

Boots Hearingcare Limited

Registered number: 00823009

Annual report and financial statements

For the year ended 31 March 2026

BOOTS HEARINGCARE LIMITED

COMPANY INFORMATION

Directors	R Backes O Lux A Hemmerdinger M Wanna S Hunter
Company secretary	R Kirby
Registered number	00823009
Registered office	21 Trinity Square Llandudno Conwy LL30 2RH
Independent auditor	Forvis Mazars LLP Chartered Accountants & Statutory Auditor One St. Peter's Square Manchester M2 3DE
Bankers	HSBC Bank Plc 4 Hardman Square Spinningfields Manchester M3 3EB

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2026

Introduction

The Directors present their Strategic Report for the year ended 31 March 2026. The comparative information covers the year ended 31 March 2025.

Review of business

This review has been prepared by the Directors in accordance with the requirements of the Companies Act 2006.

In carrying out the review of the development and financial performance of the Company during the financial year, together with the financial position of the Company at the end of the year, the Board has determined that the following key performance indicators (KPIs) represent the most effective measures of the Company's progress:

	Year to 31 March 2026 £'000	Average growth	Year to 31 March 2025 £'000	Average growth
Turnover and growth	169,639	9.1%	155,503	6.5%
Gross profit	71,878		62,778	
Operating profit	22,506		16,351	
Net assets and shareholders' funds	17,104		10,161	

Turnover

Year on year turnover growth was an increase of 9.1% in FY26 (FY25: 6.5%). This continuing growth illustrates the achievement of our goal: To pioneer, innovate and sustainably grow market share to realise growth in annual revenue.

Gross margin

Our overall Gross Profit margin increased to 42.4% (FY25: 40.4%) as reported in these KPIs as a blend of margins achieved across the range of products and services.

Operating profit

Operating profit margin increased to 13.3% (FY25: 10.5%).

The Company's position at 31 March 2026

As at 31 March 2026, the Company had net assets of £17,104,347 (FY25: £10,161,227).

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Principal risks and uncertainties

The Company is exposed to a number of financial risks including price risk and credit risk. The Company does not use derivatives as part of its financial risk management.

Price risk

Our differentiated position within the market place allows us to minimise any risk from competitor pricing.

Credit risk

The Company ensures that strong credit control processes are in place to minimise any credit risk.

Future developments in the Company's business

Future developments in the Company's business may be affected by the challenges to UK trading conditions. Boots Hearingcare and our partners will continue to take all necessary measures to protect our customers and colleagues. The Company's professionalism and the strength of its partnerships with Sonova Group and with Boots UK Limited ("Boots") are expected to maintain the robust financial performance of the Company together with its financial position.

As a result, the Company's dynamism is expected to continue to produce good growth, offering consumers the most comprehensive hearing care services in the country. The Company's reputation for innovative hearing healthcare solutions continues to grow and be further enhanced through the continued strengthening of the long standing relationship that exists with Sonova Holding AG and with Boots.

Delivery of the Company's full synergies and strengths will continue to be developed.

Section 172(1) Statement

The Board of Boots Hearingcare Limited comprises Directors from Sonova (51% owned) and Directors from Boots (49% owned). This reflects ownership and control of the Company, which is effectively a partnership delivering hearing healthcare as part of the full range of healthcare solutions provided by Boots.

The Directors of Boots Hearingcare - as those of all UK Companies, must act in accordance with the duties detailed in section 172 of the UK Companies Act 2006.

The Directors of the Company act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers and customers;
- the impact of the Company's operations on the community and environment;
- maintaining the Company's reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

The Directors from Sonova and from Boots meet regularly with the Company's Hearingcare Leadership Team to discuss matters that are strategically significant, ensuring these are dealt with drawing on the ethical codes of conduct, experience, healthcare and technical excellence of both Sonova as a leading global hearingcare provider, together with and complemented by the joined up healthcare excellence of Boots. In ensuring hearingcare excellence the requirement of ensuring good corporate governance is necessarily essential to Boots Hearingcare as well as to our Partners, Sonova and Boots.

Working together, the highest of professional standards in hearing healthcare excellence require good corporate governance to promote the success of the company for the benefit of its customers as well as for that of both its shareholders and stakeholders.

The Directors behave responsibly towards its shareholders and stakeholders and aim to promote the long term success of the Company by considering certain stakeholder groups as noted below as being fundamental to this objective.

