

Registered number: 05803524

**AMPLIFON UNITED KINGDOM LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



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## **AMPLIFON UNITED KINGDOM LIMITED**

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### **COMPANY INFORMATION**

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**DIRECTORS**

G Manzo  
V Milton  
G Galli

**COMPANY SECRETARY**

V Milton

**REGISTERED NUMBER**

05803524

**REGISTERED OFFICE**

Gateway House  
Styal Road  
Manchester  
M22 5WY

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
1 Hardman Square  
Manchester  
M3 3EB

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## **AMPLIFON UNITED KINGDOM LIMITED**

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## AMPLIFON UNITED KINGDOM LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their strategic report of the company for the year ended 31 December 2018.

#### Principal Activities

The principal activity of the company is that of a holding company. The principal activity of its main subsidiary is that of consultants, distributors and dealers of hearing aids. The company operates within the United Kingdom and Ireland.

#### Business review

With the continuing financial support from the ultimate parent, Amplifon S.p.A, the directors continue to support the Amplifon Group with its aims of establishing the Amplifon brand as the recognised name for dedicated hearing solutions, by working with legislators, to position the company for the future opportunities in the UK and Irish marketplaces.

The profit for the financial year was £435k (2017– profit of £7.7m). The net assets at year ended 31 December 2018 was £60.5m (2017 – £52.5m). The profit in the prior year was largely due to the release of intercompany loan interest in the year of £7.8m (see note 18).

On the 17<sup>th</sup> October 2018 7,500,000 Ordinary shares were issued at par value.

#### Principal risks and uncertainties

As a fully owned holding company, with no trade, the directors are of the view that there are no significant risks that require disclosure.

The subsidiaries are trading at a loss and cash flow is negative. The directors have the full financial support of the parent company to continue to invest in the UK operations in preparation for future market growth. Details of this can be found in the accounting policies on page(s) 10-11.

#### Financial key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The net assets for the financial statements at the year ended 31 December 2018 was £60.5m (2017 - £52.5m).

#### Future Developments

With the continuing support from the ultimate parent, Amplifon S.p.A, the directors plan to continue investment in the group business in the forthcoming years, to establish the Amplifon brand as the recognised name for dedicated private sector hearing solutions, and strengthen the platform for stability and growth.

This report was approved by the board and signed by its order.



V Milton  
Secretary

15 April 2019

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## AMPLIFON UNITED KINGDOM LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their report and the audited financial statements for the year ended 31 December 2018.

#### Dividends

The directors do not recommend the payment of a dividend (2017- £nil).

#### Directors

The directors who were in office during the year and up to the date of signing the financial statements:

G Galli  
G Manzo  
V Milton

#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

#### Future developments

An indication of the likely future developments of the business is included in the Strategic Report on page 1.

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## **AMPLIFON UNITED KINGDOM LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **Financial risk management**

Details of financial risk management can be found in the Strategic report on page 1 and forms part of this report as by cross reference.

#### **Qualifying third party indemnity provisions**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was held during the year and remains in force as at the date of approving the financial statements.

Other than directors, the company has no employees.

#### **Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Amplifon S.p.A. The directors and company have received confirmation that Amplifon S.p.A. intends to support the company for at least one year from the date of these financial statements.

#### **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.

#### **Post balance sheet events**

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

#### **Independent auditors**

As a result of audit mandatory rotation rules and following a formal tender process by Amplifon S.p.A., it was proposed that KPMG LLP will replace PricewaterhouseCoopers LLP as the independent auditors of the whole Group at the forthcoming Annual General Meeting of Amplifon S.p.A..

This report was approved by the board and signed by its order:



**V Milton**  
Secretary

15 April 2019

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## AMPLIFON UNITED KINGDOM LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMPLIFON UNITED KINGDOM LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Opinion

In our opinion, Amplifon United Kingdom Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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## AMPLIFON UNITED KINGDOM LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMPLIFON UNITED KINGDOM LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditors' responsibilities for the audit of the financial statements**

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.



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**AMPLIFON UNITED KINGDOM LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMPLIFON UNITED KINGDOM LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*Jonathan Studholme*

Jonathan Studholme (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
17 April 2019

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**AMPLIFON UNITED KINGDOM LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
Interest receivable and similar income	6	470	-
Interest payable and similar expenses	6	(34)	(126)
<b>Profit/(Loss) before exceptional items</b>		<b>436</b>	<b>(126)</b>
Exceptional item	18	-	7,832
<b>Operating Profit</b>		<b>436</b>	<b>7,706</b>
<b>Profit before taxation</b>		<b>436</b>	<b>7,706</b>
Taxation on Profit	7	-	-
<b>Profit for the financial year</b>		<b>436</b>	<b>7,706</b>

The results above relate to continuing operations.

