

Registered number: 05803524

AMPLIFON UNITED KINGDOM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



AMPLIFON UNITED KINGDOM LIMITED

COMPANY INFORMATION

DIRECTORS P Cave-Ertugrul
V Milton (Resigned 15 January 2021)
G Galli
Z Falconer

COMPANY SECRETARY Z Falconer

REGISTERED NUMBER 05803524

REGISTERED OFFICE Gateway House
Styal Road
Manchester
M22 5WY

INDEPENDENT AUDITORS KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

AMPLIFON UNITED KINGDOM LIMITED

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AMPLIFON UNITED KINGDOM LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report of the company for the year ended 31 December 2021.

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 £30k (2020–£3k). The net assets at year ended 31 December 2021 was £71.7m (2020 – £71.6m).

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. There are outstanding inter-company debtors at the end of the year, which are recoverable since 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) 12-15.

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 2021 was £71.7m (2020 - £71.6m).

Covid-19 Impact

The COVID-19 pandemic continued to create challenges and uncertainty with the economic impact of the virus being mainly isolated to the beginning of 2021. This event has had some impact on the financial performance for the year ended 31st December 2021, and on its financial position as at 31st December 2021.

Since the pandemic hit in March 2020, there has been an adverse impact on revenue generation due to restrictions impacting our ability to operate in a normal capacity. At the start of the year in 2021 as we entered the third national lockdown which significantly limited traffic to our stores during the lockdown period.

Our key focus was the health and wellbeing of our employees and clients, whilst ensuring we could be there for as many clients as possible in some capacity. Client service delivery remains one of our top priorities along with cashflow and liquidity and business continuity.

In order to protect our people and our business for future operations, we did require the support of the government schemes that were put in place during the start of 2021.

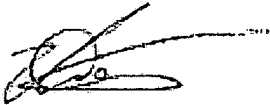
AMPLIFON UNITED KINGDOM LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.



Z Falconer
Director

25th April 2022

AMPLIFON UNITED KINGDOM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Dividends

The directors do not recommend the payment of a dividend (2020- £nil).

Directors

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

P Cave-Ertugrul
G Galli
V Milton
Z Falconer

Statement of directors' responsibilities in respect of the Annual Report, The Strategic Report, The Directors' Report and the financial statements

The directors are responsible for preparing the Annual Report, the Strategic Report, 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

Future developments

An indication of the likely future developments of the business is included in the Strategic Report on pages 1-2.

Financial risk management

Details of financial risk management can be found in the Strategic report on pages 1-2 and forms part of this report by cross reference.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts 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, through funding from its ultimate parent company, Amplifon S.p.A, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Amplifon S.p.A providing additional financial support during that period. Amplifon S.p.A has indicated its intention to 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.

The directors have obtained confirmation, that if required, additional funding would be provided from the Company's ultimate parent company, Amplifon S.p.A, to meet its liabilities as they fall due for a period of 12 months from the date of these financial statements.

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.

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.

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Independent auditors

Pursuant to section 487 of the companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

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



Z Falconer
Director

25th April 2022

AMPLIFON UNITED KINGDOM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMPLIFON UNITED KINGDOM LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of Amplifon United Kingdom Limited ("the company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

AMPLIFON UNITED KINGDOM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMPLIFON UNITED KINGDOM LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

AMPLIFON UNITED KINGDOM LIMITED

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMPLIFON UNITED KINGDOM LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021 (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;

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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 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; 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.

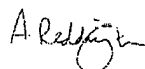
Auditor's responsibilities

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.



Andrew Reddington (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE
28th April 2022

AMPLIFON UNITED KINGDOM LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021
REGISTERED NUMBER 0583524

	Note	2021 £000	2020 £000
Administrative expenses		(1)	(1)
Operating loss		(1)	(1)
Interest receivable and similar income	6	37	8
Interest payable and similar expenses	6	(6)	(4)
Operating Profit		30	3
Profit before taxation		30	3
Taxation on Profit	7	-	-
Profit for the financial year		30	3

The results above relate to continuing operations.


The notes on pages 12 to 20 form an integral part of these financial statements.

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**BALANCE SHEET
AS AT 31 DECEMBER 2021
REGISTERED NUMBER 0583524**

	Note	2021 £000	2020 £000
Fixed assets			
Investments	8	600	600
		<u>600</u>	<u>600</u>
Current assets			
Debtors	9	70,322	70,367
Cash at bank and in hand	10	3,788	4,434
		<u>74,110</u>	<u>74,801</u>
Creditors: amounts falling due within one year	11	(3,055)	(3,776)
Net current assets		<u>71,055</u>	<u>71,025</u>
Total assets less current liabilities		<u>71,655</u>	<u>71,625</u>
Net assets		<u><u>71,655</u></u>	<u><u>71,625</u></u>
Capital and reserves			
Other reserves	13	6,000	6,000
Called up share capital	14	130,951	130,951
Profit and loss account		<u>(65,296)</u>	<u>(65,326)</u>
Total Shareholders' funds		<u><u>71,655</u></u>	<u><u>71,625</u></u>

The financial statements on pages 9 to 20 were approved and by the Board of Directors and were signed on its behalf by:



P Cave-Ertugrul
Director
25th April 2022

The notes on pages 12 to 20 form an integral part of these financial statements.