- **Shareholders:** The Directors of Boots Hearingcare Limited are always mindful of their obligations to the shareholders of their Groups as embodied in the strategic priorities of the wider Sonova Group and The Boots Group when setting the strategic direction of the Company and regularly meeting with the Company's Hearingcare Leadership Team to oversee any key decisions required in the day-to-day management activities. The regular meetings including formal Board meetings, are a collaboration of the Joint Venture Partners with a view to maximise opportunities, create synergies and align an agreed corporate strategy.
- **Employees:** We invest effectively in the continual advancement of our employees' skills and competencies. Our clinicians are engaged on a continual professional development programme. The Company's Hearingcare Leadership Team (HLT) engage with employees using multiple methods including newsletters, consultations, and surveys. Both the Company's engagement with employees and our policy of promoting equal opportunities and diversity are described in the Directors' Report. The success of Boots Hearingcare Limited stems not only from our innovative Hearingcare and joined up healthcare solutions, but most importantly from our people and our culture.
- **Professional excellence and people** are necessarily at the heart of our organisation. We invest in the supporting infrastructure that enable our clinicians to deliver best in class customer care. To support the growth of the Company we train dispensers who are eligible to register with the Health and Care Professions Council (HCPC). The HCPC regulate the legal protected function (prescription and sale of hearing aids) and title of the Hearing Aid Dispenser with an overall aim of ensuring public protection. We strive to ensure we are an Employer of Choice.
- **Customers:** Understanding our customers articulated and unexpressed needs and turning them into our challenges – this is what motivates us daily – and ultimately leads to innovative leadership in products, solutions, processes across all disciplines in our caring provision of specialist hearing healthcare excellence within the joined-up healthcare provision of Boots. The Board has specific responsibility for oversight of clients, customers, and customer feedback processes in ensuring our people and our culture provide the best in hearing healthcare to our customers. We have formal customer feedback and engagement channels to ensure we continue to meet customer expectations.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

- **Suppliers:** Our suppliers are an integral part of our value chain: a risk to them is also a risk to us and to our customers. Good communication and feedback are fundamental to our protection and enhancement of this chain. The main sources of supplies within Boots Hearingcare Limited are provided by the wider Sonova Group and by The Boots Group. Other supplies are sourced through the external supply chain, and all our suppliers are required to be as committed to sustainable development as we are. Critical suppliers are reviewed by our due diligence processes. We value all our suppliers and have multi-year contracts with our key suppliers. Through our partnership with Sonova and Boots as well as through our work we create positive change for the people and communities with which we interact. We remain committed to establishing good working relationships with all our suppliers.
- **Regulators:** As clinicians we work closely with the HCPC in the continual advancement of our clinicians' skills and competencies. We support our audiologists and qualified professionals with their ongoing training, development, and adherence to regulatory registration. As employers we ensure all regulatory requirements are checked and compliance ensured. We work to maintain transparent, constructive, and professional relationships with the HCPC and with all other applicable regulatory authorities in the continuous verification of our compliance.
- It is important to Sonova, Boots and Boots Hearingcare that our continuing effective dialogue as shareholder-joint venture partners, employees and hearing healthcare professionals, customers and customer feedback processes continues to flourish internally at all levels as well as with our suppliers so that the achievement of our strategy and objectives properly considers, adjusts and takes into account all issues raised by all stakeholders, ensuring feedback is heard and dialogue is continually productive.

The Board confirm the application and compliance with good corporate governance throughout the financial year ended 31 March 2026 in their purpose, strategy and consideration of decisions taken both for the current year and for the long term future developments of the enterprise. Future developments in the Company's business embrace and depend upon this good corporate governance in the continued achievement of providing consumers with the most comprehensive care in innovative hearing healthcare solutions.

Approved by the Directors on 7 August 2026 and signed by their order by.

R Kirby
Company Secretary

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2026**

The Directors present their report and the financial statements for the year ended 31 March 2026.

Principal activities

The principal activity of the Company during the year was the hearing assessment and ear health consultation of members of the general public and where appropriate, prescribing and fitting innovative hearing healthcare solutions including hearing aids, ancillary equipment and rehabilitative services.

Results and dividends

The profit for the year, after taxation, amounted to £16,947,022 (FY25: £12,590,989).

During the year interim dividends were paid of £10,100,000 (FY25: £13,400,000). The Directors have not recommended the payment of a final dividend (FY25: £Nil).

Directors

The Directors who served during the year were:

R Backes
O Lux
A Hemmerdinger
M Wanna
S Hunter

Qualifying third party indemnity provisions

The Company has purchased Directors and officers liability insurance in respect of all of the Company's Directors.

