Cirrus Logic International (UK) Ltd

Registered number: SC089839

Financial Statements
for the 52 week period ended
30 March 2019

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Company Information
For the 52 week period ended 30 March 2019

Directors	Thurman K. Case Pedro Andrade Allan W. Hughes
Secretary:	Gregory Scott Thomas
Registered Office:	Cirrus Logic International (UK) Ltd 7B Nightingale Way Quartermile Edinburgh Scotland EH3 9EG United Kingdom
Registered Number:	SC089839
Independent Auditors:	Ernst & Young LLP 144 Morrison Street Edinburgh EH3 8EB United Kingdom
Principal Bankers:	Wells Fargo Bank, N.A. London Branch One Plantation Place 30 Fenchurch Street London EC3M 3BD United Kingdom
Legal Advisors:	Baker McKenzie LLP 100 New Bridge Street London EC4V 6JA United Kingdom

Strategic Report
For the 52 week period ended 30 March 2019

The directors present their Strategic Report for Cirrus Logic International (UK) Ltd (the 'Company') for the 52 week period ended 30 March 2019.

Principal Activities and Products

The Company is responsible for the procurement and sale of products to customers located outside the United States of America. The Company is a leading supplier of analogue and mixed-signal converter, interface, amplifier and other signal-processing products in many of today's mobile applications. The Company has an extensive portfolio of products that target flagship and mid-tier devices, including "codecs" – chips that integrate analogue-to-digital converters ("ADCs") and digital-to-analogue converters ("DACs") into a single integrated circuit ("IC"), "smart codecs" – codecs with digital signal processing integrated, boosted amplifiers, micro-electromechanical systems ("MEMS") microphones, haptic drivers, as well as standalone digital signal processors ("DSPs"). Additionally, the Company's SoundClear® technology consists of a broad portfolio of tools, software and algorithms that help to differentiate our customers' products by improving the user experience with features such as enhanced voice quality, voice capture and audio playback. The products are designed for use in a wide array of portable applications, including smartphones, tablets, digital headsets, speakers, wearables such as smart watches and smart bands, VR headsets and action cameras.

Research and Development

Research and development expenditure for the 52 week period ended 30 March 2019 and the 53 week period ended 31 March 2018 was $nil. Another company within the Cirrus Logic, Inc. Group, Cirrus Logic International Semiconductor Ltd, performs the research and development activities, and holds the related tangible and intangible assets.

Pension

The Company previously sponsored a UK-based defined benefit plan that provided pension benefits for UK employees upon retirement. The level of retirement benefit was principally based on salary earned in the last three years of employment prior to leaving active service and was linked to changes in inflation up to retirement. The plan closed to new participants as of 2 July 2002. The plan closed to future accrual with effect from 30 April 2011. On 30 November 2018, the Company completed a buy-out transaction in full and final settlement of the plan.

Strategic Report (continued)
For the 52 week period ended 30 March 2019

Financial Performance

Key Performance Indicators

	52 weeks ended 30 March 2019	53 weeks ended 31 March 2018
Revenue	**$1,166.3 million**	$1,510.7 million
Gross profit* (as a % of revenue)	**11.3%**	9.3%
Distribution and selling expenses* (as a % of revenue)	**1.1%**	0.5%
Administrative expenses* (as a % of revenue)	**7.3%**	5.8%
Operating profit* (as a % of revenue)	**2.9%**	3.0%
Gross profit** (as a % of revenue)	**11.3%**	9.3%
Distribution and selling expenses** (as a % of revenue)	**1.1%**	0.5%
Administrative expenses** (as a % of revenue)	**6.9%**	6.9%
Operating profit** (as a % of revenue)	**1.7%**	1.9%

**before exceptional charges*
***after exceptional charges*

Revenue

Revenue for the 52 week period ended 30 March 2019 was $1,166.3 million versus the previous 53 week period ended 31 March 2018 of $1,510.7 million primarily due to a reduction in sales of our portable products shipping in smartphones, digital headsets and adaptors, which was partially offset by increased amplifier sales at Android customers. The largest customer in the 52 week period ended 30 March 2019 represented 79% of revenue *(53 week period ended 31 March 2018: 82%).*

Gross Profit

Gross profit for the 52 week period ended 30 March 2019 was 11.3% compared to 9.3% for the 53 week period ended 31 March 2018.

Exceptional items

In the 52 week period ended 30 March 2019, there were two exceptional items as set out below.

Gain on sale of building
During the period ended 25 March 2017, the Company reported an asset impairment charge of $10.0 million related to a building owned in Edinburgh, Scotland ("Westfield House"). The Company determined that the undiscounted cash flows associated with the property of the asset were less than the carrying value at that time. Considering the fact that the building was no longer used as the primary office space for Edinburgh employees and that market conditions had weakened, the Company hired an independent consultant to assess the fair value of the building. The variance in the assessed valuation amount and the carrying value was recorded in the period ended 25 March 2017.

Strategic Report (continued)
For the 52 week period ended 30 March 2019

Financial Performance (continued)

Exceptional items (continued)

Subsequently, in the period ended 30 March 2019, market conditions improved and the Company marketed and sold Westfield House, for a gain on the sale of $4.9 million.

Impairment of investment in subsidiary
On 5 March 2019, Cirrus Logic International Sweden A.B., a subsidiary of the Company, announced to its employees the intention to close the Stockholm office. As there are no current plans to have future activities in Sweden, the investment in this subsidiary has been written down to $nil in the period ended 30 March 2019, resulting in an impairment of $18.6 million.

In the 53 week period ended 31 March 2018, there was one exceptional item of $16.5 million relating to the settlement of the defined benefit pension plan. Refer to notes 4 and 17 for further details.

These items have been separately presented on the face of the income statement and are explained further in note 4 to the financial statements.

Operating Expenses

The operating expenses of the Company before exceptional items were $98.3 million in the 52 week period ended 30 March 2019, compared to $95.0 million in the 53 week period ended 31 March 2018.

Operating Profit

The operating profit before exceptional items for the 52 week period ended 30 March 2019 and the 53 week period ended 31 March 2018 was $33.9 million and $45.5 million respectively. The operating profit after exceptional items was $20.2 million and $29.0 million for the 52 week period ended 30 March 2019 and the 53 week period ended 31 March 2018 respectively.

Taxation

The total effective tax rate for the 52 week period ended 30 March 2019 was 29.2% which is primarily driven by the non-deductible impairment of investment in a subsidiary, and the non-taxable gain on the sale of the building as disclosed in note 4 *(53 week period ended 31 March 2018: 11.7%)*. A reconciliation of the effective tax rate is presented in note 8 to the financial statements.

Financial Position

Cash and cash equivalents totalled $15.3 million at 30 March 2019 *(31 March 2018: $4.2 million)*.

There was a decrease in working capital in the current period: inventory at 30 March 2019 was $164.6 million *(31 March 2018: $205.2 million)*; trade receivables were $119.2 million *(31 March 2018: $98.1 million)*; and trade payables were $36.1 million *(31 March 2018: $52.6 million)*.

Strategic Report (continued)
For the 52 week period ended 30 March 2019

Principal Risks and Uncertainties

Customers

The Company's major customers are among the world's leading consumer electronics manufacturers. For the 52 week period ended 30 March 2019 and the 53 week period ended 31 March 2018, the Company's ten largest customers represented approximately 92% and 93% of total revenue respectively.

