 December 2007
	£'000	£'000	£'000	£'000
<i>UK Corporation tax</i>				
UK Corporation Tax at 28.5% (2007: 30%) on profits for the year	-	-	-	-
Adjustments in respect of prior years	-	-	-	-
Total current tax		-		-
<i>Deferred Tax</i>				
Origination and reversal of timing differences	-	-	-	-
Deferred tax		-		-
Total tax (credit)/charge		-		-
		12 months 31 December 2008 £'000	12 months 31 December 2007 £'000 *(restated)	
<i>Current tax reconciliation</i>				
Loss on ordinary activities before tax		(2,407)		(39,442)
Current tax @ 28.5% (2007: 30%)		(686)		(11,833)
<i>Effects of:</i>				
Expenses not deductible for tax purposes		-		10,829
Other timing differences		760		*1,083
Group Relief not paid for		(74)		(79)
Total current tax credit (see above)		-		-

The company has £1,758,000 (2007 £1,083,000) in respect of unrecognised deferred tax assets as at 31 December 2008. This relates to interest payable not allowed payable to the Ampli UK LLP and Amplifon S.p.A. on the basis the LLP partners and company are overseas connected corporates and it will not be paid within 12 months of the balance sheet date.

\*Restated due to printing error in 2007 accounts.

**Notes (continued)**  
**For the year ended 31 December 2008**

**8 Investments**

	2008 £'000	2007 £'000
At 1 January 2008	26,255	62,145
Additions	-	208
Impairment	-	(36,098)
At 31 December 2008	26,255	26,255

The companies in which the company's or subsidiaries' interest at the period end is more than 20% are as follows:

Subsidiary undertakings	Principal activity	Percentage of shares held
Ultravox Holdings Limited	Holding Company	100%
Amplifon Limited *	Consultants, distributors and dealers of hearing aids	100%
Ultratone Limited *	Non trading	100%
Hearing Health Limited *	Non trading	100%
Ultra Finance Limited *	Credit finance for related companies	100%
BHHC Limited *	Non trading	100%
Ultravox Asset Management Limited *	Non trading	100%
Amplivox (Holdings) Limited *	Holding Company	100%
Amplifon Ireland Limited*	Consultants, distributors and dealers of hearing aids	75%

\* Held by subsidiary undertaking

The above companies are registered in England, Wales and Ireland.

## Notes (continued)

For the year ended 31 December 2008

### 9 Debtors

	2008 £'000	2007 £'000
Amounts owed by subsidiary undertakings	3,314	3,278
	<u>3,314</u>	<u>3,278</u>

The company has a commercial loan with its subsidiary undertaking, Ultravox Holdings Limited. The loan is repayable on demand. The rate of interest receivable on the loan is 3.0% above the Bank of England base rate.

### 10 Deferred Tax

There is an unrecorded deferred tax asset of £1,758,000 (2007 £1,083,000) relating to interest payable not allowed payable to the Amplifon UK LLP and Amplifon S.p.A on the basis the LLP partners and company are overseas connected corporates and it will not be paid within 12 months of the balance sheet date.

### 11 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts owed to group undertakings	7,835	38,294
Accruals and deferred income	-	92
	<u>7,835</u>	<u>38,386</u>

### 12 Loans

	2008 £'000	2007 £'000
Loans repayable, included within creditors, are analysed as follows:		
Repayable on demand	-	38,169
	<u>-</u>	<u>38,169</u>

On the balance sheet date, the company had a loan of £nil (2007:£38,169,000) from Ampli UK LLP, a subsidiary undertaking of Amplifon S.p.A, the parent of Amplifon United Kingdom Limited

The loan was repayable on demand. The rate of interest payable on the loan is 3.0% above Bank of England base rate, and the interest is payable within twelve months of the balance sheet date.

The loan was repaid in full on October 31, 2008

## Notes (continued)

For the year ended 31 December 2008

### 13 Post Balance Sheet event

There are no post balance sheet events

### 14 Called up share capital

	2008 £'000	2007 £'000 (restated)
<b>Authorised</b>		
Ordinary shares of £1 each	59,000	26,000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	59,000	26,000

On October 31 2008, Amplifon S.p.A. increased its investment in the company by £33,000,000. The company issued 33,000,000 ordinary shares and these shares were allotted, called up and fully paid by Amplifon S.p.A. At the same time, Amplifon S.p.A. made a loan to the company of £7,832,017.28. The company used the cash received from the increased investment and the loan to repay in full the loan from Ampli UK LLP.

### 15 Other Reserves (restated)

	Other reserves £'000	Profit & Loss £'000	Total £'000
At 1 January 2007	-	(1,411)	(1,411)
Loss for the period	-	(39,442)	(39,442)
Shareholder contribution	6,000	-	6,000
At 31 December 2007	6,000	(40,853)	(34,853)
Loss for the period	-	(2,407)	(2,407)
At 31 December 2008	6,000	(43,260)	(37,260)

On 31 December 2007, Amplifon S.p.A. increased its investment in the company by £6,000,000 from £26,000,000 to £32,000,000 by means of a shareholder contribution of £6,000,000. The cash received was used to repay part of the company's loan from Ampli UK LLP, a subsidiary undertaking of Amplifon S.p.A, the parent of Amplifon United Kingdom Limited.

### 16 Commitments and contingent liabilities

- (i) There were no capital commitments at the end of the period
- (ii) There were no annual commitments under non-cancellable operating leases
- (iii) The company has given its bankers unlimited cross guarantees in favour of all group companies. Group borrowings subject to cross guarantees at the period end amounted to £Nil (2007: £Nil).



**Notes (continued)**

**For the year ended 31 December 2008**

**17 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The immediate and ultimate parent company of Amplifon United Kingdom Limited is Amplifon S.p.A., a company incorporated and registered in Italy

The largest and smallest group in which the results of the company are consolidated is that headed by Amplifon S.p.A.. The consolidated financial statements of the group are available to the public and may be obtained from Amplifon S.p.A., Via G Ripamonti 133, 20141 Milan, Italy.