Financial risk management

The Company finances its operations through a mixture of retained profits and cash generated from operations and where necessary may fund expansion of capital expenditure programmes through loan finance, lease finance and hire purchase borrowings. The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds; and
- match the repayment schedule of any external borrowings with the expected future cash flows expected to arise from the Company's trading activities.

Where appropriate, funds are held primarily in short term variable rate deposit accounts and money market investments. The Directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise.

The Company does not actively use derivative financial instruments as part of its financial risk management. It is exposed to the usual credit risk but seeks to mitigate any cash flow risk associated with selling on credit and manages this through strong credit control procedures.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

Going concern

The results for the year ended 31 March 2026 show a 9.1% increase in annual revenue compared with the year ended 31 March 2025, which, overall, shows the year ended 31 March 2026 achieved an annualised revenue growth of 7.2% over the three years to 31 March 2026. This annualised growth is in line with our goal to pioneer, innovate and sustainably grow market share to realise growth in annual revenue.

Taking account of the major uncertainties affecting both the UK and global economies, annual revenue to 31 March 2027 is expected, as a minimum, to remain in line with the year ended 31 March 2026.

On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Company is well placed to manage its business risks. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In reaching this assessment, the Directors observe that the Company had a strong liquidity position with a cash balance amounting to £21.4m (2025: £15.4m). The Company also maintained a net asset position of £17.1m as at 31 March 2026 (2025: £10.2m), and excluding debtors due in greater than one year, had net current assets of £6.5m (2025: £5.3m). Given the entity had no external borrowings in place, coupled with this strong financial position, the Directors had no concern in relation to the ability of the business to continue as a going concern.

Furthermore, the Directors have given consideration to the period ending 31 March 2027. Under the worst-case scenario, which the Directors have assumed to be a recurrence of the COVID year ended 31 March 2021 conditions, the cash balance would also be protected as no dividend would be distributed in this scenario.

Political and charitable donations

During the year, the Company made no charitable donations (FY25: £Nil). No political donations were made (FY25: £Nil).

Future developments in the Company's business

Please refer to the Strategic Report on page 2.

Engagement with employees

Good communications and consultation are central to the Company's management process and fundamental to the success of this professional practice. The Company:

- provides employees systematically with information on matters of concern to them as employees;
- consults employees or their representatives on a regular basis, so that the Company can take the views of employees into account in making decisions that are likely to affect their interests;
- encourages the involvement of employees in the Company's performance; and
- achieves a common awareness on the part of all employees of the financial and the economic factors that affect the Company's performance.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Disabled employees

The Company's employment policy is to promote equal opportunities and diversity across the Company. This involves recruiting, retaining, rewarding and developing people solely on the basis of ability, with reasonable adjustments to working environment, working arrangements and working conditions to support disabled employees. We are committed, wherever possible, to supporting the rehabilitation and return to work of employees who become disabled during their career with us. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company.

Energy and carbon reporting

Boots Hearingcare Limited is committed to the protection of the environment and the reduction of its carbon footprint. In accordance with changes introduced by the 2018 Regulations of the Companies Act 2006, the Directors of the Company are required to report on the energy and carbon information relating to the Company.

The related carbon footprint, measured in CO₂e tonnes, is calculated from the usage data submitted for energy usage from gas and electricity and business travel activity. Data is converted using the UK Department for Environment, Food & Rural Affairs (DEFRA) CO₂e factors and conversion factors are updated annually.

UK greenhouse gas emissions and energy use data for the period 1 April to 31 March 2026	Current reporting year 2026	Reporting year 2025
Energy consumption used to calculate emissions (kWh)	1,255,783	762,497
Scope 1 (emissions in metric tonnes CO ₂ e)		
Owned transport	<u>8.00</u>	<u>7.07</u>
Total Scope 1	8.00	7.07
Scope 2 (emissions in metric tonnes CO ₂ e)		
Purchased gas	2.68	7.58
Purchased electricity	<u>59.08</u>	<u>42.41</u>
Total Scope 2	61.76	49.99
Scope 3 (emissions in metric tonnes CO ₂ e)		
Business travel in employee owned vehicles	<u>226.93</u>	<u>141.35</u>
Total Scope 3	226.93	141.35
Total gross emissions in metric tonnes CO₂e	296.69	198.40
Intensity ratio (Tonnes CO ₂ e per £1 million sales)	1.75	1.28

We have continued to replace inefficient lighting with LED (light emitting diode) technology and continued increasing video conferencing technology for staff meetings, to reduce the need for travel between sites.