Manufacturing

As a fabless semiconductor company, we contract with third parties for wafer fabrication and product assembly and test. Our outsourced manufacturing strategy allows us to concentrate on our design strengths and minimise fixed costs and capital expenditures while giving us access to advanced manufacturing facilities. It also provides the flexibility to source multiple leading-edge technologies through strategic relationships. After wafer fabrication by the foundry, third-party assembly vendors package the wafer die. The finished products are then tested before shipment to our customers. While we do have some redundancy of fabrication processes by using multiple outside foundries, any interruption of supply by one or more of these foundries could materially impact the Company. As a result, we maintain some amount of business interruption insurance to help reduce the risk of wafer supply interruption, but we are not fully insured against such risk.

Competition

Markets for our products are highly competitive and we expect that competition will continue to increase. Our ability to compete effectively and to expand our business will depend on our ability to continue to recruit key engineering talent, execute on new product developments, partner with customers to include these new products into their applications, and provide cost efficient versions of existing products. We compete with other semiconductor suppliers that offer standard semiconductors, application-specific standard products and fully customised ICs, including embedded software, chip and board-level products. While no single company competes with us in all of our product lines, we face significant competition in all markets where our products are available.

Risk Factors

The Company's business faces significant risks. The risk factors set forth below may not be the only risks that we face and there is a risk that we may have failed to identify all possible risk factors. Additional risks that we are not aware of yet or that currently are not significant may adversely affect our business operations. You should read the following cautionary statements in conjunction with the factors discussed elsewhere in this document. These cautionary statements are intended to highlight certain factors that may affect the financial condition and results of operations of the company, and are not meant to be an exhaustive discussion of risks that apply to similar companies.

Dependence on a limited number of customers and distributors for a substantial portion of our sales, and the loss of, or a significant reduction in orders from, or pricing on products sold to, any key customer or distributor could significantly reduce our sales and our profitability

While we generate sales from a broad base of customers worldwide, the loss of any of our key customers, or a significant reduction in sales or selling prices to any key customer, or reductions in selling prices made to retain key customer relationships, would significantly reduce our revenue, margins and earnings and adversely affect our business.

Strategic Report (continued)
For the 52 week period ended 30 March 2019

Principal Risks and Uncertainties (continued)

Failure to develop and ramp new products into production in a timely manner could harm our operating results

Our success depends upon our ability to develop new products for new and existing customers, and to introduce these products in a timely and cost-effective manner. New product introductions involve significant investment of resources and potential risks. Delays in new product introductions or less-than-anticipated market acceptance of our new products are possible and would have an adverse effect on our sales and earnings. The development of new products is highly complex and, we rely on a related party, Cirrus Logic International Semiconductor Ltd, for such product development. Our failure to introduce new products successfully could harm our business and operating results.

Risks relating to product concentration

We derive a substantial portion of our revenues from a limited number of products, and we expect these products to represent a large percentage of our revenues in the near term. Customer acceptance of these products is critical to our future success. Our business, operating results, financial condition and cash flows could therefore be adversely affected by:

- a decline in demand for any of our more significant products;
- a decline in the average selling prices of our more significant products;
- failure of our products to achieve continued market acceptance;
- competitive products;
- new technological standards or changes to existing standards that we are unable to address with our products;
- manufacturing or supply issues that prevent us from meeting our customers' demand for these products;
- a failure to release new products or enhanced versions of our existing products on a timely basis; and
- the failure of our new products to achieve market acceptance.

Strong competition in the semiconductor market may harm the Company's business

The IC industry is intensely competitive and is frequently characterised by rapid technological change, price erosion, technological obsolescence, and a push towards IC component integration. Because of shortened product life cycles and even shorter design-in cycles in a number of the markets that we serve, our competitors have increasingly frequent opportunities to achieve design wins in next-generation systems. In the event that competitors succeed in supplanting our products, our market share may not be sustainable and our net sales, gross margin and operating results would be adversely affected.

Dependency on third-party manufacturing and supply chain relationships for the majority of the Company's products. Reliance on third-party foundries and suppliers involves certain risks that may result in increased costs, delays in meeting our customers' demand, and loss of revenue.

We do not own or operate a semiconductor fabrication facility and do not have the resources to manufacture the majority of our products internally. We use third parties to manufacture, assemble, package and test the majority of our products. As a result, we are subject to risks associated with these third parties, including:

- insufficient capacity available to meet our demand;
- inadequate manufacturing yields and excessive costs;
- inability of these third parties to obtain an adequate supply of raw materials;
- difficulties selecting and integrating new subcontractors;

Strategic Report (continued)
For the 52 week period ended 30 March 2019

Principal Risks and Uncertainties (continued)

- limited warranties on products supplied to us;
- potential increases in prices; and
- increased exposure to potential misappropriation of our intellectual property.

A manufacturing or supply disruption experienced by one or more of our outside suppliers or a disruption of our relationship with an outside foundry could negatively impact the production of certain of our products for a substantial period of time.

Manufacturing defects that we do not discover during the manufacturing or testing process may lead to costly product recalls. These risks may lead to increased costs or delayed product delivery, which would harm our profitability and customer relationships.

We cannot provide any assurance that our external foundries will continue to devote resources to the production of parts for our products or continue to advance the process design technologies on which the manufacturing of our products are based. Each of these events could increase our costs, lower our gross margin, and cause us to hold more inventories, or materially impact our ability to deliver our products on time.

Impact of the fluctuation in sales in the consumer electronics and smartphone markets

Because we sell products primarily in the consumer electronics and smartphone markets, we are likely to be affected by any decrease in demand or unit volumes, seasonality in the sales of our products and the cyclical nature of these markets. We have experienced, and expect to continue to experience, slowing growth in a maturing smartphone market, due to among other factors, market saturation in developed countries, lengthening replacement cycles, and a growing market for refurbished devices. Further, a decline in consumer confidence and consumer spending relating to economic conditions, terrorist attacks, armed conflicts, oil prices, global health conditions, natural disasters and/or the political stability of countries in which we operate or sell products could have a material adverse impact on our business.

Our international operations subject our business to additional political and economic risks that could have an adverse impact on our business

On June 23, 2016, the United Kingdom (the 'U.K.') held a referendum in which voters approved an exit from the European Union (the 'E.U.'), commonly referred to as 'Brexit'. Following the referendum result, the British government invoked Article 50 of the Lisbon Treaty on March 29, 2017. The date by which the U.K. is to withdraw from the E.U. has been extended to October 31, 2019. It is still unknown what the terms of the U.K.'s withdrawal will be, but it is possible that there will be greater restrictions on immigration between the U.K. and E.U. countries that make it more difficult to staff our U.K. operations, changes in tax laws that negatively impact our effective tax rate, restrictions on imports and exports between the U.K. and E.U. member states and increased regulatory complexities. These changes may adversely affect our operations and financial results.

For and on behalf of the Board of Directors

P.J. Andrade

Pedro Andrade
Director
5 June 2019

Directors' Report
For the 52 week period ended 30 March 2019

The directors hereby submit their report and financial statements for the 52 week period ended 30 March 2019 (referred to as '2019'). The previous financial period was the 53 week period ended 31 March 2018 (referred to as '2018').

The financial statements and related notes comprise those of Cirrus Logic International (UK) Ltd (the 'Company') and its overseas branches, based in Finland, Taiwan, Hong Kong, Shenzhen, Shanghai, India and the Philippines.

Financial

Results
The Company's profit after taxation for the 52 week period ended 30 March 2019 was $14.6 million *(53 week period ended 31 March 2018: $25.3 million)*. The profit is stated after recognising $13.0 million of exceptional charges *(53 week period ended 31 March 2018: $13.4 million)* which are explained in note 4 to the financial statements.

Financial Risk Management

The financial risk management objectives and policies are discussed below.

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The management of market risk involves the control of market risk exposures within acceptable parameters.