The notes on page(s) 10 to 18 form an integral part of these financial statements.

**AMPLIFON UNITED KINGDOM LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2018**

	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
<b>Fixed assets</b>			
Investments	8	<u>600</u>	<u>600</u>
		600	600
<b>Current assets</b>			
Debtors	9	62,534	55,703
Cash at bank and in hand	10	<u>1,855</u>	<u>1,246</u>
		64,389	56,949
Creditors: amounts falling due within one year	11	<u>(4,539)</u>	<u>(5,035)</u>
<b>Net current assets</b>		<u>59,850</u>	<u>51,914</u>
<b>Total assets less current liabilities</b>		<u>60,450</u>	<u>52,514</u>
<b>Net assets</b>		<u>60,450</u>	<u>52,514</u>
<b>Capital and reserves</b>			
Other reserves	13	6,000	6,000
Called up share capital	14	119,790	112,290
Profit and loss account		<u>(65,340)</u>	<u>(65,776)</u>
<b>Total Shareholders' funds</b>		<u>60,450</u>	<u>52,514</u>

The financial statements on page(s) 7 to 9 were approved and by the Board of Directors and were signed on its behalf by:

G Manzo  
Director



15 April 2019

The notes on page(s) 10 to 18 form an integral part of these financial statements.

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**AMPLIFON UNITED KINGDOM LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<b>Called up share capital £000</b>	<b>Other reserves £000</b>	<b>Profit and Loss account £000</b>	<b>Total Shareholders' funds £000</b>
At 1 January 2018	112,290	6,000	(65,776)	52,514
Profit for the financial year	-	-	436	436
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	436	436
Shares issued during the year	7,500	-	-	7,500
Total contributions by and distributions to owners	7,500	-	-	7,500
At 31 December 2018	119,790	6,000	(65,340)	60,450

The notes on page(s) 10 to 18 form an integral part of these financial statements.

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## **AMPLIFON UNITED KINGDOM LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

Amplifon United Kingdom Limited (the 'company') is a private company limited by shares (registered number 05803524) which is incorporated and domiciled in the United Kingdom. The company's registered office and principal place of business is Gateway House, Styal Road, Manchester, M22 5WY.

The financial statements have been prepared under the historical costs convention and in compliance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 2.

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

##### **1.2 Cash flow statement**

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Amplifon S.p.A, includes the company's cash flows in its own consolidated financial statements.

##### **1.3 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 102 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 the results of this company are included, can be obtained from the address given in note 16.

##### **1.4 Going concern**

The company is dependent on the ongoing support from its parent company, Amplifon S.p.A. The directors and company have received confirmation that Amplifon S.p.A. will continue to support the company for a period of at least 12 months from the date of these Financial Statements.

##### **1.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

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## AMPLIFON UNITED KINGDOM LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies (continued)

##### 1.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## AMPLIFON UNITED KINGDOM LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

##### **1.6 Financial instruments (continued)**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **1.7 Foreign currency translation**

###### *Functional and presentation currency*

The company's functional and presentation currency is GBP.

###### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. All foreign exchange differences arising in the normal course of the business are accounted for through the Statement of Comprehensive Income.

##### **1.8 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is 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 balance sheet date in the countries where the company operates and generates income.

##### **1.9 Deferred taxation**

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.

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## AMPLIFON UNITED KINGDOM LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

##### *Impairment of investments*

Determining whether an investment is impaired requires an estimation of the value in use of the subsidiary companies. This calculation requires the company to review the underlying net assets of the business and estimate the future cash flows expected to arise from the subsidiary and a suitable discount rate in order to calculate present value.

#### 3. Auditors' remuneration

Audit fees were borne by an associated company in the UK group in both 2018 and 2017. The UK group audit fees total £96,836 (2017- £96,830).

#### 4. Employees

The company has no employees other than the directors, who did not receive any remuneration (2017- £nil).

All services were provided by an associated company in the group, the company has no employees during the year (2017- nil).

#### 5. Directors' remuneration

The directors did not receive any emoluments in respect of their services to the company (2017: £nil)

All services were provided by an associated company in the group, the company has no employees during the year (2017- nil).