Matters covered in the Strategic Report

Certain information not shown in the Directors' Report is shown in the Strategic Report on page 1 instead in accordance with Section 414C (11) of the Companies Act 2006. This includes a business review and principal risks and uncertainties.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Forvis Mazars LLP, will be proposed for reappointment at the annual general meeting.

This report was approved by the board on 7 August 2026 and signed on its behalf.

R Kirby

Company Secretary

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026**

The Directors are responsible for preparing 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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOTS HEARINGCARE LIMITED

Opinion

We have audited the financial statements of Boots Hearingcare Limited (the 'Company') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOTS HEARINGCARE LIMITED

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOTS HEARINGCARE LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOTS HEARINGCARE LIMITED

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.

Christopher Martin (Senior Statutory Auditor)

for and on behalf of

Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

One St. Peter's Square

Manchester
M2 3DE

7 August 2026

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026**

	Note	2026 £	2025 £
Turnover		169,638,703	155,503,483
Cost of sales		(97,760,391)	(92,725,330)
Gross profit		71,878,312	62,778,153
Administrative expenses		(49,382,752)	(46,451,398)
Other operating income	5	10,862	23,766
Operating profit	6	22,506,422	16,350,521
Interest receivable and similar income	10	497,660	307,531
Profit before tax		23,004,082	16,658,052
Tax on profit	11	(6,057,060)	(4,067,063)
Profit for the financial year		16,947,022	12,590,989

There were no recognised gains and losses for 2026 or 2025 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2026 (2025: £Nil).

The notes on pages 18 to 41 form part of these financial statements.

All amounts relate to continuing operations.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	2026 £	2025 £
Fixed assets			
Intangible assets	13	190,194	114,812
Tangible assets	14	10,912,273	5,342,477
Investments	15	85	85
		<u>11,102,552</u>	<u>5,457,374</u>
Current assets			
Stocks	16	3,919,782	2,615,763
Debtors: amounts falling due after more than one year	17	4,127,482	4,227,158
Debtors: amounts falling due within one year	17	21,721,674	14,751,226
Cash at bank and in hand	18	21,405,974	15,365,822
		<u>51,174,912</u>	<u>36,959,969</u>
Creditors: amounts falling due within one year	19	(40,398,839)	(27,472,914)
Net current assets		<u>10,776,073</u>	<u>9,487,055</u>
Total assets less current liabilities		<u>21,878,625</u>	<u>14,944,429</u>
Provisions for liabilities			
Deferred tax	20	(1,286,718)	(481,020)
Other provisions	21	(3,487,560)	(4,302,182)
		<u>(4,774,278)</u>	<u>(4,783,202)</u>
Net assets		<u><u>17,104,347</u></u>	<u><u>10,161,227</u></u>
Capital and reserves			
Called up share capital	22	133	133
Share premium account	23	542,420	542,420
Capital redemption reserve	23	21	21
Profit and loss account	23	16,561,773	9,618,653
		<u><u>17,104,347</u></u>	<u><u>10,161,227</u></u>

BOOTS HEARINGCARE LIMITED
REGISTERED NUMBER: 00823009

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2026

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 August 2026.

S Hunter
Director

The notes on pages 18 to 41 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2024	133	542,420	21	10,301,281	10,843,855
Comprehensive income for the year					
Profit for the year	-	-	-	12,590,989	12,590,989
Total comprehensive income for the year	-	-	-	12,590,989	12,590,989
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(13,400,000)	(13,400,000)
Recognition of equity-settled share-based payments in the year (Note 24)	-	-	-	126,383	126,383
Total transactions with owners	-	-	-	(13,273,617)	(13,273,617)
At 1 April 2025	133	542,420	21	9,618,653	10,161,227
Comprehensive income for the year					
Profit for the year	-	-	-	16,947,022	16,947,022
Total comprehensive income for the year	-	-	-	16,947,022	16,947,022
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(10,100,000)	(10,100,000)
Recognition of equity-settled share-based payments in the year (Note 24)	-	-	-	96,098	96,098
Total transactions with owners	-	-	-	(10,003,902)	(10,003,902)
At 31 March 2026	133	542,420	21	16,561,773	17,104,347

The notes on pages 18 to 41 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

1. General information

Boots Hearingcare Limited (the "Company") is a private company limited by shares and it is incorporated and domiciled in England and Wales. The address of its registered office is 21 Trinity Square, Llandudno, Conwy, LL30 2RH. The Company's registered number is 00823009.