Currency Risk
The Company purchases products and makes sales principally in United States dollars. The Company operates internationally and is exposed to currency risk on operating expenses that are denominated in a currency other than United States dollars. The currency giving rise to this risk is primarily Pounds Sterling. Foreign exchange risk arises from transactions, recognised assets and liabilities and net investments in foreign operations.

Interest Rate Risk
The Company's primary financial instruments include cash and cash equivalents, accounts receivable, pension plan assets/liabilities, accounts payable and accrued liabilities. The Company earns interest from bank deposits held with highly rated financial institutions.

The Company's cash and cash equivalents are subject to floating interest rates.

Credit Risk
The exposure to credit risk is mitigated by selling to a diverse range of customers and, where necessary, obtaining payments in advance. Where the Company has a single design customer, that design customer may use multiple Original Equipment Manufacturers ('OEM's) to manufacture a diverse range of products. These OEM's are the entities to which sales are made. The Company establishes a specific allowance for impairment if a loss is estimated in respect of trade and other receivables. The allowance in respect of trade receivables is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the trade receivable directly.

Counterparties for cash and cash equivalents are limited to financial institutions that have a high credit rating.

Directors' Report (continued)
For the 52 week period ended 30 March 2019

Financial Risk Management (continued)

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company regularly reviews its cash flow requirements.

As at 30 March 2019, the Company had cash and cash equivalents of $15.3 million *(as at 31 March 2018: $4.2 million).*

Maturity Analysis
There are operating lease obligations at 30 March 2019 and 31 March 2018. See note 21 for further details.

Going Concern

The directors have reviewed the latest forecast results and cash flow projections. After making enquiries and in view of the recent trading results of the Company in the period since 30 March 2019 until the date of approval of these financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of signing these financial statements. The financial statements for the 52 week period ended 30 March 2019 have therefore been prepared on a going concern basis.

Dividends

No dividends were proposed or paid in the 52 week period ended 30 March 2019. An interim dividend of $230.0 million was declared on 31 August 2017 and paid in the 53 week period ended 31 March 2018.

Strategic Report

The report of the directors should be read in conjunction with the Strategic Report on pages 2 to 7, which contains details of the principal activities of the Company during the period and an indication of main trends and factors likely to affect the future development, performance and position of the Company's business.

All of the information detailed in those sections, which is required for the Strategic Report or otherwise for this directors' report, is incorporated by reference in (and shall be deemed to form part of) this report.

Directors

The directors who served during the period and those holding office at 30 March 2019 and at the date of approval of these financial statements were:

Allan W. Hughes
Thurman K. Case
Pedro Andrade

None of these directors hold an interest in the shares of the Company for the period ended 30 March 2019 or 31 March 2018. No director had, during or at the end of the financial period, any material interest in any contract of significance in relation to the Company's business.

Directors' Report (continued)
For the 52 week period ended 30 March 2019

Directors (continued)

The emoluments for two of the directors were paid by other Group members and were deemed to be wholly attributable to their services for those entities.

Each of the directors confirm that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the directors' report contained in these financial statements includes a fair review of the business and position of the Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of Information to Auditors

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

Auditors

The auditors, Ernst & Young LLP, will be proposed for re-appointment in accordance with Section 487 of the Companies Act 2006.

For and on behalf of the Board of Directors

P. Y. Andrade

Pedro Andrade
Director
5 June 2019

Statement of Directors' Responsibilities
For the 52 week period ended 30 March 2019

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 Auditors' Report to the members of Cirrus Logic International (UK) Ltd

Opinion

We have audited the financial statements of Cirrus Logic International (UK) Ltd for the period ended 30 March 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Balance Sheet and the related notes 1 to 25, 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 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 30 March 2019 and of its profit for the period 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 below. 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.

Use of our 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent Auditors' Report to the members of Cirrus Logic International (UK) Ltd (continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 directors' report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the members of Cirrus Logic International (UK) Ltd (continued)

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.

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

Ernst & Young LLP

Paul Copland (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
6 June 2019

Income Statement
For the 52 week period ended 30 March 2019

	Notes	52 weeks ended 30 March 2019 Before exceptional items $000	52 weeks ended 30 March 2019 Exceptional items *(note 4)* $000	52 weeks ended 30 March 2019 Total $000	53 weeks ended 31 March 2018 Before exceptional items $000	53 weeks ended 31 March 2018 Exceptional items *(note 4)* $000	53 weeks ended 31 March 2018 Total $000
Revenue	3	**1,166,334**	-	**1,166,334**	1,510,737	-	1,510,737
Cost of sales		**(1,034,172)**	-	**(1,034,172)**	(1,370,251)	-	(1,370,251)
Gross profit		**132,162**	-	**132,162**	140,486	-	140,486
Distribution and selling costs		**(13,235)**	-	**(13,235)**	(7,303)	-	(7,303)
Administrative expenses	4	**(85,016)**	**4,913**	**(80,103)**	(87,710)	(16,519)	(104,229)
Impairment of investment	4	-	**(18,600)**	**(18,600)**	-	-	-
Operating profit	5	**33,911**	**(13,687)**	**20,224**	45,473	(16,519)	28,954
Finance income	7	**325**	-	**325**	18	-	18
Finance costs	7	-	-	-	(273)	-	(273)
Net finance income/(costs)		**325**	-	**325**	(255)	-	(255)
Profit before tax		**34,236**	**(13,687)**	**20,549**	45,218	(16,519)	28,699
Income tax expense	8,4	**(6,712)**	**716**	**(5,996)**	(6,510)	3,139	(3,371)
Profit for the period attributable to equity holders of the Company		**27,524**	**(12,971)**	**14,553**	38,708	(13,380)	25,328

The notes are an integral part of these financial statements.

Statement of Comprehensive Income
For the 52 week period ended 30 March 2019

	Notes	**52 weeks ended 30 March 2019 $000**	53 weeks ended 31 March 2018 $000
Profit for the period		**14,553**	25,328
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Actuarial gain on net defined benefit pension plan obligations	*17*	-	2,107
Actuarial gain on movement in asset ceiling in accordance with IFRIC 14	*17*	-	1,242
Deferred tax on net defined benefit pension plan items recognised in equity	*8*	-	(636)
Change in unrealised loss on foreign currency translation adjustment		**(109)**	46
Other comprehensive income for the period		**(109)**	2,759
Total comprehensive income for the period attributable to the owners of the Company		**14,444**	28,087

The notes are an integral part of these financial statements.