#### 6. Interest payable and similar expenses

	2018 £000	2017 £000
Interest payable and charges	4	3
Loan from group undertakings	31	123
	<u>34</u>	<u>126</u>

##### Interest receivable and similar income

	2018 £000	2017 £000
Loan from group undertakings	470	-
	<u>470</u>	<u>-</u>



**AMPLIFON UNITED KINGDOM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**7. Tax on profit / (loss)**

**a. Tax expense included in the profit /(loss)**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Current tax:		
- UK Corporation tax on profit/ (loss) for the year	-	-
- Adjustment in respect of prior periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
- Origination and reversal of timing differences	-	-
- Impact on change in tax rate	-	-
Total deferred tax	<u>-</u>	<u>-</u>
<b>Tax on profit / (loss)</b>	<u>-</u>	<u>-</u>

**b. Factors affecting tax charge for the year**

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantially enacted as part of the Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Profit before taxation	<u>435</u>	<u>7,706</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	<b>83</b>	<b>1,483</b>
<b>Effects of:</b>		
Utilised against losses brought-forward	-	<b>(1,424)</b>
Group relief	<b>(83)</b>	<b>(59)</b>
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

**AMPLIFON UNITED KINGDOM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**8. Investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost</b>	
At 1 January 2018	<u>600</u>
At 31 December 2018	<u>600</u>
<b>Net book value</b>	
At 31 December 2018	<u>600</u>
At 31 December 2017	<u>600</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principle activity</b>
Amplifon Limited, Gateway House, Manchester	England and Wales	Ordinary	100%	Consultants, distributors and dealers of hearing aids
Ultra Finance Limited Gateway House, Manchester	England & Wales	Ordinary	100%	Holding and subcontracting of NHS AQP Audiology contacts
Amplifon Ireland Limited 34 Lower Abbey St, Dublin	Ireland	Ordinary	100%	Consultants, distributors and dealers of hearing aids

The directors believe that the carrying value of the investments is supported by the underlying net assets of Ultra Finance Limited.

**9. Debtors**

	<b>2018 £000</b>	<b>2017 £000</b>
<b>Due within one year</b>		
Amounts owed by group undertakings	<u>62,534</u>	<u>55,703</u>
	<u><b>62,534</b></u>	<u><b>55,703</b></u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. The recoverability of the debtors is deemed reasonable as the ultimate parent company has confirmed its intention to pay the liabilities of the subsidiaries if required. This guarantee is for a period of at least 12 months from the date of the signed financial statements.

**AMPLIFON UNITED KINGDOM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. Cash at bank and in hand**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>1,855</b>	<b>1,246</b>
	<b><u>1,855</u></b>	<b><u>1,246</u></b>

**11. Creditors: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>4,539</b>	<b>4,566</b>
Taxation and social security	<b>-</b>	<b>469</b>
	<b><u>4,539</u></b>	<b><u>5,035</u></b>

A loan of £4,510,745 (2017- £4,478,895) is included within amounts owed to group undertakings. This loan is unsecured, and repayable on demand. The rate of interest payable on the loan is LIBOR +2.5%. The remaining balance is unsecured, repayable on demand, and bears no interest.

Creditors for taxation and social security are payable in the timeframe set down in the relevant legislation.

**12. Financial instruments**

The company has the following Financial Instruments:

		<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
<b>Financial assets</b>			
Financial assets that are debt instruments measured at amortised cost			
- Amounts owed by group undertakings	<b>9</b>	<b>62,534</b>	<b>55,703</b>
		<b><u>62,534</u></b>	<b><u>55,703</u></b>
<b>Financial liabilities</b>			
Financial liabilities measured at amortised cost			
- Amounts owed to group undertakings	<b>11</b>	<b>(4,539)</b>	<b>(4,566)</b>
		<b><u>(4,539)</u></b>	<b><u>(4,566)</u></b>

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**13. Other reserves**

Other reserves represent a shareholder contribution.

**14. Called up share capital**

Allotted, called up and fully paid	2018 £000	2017 £000
	<u>119,790</u>	<u>112,290</u>
119,790,423 (2017–112,290,423) Ordinary shares of £1 each		

On 17<sup>th</sup> October 2018 7,500,000 Ordinary shares were issued at par value (2017 – 28<sup>th</sup> April 2017 8,000,000 and 31<sup>st</sup> July 2017 9,790,423).

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends, voting rights or the repayment of capital.

**15. Commitments and contingent liabilities**

- (i) There were no capital commitments at the end of the year.
- (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 year end amounted to £nil (2017- £nil).

**16. Controlling Party**

The immediate and ultimate parent company and controlling party 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 Ripamonti 133, 20151 Milan, Italy.

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**17. Related party disclosures**

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

**18. Exceptional items**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Reversal of intercompany loan interest</b>	<b>-</b>	<b>7,832</b>

Historic intercompany loan balance with Amplifon S.p.A waived in December 2017.

No exceptional items have been noted in the current financial year.