The principal activity of the Company during the year was the hearing assessment and ear health consultation of members of the general public and where appropriate, prescribing and fitting innovative hearing healthcare solutions including hearing aids, ancillary equipment and rehabilitative services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sonova Holding AG as at 31 March 2026 and these financial statements may be obtained from Sonova Holding AG, Laubisruestrasse 28, 8712 Staefa, Switzerland.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.4 Going concern

The results for the year ended 31 March 2026 show a 9.1% increase in annual revenue compared with the year ended 31 March 2025, which, overall, shows the year ended 31 March 2026 achieved an annualised revenue growth of 7.2% over the three years to 31 March 2026. This annualised growth is in line with our goal to pioneer, innovate and sustainably grow market share to realise growth in annual revenue.

Taking account of the major uncertainties affecting both the UK and global economies, annual revenue to 31 March 2027 is expected, as a minimum, to remain in line with the year ended 31 March 2026.

On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Company is well placed to manage its business risks. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In reaching this assessment, the Directors observe that the Company had a strong liquidity position with a cash balance amounting to £21.4m (2025: £15.4m). The Company also maintained a net asset position of £17.1m as at 31 March 2026 (2025: £10.2m), and excluding debtors due in greater than one year, had net current assets of £6.5m (2025: £5.3m). Given the entity had no external borrowings in place, coupled with this strong financial position, the Directors had no concern in relation to the ability of the business to continue as a going concern.

Furthermore, the Directors have given consideration to the period ending 31 March 2027. Under the worst-case scenario, which the Directors have assumed to be a recurrence of the COVID year ended 31 March 2021 conditions, the cash balance would also be protected as no dividend would be distributed in this scenario.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Great British pounds.

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.6 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

Turnover is recognised after receipt of a customer's order to the extent that the Company has performed its contractual obligations and the risks and rewards have passed to the buyer. For Hearing Aids, the product revenue is recognised when the customer order is placed after completion of relevant obligations whilst the professional services are recognised as each of the separate service components which comprise the care pathway are completed. A provision is made for services that have been invoiced that are yet to be performed.

Turnover is stated net of a provision for expected returns after the period end date based on historic rates of return.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.8 Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements, defined contribution pension plan and share based payments.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution benefit scheme. The assets of the scheme are held separately from those of the Company. Contributions to this scheme are charged to the Statement of Comprehensive Income in the year they are incurred.

(iii) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on an estimate of shares that will eventually vest.

The Company has taken advantage of the transition exemption under paragraph 35.10(b) of FRS 102 in respect of share based payment transactions on the date of transition to FRS 102 (1 April 2014) and has elected not to apply Section 26 Share based payments to equity instruments granted before the date of transition to FRS 102. The previous framework has been applied to instruments granted prior to the date of transition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

2. Accounting policies (continued)**2.10 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life. It is amortised to the income statement over its estimated economic life as below:

Advanced Hearing Group - 15 years

All other acquisitions - 10 years

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Software is amortised over its estimated useful life, of between 4 and 5 years, on a straight line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 5 years
Fixtures & fittings	- 6 years
Computer equipment	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Lease incentives

Incentives received to enter into an operating lease are credited to the statement of comprehensive income to reduce the lease expense, on a straight-line basis over the period of the lease.

(ii) Operating leased assets – as a lessee

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

The Company has taken advantage of the exemption under paragraph 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 April 2014) and continues to credit such lease incentives to the statement of comprehensive income over the period to the first review date on which the rent is adjusted to market rates.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first-in first-out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

2. Accounting policies (continued)

2.15 Debtors

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.

2.16 Cash and cash equivalents

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.

2.17 Creditors

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.

2.18 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in profit and loss to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Profit and Loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.20 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

2. Accounting policies (continued)**2.20 Financial instruments (continued)****Basic financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, turnover and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following judgments (apart from those involving estimates) have had the most significant effect on the financial statements:

i) Deferral of an amount of revenue for hearing aids, representing professional services invoiced that have yet to be performed

Turnover is recognised after receipt of a customer's order to the extent that the Company has performed its contractual obligations and the risks and rewards have passed to the buyer. For hearing aids, the product revenue is recognised when the customer order is placed after completion of relevant obligations whilst the professional services are recognised as each of the separate service components which comprise the care pathway are completed. For unfitted hearing aids a provision of 38% of the invoiced value is made for services that have been invoiced that are yet to be performed.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets and intangible assets

The annual depreciation and amortisation charge for tangible assets and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

ii) Warranty provisions

Where extended warranties are separately sold, sales revenue is allocated to the term that the extended warranty covers. Where warranties are included with the products when the sale is made, cost of repairs is provided for based on proportion of historic returns, applied to the number of in-date sales and the standard cost of repairs. This proportion of historic returns is calculated annually and is currently in the region of 16% of the latter half of product lifecycle, being the term not covered by manufacturer's warranty.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

5. Other operating income

	2026	2025
	£	£
Other income	<u>10,862</u>	<u>23,766</u>

During the year the Company received income of £10,862 (2025: £23,766) in relation to the repayment of training costs.