Balance Sheet
As at 30 March 2019

	Notes	As at 30 March 2019 $000	As at 31 March 2018 $000
Assets			
Property, plant and equipment	*9*	**19,652**	16,534
Intangible assets	*10*	**190**	190
Investments in subsidiaries	*11*	**5,231**	22,250
Deferred tax assets	*12*	**2,572**	2,498
Other assets	*14*	**3,315**	4,113
Total non-current assets		**30,960**	45,585
Inventories	*13*	**164,573**	205,184
Trade and other receivables	*14*	**124,271**	104,937
Cash and cash equivalents	*15*	**15,327**	4,237
Total current assets		**304,171**	314,358
Total assets		**335,131**	359,943
Equity			
Issued share capital	*16*	**204**	204
Share premium	*16*	**18,590**	18,590
Capital redemption reserve	*16*	**63,215**	63,215
Retained earnings	*16*	**44,126**	29,716
Total equity attributable to equity holders of the parent		**126,135**	111,725
Liabilities			
Employee benefits	*17*	**-**	-
Other payables	*19*	**6,158**	6,670
Total non-current liabilities		**6,158**	6,670
Income tax payable	*8*	**3,306**	3,446
Trade and other payables	*19*	**199,532**	238,102
Total current liabilities		**202,838**	241,548
Total liabilities		**208,996**	248,218
Total equity and liabilities		**335,131**	359,943

The notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 5 June 2019 and were signed on its behalf by:

P.J. Andrade

Pedro Andrade
Director

Statement of Changes in Equity
As at 30 March 2019

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	$000	$000	$000	$000	$000
Balance at 25 March 2017	**204**	**18,590**	**63,215**	**231,706**	**313,715**
Profit for the period	-	-	-	25,328	25,328
Other comprehensive income:					
Actuarial loss on net defined benefit obligations	-	-	-	2,107	2,107
Deferred tax on net defined benefit items recognised in equity	-	-	-	(636)	(636)
Actuarial gain on movement in asset ceiling in accordance with IFRIC 14	-	-	-	1,242	1,242
Change in unrealised loss on foreign currency translation adjustment	-	-	-	46	46
Total comprehensive income for the period ended 31 March 2018	-	-	-	28,087	28,087
Transactions with owners of the Company recognised directly in equity:					
Dividends paid	-	-	-	(230,000)	(230,000)
Current tax on equity settled share-based payment transactions recognised in equity	-	-	-	226	226
Deferred tax on equity settled share-based payment transactions recognised in equity	-	-	-	(303)	(303)
Total contributions by and distributions to the owners of the Company	-	-	-	(230,077)	(230,077)
Balance at 31 March 2018	**204**	**18,590**	**63,215**	**29,716**	**111,725**
Profit for the period	-	-	-	14,553	14,553
Other comprehensive income:					
Change in unrealised loss on foreign currency translation adjustment	-	-	-	(109)	(109)
Total comprehensive income for the period ended 30 March 2019	-	-	-	14,444	14,444
Transactions with owners of the Company recognised directly in equity:					
Current tax on equity settled share-based payment transactions recognised in equity	-	-	-	16	16
Deferred tax on equity settled share-based payment transactions recognised in equity	-	-	-	(50)	(50)
Total contributions by and distributions to the owners of the Company	-	-	-	(34)	(34)
Balance at 30 March 2019	**204**	**18,590**	**63,215**	**44,126**	**126,135**

The notes are an integral part of these financial statements.

Notes to the Financial Statements
For the 52 week period ended 30 March 2019

1. Basis of Preparation

Cirrus Logic International (UK) Ltd (the 'Company') is a company domiciled and incorporated in Scotland. The comparative period presented for these financial statements is the 53 weeks ended 31 March 2018, referred to as '2018' for the purposes of these notes to the financial statements.

Under section 401 of the Companies Act 2006, the Company is exempt from the requirement to prepare consolidated financial statements comprising the Company and its subsidiaries as the Company is included in the consolidated set of financial statements of the Cirrus Logic, Inc group, drawn up at the same date. Therefore these financial statements present information about the Company as a separate entity and not about its group. The consolidated set of financial statements of Cirrus Logic, Inc are available to view and download from its website www.cirrus.com.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 7. The financial position of the Company and liquidity positions are described within the Financial Performance section of the Strategic Report on pages 2 to 4. In addition, the directors' report and note 20 to the financial statements include the Company's financial risk management objectives; details of its financial instruments and hedging activities; its exposures to credit and liquidity risk; and its objectives, policies and processes for managing its capital.

The company has, as at 30 March 2019, cash and cash equivalent balances of $15.3 million *(2018: $4.2 million)*. The company has no external loans or borrowings or complex financial instruments as at 30 March 2019 *(2018: none)*.

The directors have reviewed the latest forecast results and cash flow projections. After making enquiries and in view of the trading results of the Company in the period since 30 March 2019 until the date of the approval of these financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of signing these financial statements. The financial statements for the 52 week period ended 30 March 2019 have therefore been prepared on a going concern basis.

(a) Statement of Compliance

The financial statements of the Company for the 52 week period ended 30 March 2019 were authorised for issue by the directors on 5 June 2019. The financial statements of the Company were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and in accordance with applicable accounting standards. The principal accounting policies adopted by the Company are set out in note 2. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment' because the share-based payment arrangements concern the instruments of another group company;
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
- the requirements of paragraphs 6 and 21 of IFRS 1 'First-time Adoption of International Financial Reporting Standards';
- the requirements of paragraphs 110 (second sentence), 113 (a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

1. Basis of Preparation (continued)

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items in the balance sheet:

- net defined benefit liability measured at the fair value of plan assets less the present value of the defined benefit obligation (refer to note 2 (l) (ii)).
- intangible assets measured at fair value (refer to note 2 (q) (i)).
- certain items of property, plant and equipment which were impaired to fair value (refer to note 2 (c)).

(c) Functional and presentation currency

The financial statements are presented in United States dollars ('US dollars'), the Company's functional currency, rounded to the nearest thousand.

(d) New standards, amendments and IFRIC interpretations

IFRS 15 'Revenue from Contracts with Customers' ("IFRS 15") is a new standard effective for the period ended 30 March 2019 and had a material impact on the Company as set out below. No other amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 30 March 2019 have had a material impact on the Company.

IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. The accounting policy followed in accordance with IFRS 15 is disclosed within note 2(n).

There was no income statement impact on adoption, and therefore no impact to opening retained earnings. The effects of changes made to our balance sheet at adoption were as follows:

	Balance at 31 March 2018	**Impact from IFRS 15 Adoption**	**Balance at 1 April 2018**
	$	**$**	**$**
Financial statement line item			
Accounts receivable	98,135	5,401	103,536
Inventories	205,184	(359)	204,825
Other current assets	4,308	359	4,667
Other accrued liabilities	(3,876)	(5,401)	(9,277)

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

1. Basis of Preparation (continued)

(e) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

Impairment testing for investment in subsidiaries and intangible assets
The Company tests whether investments in subsidiaries or intangible assets have suffered any impairment at least annually. If management concludes that it is more likely than not that impairment exists, the recoverable amounts of the investment or intangible assets would be determined based on value-in-use calculations. These calculations require the use of estimates of asset useful lives and the timing and amount of projected cash flows.

Inventories
Inventories are recorded at the lower of cost or net realisable value, with cost being determined on a first-in, first-out basis. Inventory is written down to net realisable value based on forecasted demand, product release schedules, product life cycles, management judgement and the age of inventory. Actual demand and market conditions may be different from those projected by management, which could have a material effect on our operating results and financial position.

Exceptional items
As permitted by IAS 1: 'Presentation of financial statements', the Company has disclosed additional information in respect of exceptional items on the face of the income statement in order to aid understanding of the Company's financial performance. An item is treated as an exceptional if it is considered that by virtue of its nature, scale or incidence and being of such significance that separate disclosure is required for the financial statements to be property understood.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

2. Significant Accounting Policies

The accounting policies set out below, unless otherwise stated in note 1 above, have been applied consistently to all periods presented in these financial statements.

(a) Investments in Subsidiaries

Investments by the Company in subsidiaries are carried at cost less any impairment. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Foreign Currency

Transactions in currencies, other than US dollars, are remeasured at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in currencies other than US dollars at the balance sheet date are remeasured to US dollars at the exchange rate ruling at that date. Exchange differences arising on remeasurement are recognised in the income statement except for differences arising on qualifying cash flow hedges which are recognised directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a currency other than US dollars are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in currencies other than US dollars that are measured at fair value are retranslated to US dollars at the date that fair value was determined.

(c) Property, Plant and Equipment

(i) Owned assets

Items of property, plant and equipment are measured at cost less accumulated depreciation (see accounting policy (c) (ii)) and accumulated impairment losses (see accounting policy (h)).