AMPLIFON UNITED KINGDOM LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
REGISTERED NUMBER 0583524

	Called up share capital £000	Other reserves £000	Profit and Loss account £000	Total Shareholders' funds £000
At 1 January 2021	130,951	6,000	(65,326)	71,625
Profit for the financial year	-	-	30	30
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	30	30
Shares issued during the year	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
At 31 December 2021	130,951	6,000	(65,296)	71,655

The notes on pages 12 to 20 form an integral part of these financial statements.



AMPLIFON UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 01315581) 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 Financial reporting standard 102 - reduced disclosure exemptions

The Company's ultimate parent undertaking, Amplifon S.p.A includes the Company in its consolidated financial statements. The consolidated financial statements of Amplifon S.p.A are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Amplifon S.p.A, Via Ripamonti 133, 20151 Milan, Italy. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes

As the consolidated financial statements of Amplifon S.p.A include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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.

AMPLIFON UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1.4 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts 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, through funding from its ultimate parent company, Amplifon S.p.A, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Amplifon S.p.A providing additional financial support during that period. Amplifon S.p.A has indicated its intention to 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.

The directors have obtained confirmation, that if required, additional funding would be provided from the Company's ultimate parent company, Amplifon S.p.A, to meet its liabilities as they fall due for a period of 12 months from the date of these financial statements.

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.

1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

AMPLIFON UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.6 Financial instruments (continued)

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.

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.

AMPLIFON UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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.

Recoverability of debtors

Determining the recoverability of debtors is determined based 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.

3. Auditors' remuneration

Audit fees were borne by an associated company in the UK group in both 2020 and 2019. The UK group audit fees total £90,000 (2020- £95,439).

AMPLIFON UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Employees

The company has no employees other than the directors, who did not receive any remuneration (2020- £nil).

All services were provided by an associated company in the group, the company has no employees during the year (2020- nil).

5. Directors' remuneration

The directors did not receive any emoluments in respect of their services to the company (2020: £nil)

All services were provided by an associated company in the group, the company has no employees during the year (2020- nil).

6. Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable and charges	6	4
	<u>6</u>	<u>4</u>
Interest receivable and similar income		
	2021 £000	2020 £000
Exchange gains	37	8
	<u>37</u>	<u>0</u>

AMPLIFON UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Tax on profit

a. Tax expense included in the profit

	2021 £000	2020 £000
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>
Tax on profit	<u>-</u>	<u>-</u>

b. Factors affecting tax charge for the year

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

	2021 £000	2020 £000
Profit before taxation	<u>30</u>	<u>3</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	6	1
Effects of:		
Group relief	(6)	(1)
Total tax charge for the year	<u>-</u>	<u>-</u>

AMPLIFON UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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8.

**Investments in subsidiary
companies**

	Investments in subsidiary companies £000
Cost	
At 1 January 2021	600
At 31 December 2021	<u>600</u>
Net book value	
At 31 December 2021	<u>600</u>
<i>At 31 December 2020</i>	<u>600</u>

Name	Country of incorporation	Class of shares	Holding	Principle activity
Amplifon Limited, Gateway House, Manchester	England and Wales	Ordinary	100%	Consultants, distributors and dealers of hearing aids
Ultra Finance Limited Gateway House, Manchester	England and 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

9.

Debtors

	2021 £000	2020 £000
Due within one year		
Amounts owed by group undertakings	70,322	70,367
	<u>70,322</u>	<u>70,367</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
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10. Cash at bank and in hand

	2021 £000	2020 £000
Cash at bank and in hand	3,788	4,434
	<u>3,788</u>	<u>4,434</u>

11. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	3,054	3,775
Other taxes including social security	1	1
	<u>3,055</u>	<u>3,776</u>

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:

		2021 £000	2020 £000
Financial assets			
Financial assets that are debt instruments measured at amortised cost			
- Amounts owed by group undertakings	9	70,322	70,367
		<u>70,322</u>	<u>70,367</u>
Financial liabilities			
Financial liabilities measured at amortised cost	11	(3,055)	(3,776)
		<u>(3,055)</u>	<u>(3,776)</u>

AMPLIFON UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Other reserves

Other reserves represent a shareholder contribution.

14. Called up share capital

Allotted, called up and fully paid	2021 £000	2020 £000
130,951,168 Ordinary shares of £1 each (2020–130,951,168)	130,951	130,951

On 17th October 2018 7,500,000 Ordinary shares were issued at par value.

On 29th March 2019 4,660,745 Ordinary shares were issued at par value.

On the 28th November 2019 5,000,000 Ordinary shares were issued at par value.

On the 17th December 2019 1,500,000 Ordinary shares were issued at par value.

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 (2020- £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.

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.