6. Operating profit

Operating profit is stated after charging:

	2026	2025
	£	£
Depreciation of tangible fixed assets (note 14)	1,854,654	1,109,105
Amortisation of intangible assets (note 13)	36,338	44,542
Exchange differences	23,159	1,898
Loss on disposal of tangible fixed assets	6,564	-
Provisions charged (note 21)	1,342,689	1,720,231
Other operating lease charges (note 26)		
- Land and buildings	1,013,127	644,720
- Plant and Machinery	14,948	38,365
- Software	<u>15,775</u>	<u>6,573</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor :

	2026 £	2025 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	85,000	82,400
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	9,500	9,405
All non-audit services not included above	6,697	16,256

8. Employees

Staff costs were as follows:

	2026 £	2025 £
Wages and salaries	39,826,278	36,862,450
Social security costs	5,236,939	4,164,419
Share based payments	96,098	126,383
Cost of defined contribution scheme	649,351	763,632
	45,808,666	41,916,884

The average monthly number of employees, including the Directors, during the year was as follows:

	2026 No.	2025 No.
Hearing assessment staff	490	468
Administrative staff	310	283
	800	751

9. Directors' remuneration

Directors' remuneration is paid by the parent company undertakings that make no recharge to the Company. They are Directors of a number of undertakings such that it is not possible to make an apportionment of their emoluments in respect of this Company. The Company's immediate parent company is Sonova Holding AG, a company incorporated in Switzerland.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

10. Interest receivable and similar income

	2026 £	2025 £
Bank interest receivable	204,800	38,334
Other interest receivable	292,860	269,197
	<u>497,660</u>	<u>307,531</u>

11. Taxation

	2026 £	2025 £
Corporation tax		
Current tax on profits for the year	5,186,076	4,035,879
Adjustments in respect of previous periods	65,286	(11,700)
Total current tax	<u>5,251,362</u>	<u>4,024,179</u>
Deferred tax		
Origination and reversal of timing differences	825,604	72,279
Adjustments in respect of prior periods	(19,906)	(29,395)
Total deferred tax	<u>805,698</u>	<u>42,884</u>
Tax on profit	<u>6,057,060</u>	<u>4,067,063</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2025 - lower than) the standard rate of corporation tax in the UK of 25% (2025: 25%). The differences are explained below:

	2026 £	2025 £
Profit on ordinary activities before tax	23,004,082	16,658,052
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2025 - 25%)	5,751,021	4,164,513
Effects of:		
Expenses not deductible for tax purposes	41,000	58,611
Fixed asset differences	219,659	13,319
Adjustment to brought forward values	-	(128,285)
Adjustments to tax charge in respect of prior periods	65,286	(11,700)
Adjustments to tax charge in respect of prior periods - deferred tax	(19,906)	(29,395)
Total tax charge for the year	6,057,060	4,067,063

Factors that may affect future tax charges

The Company is within the scope of the OECD Pillar Two model rules. In the United Kingdom, where the Company operates, the government has enacted legislation to implement the Multinational Top-up Tax (MTT) and Domestic Top-up Tax (DTT) via the Finance (No. 2) Act 2023. This legislation is effective for the Company's current financial year. For the year ended 31 March 2026, the Company qualifies for the Transitional Safe Harbour in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

12. Dividends

	2026 £	2025 £
Equity shares Class A: £3,808.45 per £0.05 share	5,152,828	6,836,425
Equity shares Class B: £3,808.45 per £0.05 share	4,947,172	6,563,575
	<u>10,100,000</u>	<u>13,400,000</u>

13. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 April 2025	1,660,848	7,112,071	8,772,919
Additions	111,720	-	111,720
At 31 March 2026	<u>1,772,568</u>	<u>7,112,071</u>	<u>8,884,639</u>
Amortisation			
At 1 April 2025	1,546,036	7,112,071	8,658,107
Charge for the year	36,338	-	36,338
At 31 March 2026	<u>1,582,374</u>	<u>7,112,071</u>	<u>8,694,445</u>
Net book value			
At 31 March 2026	<u>190,194</u>	<u>-</u>	<u>190,194</u>
At 31 March 2025	<u>114,812</u>	<u>-</u>	<u>114,812</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