Cost includes the expenditure that is directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different estimated useful lives, they are accounted for and depreciated as separate items of property, plant and equipment.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance expenditure is expensed as incurred.

(ii) Depreciation

Depreciation is calculated over the depreciable amount which is the cost of an asset, less its residual value. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of property, plant and equipment. Freehold land is not depreciated.

The estimated useful lives are as follows:

Leasehold improvements	shorter of term of lease or 10 years
Buildings	up to 39 years
Plant and machinery	3 to 10 years
Computer hardware	3 years
Furniture and fittings	3 to 10 years
Motor vehicles	3 to 10 years

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

2. Significant Accounting Policies (continued)

(c) Property, Plant and Equipment (continued)

The residual values and estimated useful lives of items of property, plant and equipment are reviewed annually and adjusted if appropriate.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net disposal proceeds with the carrying amount and are included in the income statement.

(d) Intangible Assets

(i) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised using the straight-line method over their estimated useful lives (three years).

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Computer software development costs recognised as assets are amortised using the straight-line method over their estimated useful lives (three years).

Amortisation methods, useful lives and the estimated residual values are reviewed and adjusted, if appropriate, at each balance sheet date.

(e) Trade and Other Receivables

Trade and other receivables are initially stated at their fair value plus any directly attributable transactions costs. Subsequent to initial recognition, such assets are measured at amortised cost using an effective interest rate less any impairment losses (see accounting policy (h)). A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows, discounted if material. The amount of the provision is recognised in the income statement.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses.

The cost of inventories is based on the first-in, first-out method and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes raw materials, other direct costs and related overheads based on normal operating capacity.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances held with banks and money market funds.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

2. Significant Accounting Policies (continued)

(h) Impairment

The carrying amounts of the Company's actual assets, other than financial assets, inventories (see accounting policy (f)) and deferred tax assets (see accounting policy (p)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Assets, including goodwill, that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised for the amount by which the carrying amount of an asset or its cash-generating unit ('CGU') exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

(i) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

(j) Interest-bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis.

(k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the lease property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

2. Significant Accounting Policies (continued)

(l) Employee Benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when services are rendered by employees.

(ii) Defined benefit pension plan

The Company's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality credit rated bonds which are denominated in the currency in which the benefits will be paid, and that have maturity dates approximating the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to the plan. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

The movement in the net obligation in respect of the defined benefit pension plan is split between operating expenses and net finance income / (costs) in the income statement, and actuarial gains and losses in other comprehensive income. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income. The Company determined the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligations at the beginning of the annual period to the net defined benefit liability / (asset) at that time, taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit pension plan are recognised in profit or loss.

The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, and related actuarial gains and losses and past service costs that have not previously been recognised.

The Company recognises immediately all actuarial gains and losses arising from defined benefit plans directly in other comprehensive income.

(iii) Share-based payment transactions

The fair value of share options granted to employees is recognised as an employee expense and spread over the period during which the employee becomes unconditionally entitled to the options. The Black-Scholes model is used in the measurement of the fair value of the options granted.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

2. Significant Accounting Policies (continued)

(l) Employee Benefits (continued)

(iii) Share-based payment transactions (continued)

The grant date fair value of contingent restricted stock units awarded to employees is recognised as an employee expense over the period that the employees become unconditionally entitled to the shares. The amount recognised as an expense, for awards with service and non-market performance conditions, is adjusted to reflect the actual number of shares that vest.

The fair value of performance shares awarded to employees is recognised as an employee expense over the period that the employees become unconditionally entitled to the shares. The Monte Carlo simulation is used in the measurement of the fair value of the awards granted. The amount recognised as an expense is determined at the time of grant, regardless of the actual number of shares that vest.

(m) Trade and Other Payables

Trade and other payables are stated at amortised cost using the effective interest rate method.

(n) Revenue

Revenue comprises the sale of goods and royalty income earned during the period and excludes sales taxes.

(i) Product revenues

Revenue from the sale of goods is recognised in the income statement upon the transfer of promised goods or services to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods and services.

Performance obligations:
The Company's contracts with customers contain a single performance obligation, which is the delivery of promised goods to the customer. The promised goods are explicitly stated in the customer contract and are comprised of either a single type of good or a series of goods that are substantially the same, have the same pattern of transfer to the customer, and are neither capable of being distinct nor separable from the other promised goods in the contract. This performance obligation is satisfied upon transfer of control of the promised goods to the customer, as defined per the shipping terms within the customer's contract. The vast majority of the Company's contracts with customers have an original expected term of one year or less. As allowed by IFRS 15, the Company has not disclosed the value of any unsatisfied performance obligations related to these contracts.

The Company's products typically include a standard one-year warranty. These warranties qualify as assurance-type warranties, as goods can be returned for product non-conformance and defect only. As such, these warranties are accounted for under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', and are not considered a separate performance obligation.

Contract balances:
Payments are typically due within 30 to 60 days of invoicing and terms do not include a significant financing component or noncash consideration. There have been no material impairment losses on accounts receivable. There are no material contract assets or contract liabilities recorded on the balance sheet.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

2. Significant Accounting Policies (continued)

(n) Revenue (continued)

Transaction price:
The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods to the customer. Fixed pricing is the consideration that is agreed upon in the customer contract. Variable pricing includes rebates, rights of return, warranties, price protection and stock rotation. Rebates are granted as a customer account credit, based on agreed-upon sales thresholds. Rights of return and warranty costs are estimated using the "most likely amount" method by reviewing historical returns to determine the most likely customer return rate and applying materiality thresholds. Price protection includes price adjustments available to certain distributors based upon established book price and a stated adjustment period. Stock rotation is also available to certain distributors based on a stated maximum of prior billings.

The Company estimates all variable consideration at the most likely amount which it expects to be entitled. The estimate is based on current and historical information available to the Company, including recent sales activity and pricing. Variable consideration is only included in the transaction price to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The Company defers all variable consideration that does not meet the revenue recognition criteria.

(ii) Royalty income and licence income

Royalty income represents revenue earned under software and technology licence agreements. Such revenue is earned and income is recognised when sales of the developed product to third parties for which royalty is due are confirmed to the Company. Royalty income is considered immaterial to the Company as a whole and is grouped with product revenues on the income statement.

(o) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(ii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, net interest expense / (income) on the net defined benefit liability / (asset) (Note 2 (l) (ii)) and the unwinding of the discount on provisions and contingent consideration.

Interest income is recognised in the income statement as it accrues, using the effective rate of interest method.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

2. Significant Accounting Policies (continued)

(p) Income Tax

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax is provided on taxable profits at the current rate of tax.

Deferred tax is calculated using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset within the same taxation authority and where the Company intends to either settle them on a net basis or to realise the asset and settle the liability simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(q) Determination of Fair Values

Some of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information regarding the assumptions made in determining the fair values is disclosed in the notes to the financial statements which are specific to that asset or liability.

(i) Intangible assets

The fair value of developed technology acquired as a result of a business combination is based on the discounted royalty payments that have been avoided as a result of the developed technology being owned. For in-process research and development acquired as a result of a business combination, the fair value is estimated based either on the income method taking into account the cash flows post technological feasibility or on the cost method, taking into account the estimated current cost to recreate or duplicate the technology. The fair values of licence agreements and of customer relationships acquired as a result of a business combination are estimated based on the risk adjusted present value of the marginal cash flows derived from the agreements and relationships respectively.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal cash flows, discounted at the market rate of interest at the reporting date.