14. Tangible assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 April 2025	7,046,170	7,333,905	14,380,075
Additions	6,350,162	1,080,853	7,431,015
Disposals	(421,643)	(450,695)	(872,338)
At 31 March 2026	12,974,689	7,964,063	20,938,752
Depreciation			
At 1 April 2025	2,886,819	6,150,779	9,037,598
Charge for the year	1,303,161	551,493	1,854,654
Disposals	(418,288)	(447,485)	(865,773)
At 31 March 2026	3,771,692	6,254,787	10,026,479
Net book value			
At 31 March 2026	9,202,997	1,709,276	10,912,273
At 31 March 2025	4,159,351	1,183,126	5,342,477

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

15. Investments

	Investments in subsidiaries £
Cost and net book value	
At 1 April 2025	85
At 31 March 2026	<u>85</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Boots Hearingcare Ireland Limited	Ireland	Ordinary	100%

On 24th April 2019 Boots Hearingcare Ireland Limited was incorporated in Ireland as a 100% owned subsidiary, to establish and grow Boots Hearingcare in Ireland. Working closely with Sonova AG and Boots Retail Ireland, the Company is assisting and supporting in growing its wholly owned subsidiary Boots Hearingcare Ireland Limited.

The principal place of business of Boots Hearingcare Ireland Limited is 2nd floor, 5 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, D24 TW13.

16. Stocks

	2026 £	2025 £
Raw materials and consumables	<u>3,919,782</u>	<u>2,615,763</u>

The amount of stocks recognised as an expense during the year was £44,190,851 (2025: £41,337,019). There is no material difference between the carrying amount of inventory and the replacement cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

17. Debtors

	2026 £	2025 £
Due after more than one year		
Prepayments and accrued income	<u>4,127,482</u>	<u>4,227,158</u>
	2026 £	2025 £
Due within one year		
Trade debtors	5,825,371	5,823,914
Amounts owed by Group undertakings	9,508,320	3,189,779
Amounts owed by own subsidiary	4,565,105	3,815,112
Other debtors	16,075	43,909
Prepayments and accrued income	1,708,864	1,489,212
Corporation tax	97,939	389,300
	<u>21,721,674</u>	<u>14,751,226</u>

Amounts owed by own subsidiary are unsecured, repayable on demand and incur interest charged at 3% over Bank of England base rate.

18. Cash at bank and in hand

	2026 £	2025 £
Cash at bank and in hand	<u>21,405,974</u>	<u>15,365,822</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

19. Creditors: Amounts falling due within one year

	2026 £	2025 £
Trade creditors	2,292,567	4,381,727
Amounts owed to Group undertakings	25,993,563	11,354,112
Amounts owed to associates	608,316	218,909
Other taxation and social security	1,772,051	1,131,111
Other creditors	1,633	142,385
Accruals and deferred income	9,730,709	10,244,670
	<u>40,398,839</u>	<u>27,472,914</u>

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

20. Deferred tax

	2026 £	2025 £
At beginning of year	(481,020)	(438,136)
Charged to profit or loss	(805,698)	(42,884)
At end of year	<u>(1,286,718)</u>	<u>(481,020)</u>

The provision for deferred tax is made up as follows:

	2026 £	2025 £
Fixed asset timing differences	(1,291,901)	(687,313)
Short term timing differences	5,183	206,293
	<u>(1,286,718)</u>	<u>(481,020)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

21. Other provisions

	Warranty provisions £	Provision for returns £	Dilapidations £	Total £
At 1 April 2025	2,131,282	2,170,900	-	4,302,182
Released during the year	(949,255)	-	-	(949,255)
Utilised during the year	(937,237)	(270,819)	-	(1,208,056)
Additional provisions	950,079	-	392,610	1,342,689
At 31 March 2026	1,194,869	1,900,081	392,610	3,487,560

The warranty provision is in respect of warranties provided to customers, for periods of up to three years. The provision is based on calculations taking into account past claims history and future expectations.

Dilapidation provisions comprise estimated restoration costs in relation to properties and are expected to be utilised when Boots Hearingcare vacate these properties.

22. Called up share capital

	2026 £	2025 £
Allotted, called up and fully paid		
1,353 (2024: 1,353) Ordinary A shares of £0.05 each	68	68
1,299 (2024: 1,299) Ordinary B shares of £0.05 each	65	65
	<u>133</u>	<u>133</u>

The shares, which were reclassified on 20 February 2013 into 1,353 A and 1,299 B shares, rank pari passu except that the Ordinary A shares were to receive a priority dividend and/or return of capital of £4,570,973 before the Ordinary B shares would entitle their holders to any economic rights. That obligation to the Ordinary A shareholders has since been discharged in full by priority dividend.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

23. Reserves

Share premium account

Share premium represents the amount above the nominal value received for issued share capital, less transaction costs.