(iii) Pension

The net defined benefit liability of the defined benefit pension plan is measured at the fair value of plan assets less the present value of the defined benefit obligation. See additional details on fair value calculation in Note 2 (l) (ii).

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

2. Significant Accounting Policies (continued)

(r) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. Items that are material either because of their size or their nature, or that are nonrecurring, are considered exceptional items and are presented within the line items to which they best relate.

3. Segment Information

We determine our operating segments in accordance with IFRS 8 guidelines. Our Chief Executive Officer ("CEO") has been identified as the chief operating decision maker under these guidelines.

The Company operates and tracks its results in one reportable segment, but reports revenue performance in two product lines, which currently are portable and non-portable and other. Our CEO receives and uses enterprise-wide financial information to assess financial performance and allocate resources, rather than detailed information at a product line level. Additionally, our product lines have similar characteristics and customers. They share operations support functions such as sales, public relations, supply chain management, various research and development and engineering support, in addition to the general and administrative functions of human resources, legal, finance and information technology. Therefore, there is no complete, discrete financial information maintained for these product lines. Revenue from our product lines are as follows (in thousands):

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Portable products	**1,030,921**	1,362,833
Non-portable and other products	**135,413**	147,904
	1,166,334	1,510,737

The following illustrates sales by ship to location of the customer:

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
United States	**6,991**	12,399
EMEA	**14,406**	15,458
China	**922,203**	1,264,001
Hong Kong	**166,460**	162,652
Japan	**9,210**	12,131
Taiwan	**17,106**	13,224
Other Asia	**18,439**	20,043
Other non-U.S. countries	**11,519**	10,829
Total revenue	**1,166,334**	1,510,737

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

3. Segment Information (continued)

The following illustrates property, plant and equipment, net, by geographic locations based on physical location.

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Taiwan	**15,128**	6,929
Singapore	**1,396**	406
China	**1,124**	1,179
EMEA	**1,084**	5,898
Other	**920**	2,122
Total property, plant and equipment	**19,652**	16,534

4. Exceptional Items

Analysis of exceptional items:	**52 weeks ended 30 March 2019 $000**	53 weeks ended 31 March 2018 $000
Gain on sale of building	**4,913**	-
Impairment of investment	**(18,600)**	-
Loss on settlement of defined benefit pension plan	-	(16,519)
Total exceptional charges recognised in the period before tax	**(13,687)**	(16,519)
Tax effect of exceptional items	**716**	3,139
Total exceptional charges recognised in the period	**(12,971)**	(13,380)

Exceptional loss recognised in the 52 week period ended 30 March 2019:

Gain on sale of building
During the year ended 25 March 2017, the Company reported an asset impairment charge of $10.0 million related to a building owned in Edinburgh, Scotland ("Westfield House"). The Company determined that the undiscounted cash flows associated with the property of the asset were less than the carrying value at that time. Considering the fact that the building was no longer used as the primary office space for Edinburgh employees and that market conditions had weakened, the Company hired an independent consultant to assess the fair value of the building. The variance in the assessed valuation amount and the carrying value was recorded in the period ended 25 March 2017.

Subsequently, in the period ended 30 March 2019, market conditions improved and the Company marketed and sold Westfield House, for a gain on the sale of $4.9 million.

Impairment of investment in subsidiary
On 5 March 2019, Cirrus Logic International Sweden A.B., a subsidiary of the Company, announced to its employees the intention to close the Stockholm office. As there are no current plans to have future activities in Sweden, the investment in this subsidiary has been written down to $0 in the period ended 30 March 2019, resulting in an impairment of $18.6 million.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

4. Exceptional items (continued)

Exceptional loss recognised in the 53 week period ended 31 March 2018:

Loss on settlement of defined benefit pension plan
During the 53 week period ended 31 March 2018, the Company authorised the termination of the defined benefit pension plan under which 60 participants had accrued benefits. On 16 March 2018, the plan completed a buy-in transaction whereby the assets of the plan, together with a final contribution from the Company of $11.0 million, were invested in a bulk purchase annuity contract that fully insures the benefits payable to the members of the plan. The difference between the valuation of the defined benefit obligation and the price paid for the bulk purchase annuity contract of $16.5 million was recognised as a settlement loss in the period. Refer to note 17 for further details.

5. Operating Profit

	52 weeks ended 30 March 2019	53 weeks ended 31 March 2018
Operating profit is stated after charging:	**$000**	$000
Depreciation (note 9)	**5,205**	3,683
Amortisation of intangible assets (note 10)	**63**	48
Loss on disposal of property, plant and equipment and intangible assets	**57**	87
Costs of inventories recognised as an expense	**579,879**	761,522

	52 weeks ended 30 March 2019	53 weeks ended 31 March 2018
Amounts receivable by auditors and their associates in respect of:	**$000**	$000
Audit of these financial statements	**95**	94
Other services relating to taxation	**-**	-
All other services	**20**	21

The audit fee for the consolidated group audit was $1.4 million (2018: $1.1 million) and was entirely charged to the parent company, Cirrus Logic, Inc.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

6. Personnel Expenses

	52 weeks ended 30 March 2019 Number	53 weeks ended 31 March 2018 Number
Average number of employees, including executive directors, by activity:		
Operations	**41**	38
Selling and distribution	**37**	52
General and administration	**50**	48
	128	138

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Wages and salaries	**9,942**	11,301
Social security costs	**831**	902
Contributions to defined contribution pension plans	**454**	367
Defined benefit pension costs (note 17)	**-**	16,519
Equity settled share-based payment transactions	**2,055**	1,904
	13,282	30,993

Information regarding the remuneration of the directors is included in note 23.

7. Net Finance Income/(Costs)

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Bank interest receivable	**46**	18
Foreign exchange gain	**279**	-
Finance income	**325**	18
Foreign exchange loss	-	(273)
Finance costs	-	(273)
Net finance income/(costs)	**325**	(255)

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

8. Income Tax

Current Tax

Current tax for the current and prior periods is classified as a current liability to the extent that it is unpaid. Amounts paid in excess of amounts owed are classified as a current asset. The Company has a net current tax liability of $3.3 million at 30 March 2019 *(2018: $3.4 million)*.

Recognised in the Income Statement:	**52 weeks ended 30 March 2019 $000**	53 weeks ended 31 March 2018 $000
Current Tax Expense		
UK Taxes		
Current year tax charge	**6,131**	8,233
Double tax relief available	**(91)**	(199)
Adjustments for prior years	**(31)**	(2,529)
Overseas Taxes		
Current year tax charge	**121**	238
Adjustment for prior years	**(7)**	18
	6,123	5,761
Deferred Tax Expense		
Origination and reversal of temporary differences	**(176)**	(2,476)
Impact of changes in tax rates	**66**	64
Adjustments for prior years	**(17)**	22
	(127)	(2,390)
Total income tax charge in the income statement	**5,996**	3,371

Recognised Directly in Other Comprehensive Income and Equity:	**52 weeks ended 30 March 2019 $000**	53 weeks ended 31 March 2018 $000
Recognised in Other Comprehensive Income:		
Relating to net pension liability (note 17)	**-**	636
Recognised in Equity:		
Relating to equity settled transactions – current tax	**(16)**	(226)
Relating to equity settled transactions – deferred tax	**50**	303
Decrease in equity	**34**	77

The standard rate of UK corporation tax was 19% for the period ended 30 March 2019. Further changes to the standard rate were substantively enacted as part of Finance Act 2016, substantively enacted on 7 September 2016, which will reduce the rate to 17% from 1 April 2020. The deferred tax balances as at 30 March 2019 are recorded in these financial statements at the tax rate at which they are expected to unwind in the future.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