Capital redemption reserve

The capital redemption reserve represents the value of the Company's own shares which have been repurchased.

Profit and loss account

This reserve includes the cumulative profits or losses less dividends distributed to shareholders.

24. Share-based payments

The Company participates in a Group equity-settled share-based payment scheme, under which awards vest subject to continued employment and are settled in equity instruments of the parent company. The fair value of awards is determined at grant date and recognised over the vesting period, with a corresponding credit to the profit and loss reserve.

The charge recognised in the profit and loss account for the year was £96,098 (2025: £126,383).

25. Pension commitments

The Company has contributed to Government scheme (Standard Life) or to employee personal pension plans – operated as defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. Contributions paid during the year to the Government scheme (Standard Life) were £635,963 (year ended 31 March 2025: £749,544). There were outstanding contributions at 31 March 2026 of £1,633 (31 March 2025 outstanding contributions payable £142,385). In addition to the defined contribution pension schemes the Company also contributes towards its employees' personal pension plans. The pension cost charge in relation to these contributions paid in the year totalled £13,388 (year ended 31 March 2025 £14,088). At 31 March 2026 the outstanding contributions were £Nil (31 March 2025: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

26. Commitments under operating leases

At 31 March 2026 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2026	2025
	£	£
Land and buildings		
Not later than 1 year	1,070,000	608,167
Later than 1 year and not later than 5 years	3,343,500	1,746,000
Later than 5 years	3,120,750	1,212,083
	<u>7,534,250</u>	<u>3,566,250</u>
	2026	2025
	£	£
Other		
Not later than 1 year	-	16,557
	<u>-</u>	<u>16,557</u>

The amount of operating leases recognised as an expense during the year was £1,043,850 (2025: £683,085).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

27. Related party transactions

The Company's immediate parent company is Sonova Holding AG, a company incorporated in Switzerland, which is also the Company's ultimate parent company and controlling party, heading the group of which the Company is a member.

The Company entered into transactions with Group companies, wholly owned by Sonova Holding AG. The Company made purchases from group companies in the year totalling £32,419,775 (2025: £41,226,056). Included within debtors due within one year are amounts owed to Group companies as at 31 March 2026 of £9,508,320 (2025: £3,189,779). Included within creditors due within one year are amounts owed to Sonova UK Limited ("Sonova") as at 31 March 2026 of £13,448,761 (2025: £3,988,110).

During the year ended 31 March 2013, Boots acquired a 49% minority investment in the Company. The Company made purchases from Boots in the year totalling £22,518,102 (2025: £20,858,148). Included within debtors due within one year are amounts owed by Group companies as at 31 March 2026 of £Nil (2025: £Nil). Included within creditors due within one year: £12,544,802 (2025: £7,584,911).

The Company has contributed to a Government scheme (Standard Life) or to employee personal pension plans. See note 25.

On 24 April 2019 Boots Hearingcare Ireland Limited was incorporated in Ireland as a 100% owned subsidiary, to establish and grow Boots Hearingcare in Ireland. The Company made sales to Boots Hearingcare Ireland Limited in the year totalling £Nil (2025: £Nil). Included within debtors due within one year are amounts owed by Boots Hearingcare Ireland Ltd at 31 March 2026 of £4,565,105 (2025: £3,815,112), on which interest is charged at 3% over Bank of England base rate.

No other material transactions with related parties were undertaken such as are required to be disclosed under section 33.1A of FRS 102.

28. Subsidiary company

On 24 April 2019 Boots Hearingcare Ireland Ltd was incorporated in Ireland as a 100% owned subsidiary, to establish and grow Boots Hearingcare in Ireland. Working closely with Sonova AG and Boots Retail Ireland, the Company is assisting and supporting in growing its wholly owned subsidiary Boots Hearingcare Ireland Ltd.

As a qualifying entity, the Company has taken advantage of the exemption for qualifying entities under FRS102 from the requirement to present consolidated financial statements in which it consolidates its investment in its wholly owned subsidiary Boots Hearingcare Ireland Ltd.

29. Controlling party

The immediate and ultimate parent company and controlling party is Sonova Holding AG, a company incorporated in Switzerland which heads the only group of which the Company is a member (which as the only group is therefore both the smallest and largest group). Copies of the ultimate parent company's financial statements can be obtained from: Sonova Holding AG, Laubisruetistrasse 28, 8712 Stäfa, Switzerland.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.