8. Income Tax (continued)

Reconciliation of Effective Tax Rate

	52 weeks ended 30 March 2019 %	$000	53 weeks ended 31 March 2018 %	$000
Profit before tax		**20,549**		28,699
Income tax charge using the UK corporation tax rate	**19.0%**	**3,904**	19.0%	5,453
Non-deductible expenses	**0.8%**	**166**	1.1%	303
Non-taxable gain on sale of freehold property	**(8.0%)**	**(1,649)**	-	-
Non-deductible impairment of investment	**17.2%**	**3,534**	-	-
Foreign taxes suffered	**0.6%**	**121**	0.8%	238
Double tax relief available	**(0.4%)**	**(91)**	(0.7%)	(198)
Adjustments relating to prior years	**(0.3%)**	**(55)**	(8.7%)	(2,489)
Impact of changes in tax rates	**0.3%**	**66**	0.2%	64
Total Tax Charge	**29.2%**	**5,996**	11.7%	3,371

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

9. Property, Plant and Equipment

	Leasehold Improvements	Land and Buildings	Plant and Machinery	Computer Hardware	Furniture and Fittings	Total
	$000	$000	$000	$000	$000	$000
Cost						
At 25 March 2017	131	18,922	27,591	4,750	3,736	55,130
Additions	9	-	6,207	712	38	6,966
Disposals	-	(4,001)	(377)	(714)	(3,613)	(8,705)
Asset reclassification	-	-	-	66	(66)	-
Foreign exchange	6	-	55	22	2	85
At 31 March 2018	146	14,921	33,476	4,836	97	53,476
Additions	270	-	11,650	731	14	12,665
Disposals	(36)	(14,921)	(1,516)	(1,188)	(20)	(17,681)
Asset reclassification	-	-	31	-	(31)	-
Foreign exchange	(17)	-	(63)	(25)	(3)	(108)
At 30 March 2019	**363**	**-**	**43,578**	**4,354**	**57**	**48,352**
Depreciation						
At 25 March 2017	115	14,397	21,161	2,560	3,496	41,729
Charge for the period	9	298	2,144	1,199	33	3,683
Disposals	-	(4,001)	(377)	(664)	(3,475)	(8,517)
Asset reclassification	-	-	-	12	(12)	-
Foreign exchange	5	-	31	9	2	47
At 31 March 2018	129	10,694	22,959	3,116	44	36,942
Charge for the period	82	249	3,732	1,131	11	5,205
Disposals	(13)	(10,943)	(1,359)	(1,062)	(12)	(13,389)
Asset reclassification	-	-	19	-	(19)	-
Foreign exchange	(8)	-	(37)	(12)	(1)	(58)
At 30 March 2019	**190**	**-**	**25,314**	**3,173**	**23**	**28,700**
Net Book Value						
At 31 March 2018	17	4,227	10,517	1,720	53	16,534
At 30 March 2019	**173**	**-**	**18,264**	**1,181**	**34**	**19,652**

Finance Leases

No assets were held under finance leases or hire purchase contracts *(2018: none)*.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

10. Intangible Assets

	Computer software $000	Total $000
Cost		
At 25 March 2017	652	652
Additions	179	179
Disposals	(290)	(290)
At 31 March 2018	541	541
Additions	63	63
At 30 March 2019	**604**	**604**
Amortisation		
At 25 March 2017	553	553
Amortisation for the period	48	48
Disposals	(250)	(250)
At 31 March 2018	351	351
Amortisation for the period	63	63
At 30 March 2019	**414**	**414**
Net Book Value		
At 31 March 2018	190	190
At 30 March 2019	**190**	**190**

Amortisation Charge

The amortisation charge is recognised in the following line items in the income statement:

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Administrative expenses	**63**	48
	63	48

Impairment Loss

No impairment indicators were identified in relation to any intangible assets in the period ended 30 March 2019 or 31 March 2018, and therefore no impairment charge was recognised in accordance with IAS 36 'Impairment of Assets'.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

11. Investments in Subsidiaries

	Equity Investment in Subsidiaries $000
Cost	
At 25 March 2017	22,250
Additions	-
At 31 March 2018	22,250
Additions	1,581
At 30 March 2019	**23,831**
Impairment	
At 25 March 2017 and 31 March 2018	-
Impairment	18,600
At 30 March 2019	**18,600**
Cost less impairment	
At 31 March 2018	22,250
At 30 March 2019	**5,231**

Note 24 contains details of these subsidiaries.

During the period ended 30 March 2019, the Company invested $1.58 million in a new subsidiary entity, Cirrus Logic Semiconductor (Shanghai) Co., Ltd.

The investment in Cirrus Logic International Sweden A.B. was written down to $0 in the period ended 30 March 2019 following the announcement that the Stockholm office is to close. Refer to note 4 for further details.

The directors reviewed the carrying amount of each of the Company's investments in subsidiaries and concluded that the carrying value was fully recoverable and no impairment was identified.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

12. Deferred Tax Assets and Liabilities

Recognised deferred tax assets and liabilities *(see note 8)*

	Assets		Liabilities		Net	
	2019	2018	**2019**	2018	**2019**	2018
	$000	$000	**$000**	$000	**$000**	$000
Property, plant and equipment	**(1,087)**	(416)	-	-	**(1,087)**	(416)
Intangible assets	-	-	-	3	-	3
Employee benefits – pensions	**(1,056)**	(1,613)	-	-	**(1,056)**	(1,613)
Employee benefits – share-based payments	**(332)**	(403)	-	-	**(332)**	(403)
Other items	**(97)**	(69)	-	-	**(97)**	(69)
Deferred tax (assets) / liabilities	**(2,572)**	(2,501)	-	3	**(2,572)**	(2,498)
Set off tax	-	3	-	(3)	-	-
Net deferred tax (assets)	**(2,572)**	(2,498)	-	-	**(2,572)**	(2,498)

Movement in deferred tax balances during the period

	Balance at 25 March 2017	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Balance at 31 March 2018
	$000	$000	$000	$000	$000
Property, plant and equipment	(360)	(56)	-	-	(416)
Intangible assets	8	(5)	-	-	3
Employee benefits – pensions	-	(2,249)	636	-	(1,613)
Employee benefits – share-based payments	(676)	(30)	-	303	(403)
Other items	(18)	(51)	-	-	(69)
	(1,046)	(2,391)	636	303	(2,498)

	Balance at 31 March 2018	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Recognised in equity**	**Balance at 30 March 2019**
	$000	**$000**	**$000**	**$000**	**$000**
Property, plant and equipment	**(416)**	**(671)**	-	-	**(1,087)**
Intangible assets	**3**	**(3)**	-	-	-
Employee benefits – pensions	**(1,613)**	**557**	-	-	**(1,056)**
Employee benefits – share-based payments	**(403)**	**21**	-	**50**	**(332)**
Other items	**(69)**	**(28)**	-	-	**(97)**
	(2,498)	**(124)**	-	**50**	**(2,572)**

The Company has no unrecognised deferred tax assets at 30 March 2019 and 31 March 2018.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

13. Inventories

	2019	2018
	$000	$000
Work in progress	**90,790**	111,302
Finished goods	**73,783**	93,882
	164,573	205,184

14. Trade and Other Receivables

	2019	2018
	$000	$000
Non-current assets		
Other assets	**3,315**	4,113
Current assets		
Trade receivables	**119,245**	98,135
Amounts due from other group companies	**226**	-
Other receivables	**2,540**	4,308
Prepayments and accrued income	**2,260**	2,494
	124,271	104,937

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The Company's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in the directors' report on page 8.

15. Cash and Cash Equivalents

	2019	2018
	$000	$000
Bank balances	**15,327**	4,237
	15,327	4,237

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in the Directors' Report on page 8.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

16. Capital and Reserves

Share capital and share premium

	2019 Number	**2019 $000**	2018 Number	2018 $000
In issue at start and end of period	**124,192,234**	**204**	124,192,234	204

The Company's share capital during the current and prior period comprises ordinary shares which have a nominal value of 0.1 pence per share. All issued shares are fully paid.

The holders of the ordinary shares are entitled to one vote per share at meetings of the Company and are entitled to receive dividends as recommended by the directors. The holders of ordinary shares also have an unlimited right to share in the surplus remaining on a winding up after all creditors are satisfied.

The Company did not issue or purchase any of its own ordinary shares of 0.1 pence each in the current or prior financial period.

Retained earnings reserve

The movements in this reserve for the Company, in the 52 week period ended 30 March 2019 and the 53 week period ended 31 March 2018 are shown in the statement of changes in equity on page 18.

There were no dividends in the 52 week period ended 30 March 2019. A dividend of $230.0 million was declared on 31 August 2017 and paid out of retained earnings.

Capital redemption reserve

In accordance with the court-sanctioned scheme of arrangements, when the share capital of the Company was reduced on 21 August 2014 by cancelling all of the issued ordinary shares at that time, the reserve which arose in the accounting records of the Company as a result of this share capital reduction was capitalised within the capital redemption reserve and applied in paying up in full, at par, the new shares in the Company equal in number to the shares that were cancelled.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

17. Defined Benefit Pension Plan

The defined benefit pension plan previously exposed the Company to actuarial risks such as investment (market) risk, interest rate risk, mortality risk, longevity risk and currency risk. The defined benefit plan and actuarial assumptions were based on sterling denominated assets and liabilities. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would have resulted in an increase to the plan liabilities. Following the buy-out transaction explained below, the Company has fully settled the benefits payable under the plan and is no longer exposed to these risks linked to the plan.

During the 53 week period ended 31 March 2018, the Company authorised the termination of the plan under which 60 participants had accrued benefits. On 16 March 2018, the plan completed a buy-in transaction whereby the assets of the plan, together with a final contribution from the Company of $11.0 million, were invested in a bulk purchase annuity contract that fully insured the benefits payable to the members of the plan. The difference between the valuation of the defined benefit obligation and the price paid for the bulk purchase annuity contract of $16.5 million was recognised as a settlement loss in the prior period. The bulk purchase annuity contract was structured to enable the plan to move to full buy-out (following which the insurance company became directly responsible for the pension payments). On November 30, 2018, the insurance company confirmed that the buy-out was completed and individual policies had been established for each member. Completion of the buy-out confirms full and final settlement of the plan.

The Company chose to pay an additional contribution of £1.5 million ($1.9 million) based on the triennial actuarial valuation as at 28 February 2015, which was paid in the 53 week period ended 31 March 2018.

17. Defined Benefit Pension Plan (continued)

During the 52 week period ended 30 March 2019, the Company paid no contributions *(2018: $12.9 million)*. As the buy-out transaction has resulted in the defined benefit obligations being fully settled, the Company has no further contributions to make.

	2019	2018
	$000	$000
Present value of funded obligations	-	(24,084)
Fair value of plan assets	-	24,084
Net surplus for defined benefit obligations	-	-

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

17. Defined Benefit Pension Plan (continued)

	Defined benefit obligation		Fair value of plan assets		Impact of asset ceiling		Net defined benefit liability	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$000	$000	**$000**	$000	**$000**	$000	**$000**	$000
Balance at start of period	**(24,084)**	(21,123)	**24,084**	22,143	-	(1,020)	-	-
Included in profit:								
Current service cost (note 6)	-	-	-	-	-	-	-	-
Interest (cost) / income (note 7)	-	(651)	-	740	-	(89)	-	-
Settlements	**24,084**	-	**(24,084)**	(16,519)	-	-	-	(16,519)
Exchange differences	-	(2,769)	-	3,195	-	(133)	-	293
Total included in profit	**24,084**	(3,420)	**(24,084)**	(12,584)	-	(222)	-	(16,226)
Included in other comprehensive income:								
Remeasurements gain / (loss):								
Actuarial loss due to scheme experience	-	(86)	-	-	-	-	-	(86)
Actuarial gain due to changes in demographic assumptions	-	508	-	-	-	-	-	508
Actuarial loss due to changes in financial assumptions	-	(275)	-	-	-	-	-	(275)
Actuarial gain on asset ceiling	-	-	-	-	-	1,242	-	1,242
Return on plan assets excluding interest income	-	-	-	1,960	-	-	-	1,960
Total included in other comprehensive income	-	147	-	1,960	-	1,242	-	3,349
Other:								
Contributions by the employer	-	-	-	12,877	-	-	-	12,877
Benefits paid and expenses	-	312	-	(312)	-	-	-	-
Balance at end of period	-	(24,084)	-	24,084	-	-	-	-

The expense / (gain) is recognised in the following line items in the income statement:

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Current and past service costs:		
Administrative expenses	-	16,519
Exchange differences gain		
Administrative expenses	-	(293)
Finance costs (note 7)	-	-

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

17. Defined Benefit Pension Plan (continued)

Actuarial gains and losses recognised directly in equity

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Cumulative amount of actuarial gains at beginning of period	**18,588**	15,239
Recognised gain during the period	**-**	3,349
Cumulative amount of actuarial and other gains at end of period	**18,588**	18,588

Plan assets

Plan assets consist of the following:

	2019 $000	2018 $000
Buy-in policy	**-**	24,084
	-	24,084
Actual return on plan assets	**-**	1,915

There are no plan assets at 30 March 2019 as the pension scheme has been settled. The plan assets at 31 March 2018 are measured with reference to the price of the bulk purchase annuity contract which is measured at fair value being equivalent to the accounting valuation of the defined benefit obligation.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

17. Defined Benefit Pension Plan (continued)

Defined benefit obligations

Actuarial assumptions

The principal actuarial assumptions at the balance sheet date were:

	2019	2018
Discount rate	n/a	2.60%
Future salary increases	n/a	n/a
Future pension increases	n/a	3.10%
Inflation assumption: RPI	n/a	3.30%
Inflation assumption: CPI	n/a	2.40%
Mortality table: non-pensioners	n/a	SAPS, Birth Year, CMI 2015, 1.25% p.a. long-term improvement
Mortality table: pensioners	n/a	SAPS Light, Birth Year, CMI 2016, 1.25% p.a. long-term improvement

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions set out above and in the following table. The current longevities underlying the values of the liabilities in the defined benefit plan are as follows:

	2019 (years)	2018 (years)
Life expectancy at retirement for current pensioners		
Males	n/a	26.8
Females	n/a	28.7
Life expectancy at retirement for current member aged 45		
Males	n/a	28.3
Females	n/a	30.3

At 30 March 2019, the defined benefit obligation has been fully settled *(as at 31 March 2018: average duration of the obligation was 21 years).*

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

17. Defined Benefit Pension Plan (continued)

Historical information

	As at 30 March 2019 $000	As at 31 March 2018 $000	As at 25 March 2017 $000	As at 26 March 2016 $000	As at 28 March 2015 $000
Present value of defined benefit obligation	-	(24,084)	(21,123)	(23,968)	(27,090)
Fair value of plan assets	-	24,084	22,143	25,688	26,734
Net surplus / (deficit) in the plan	-	-	1,020	1,720	(356)
Unrecognised surplus	-	-	(1,020)	(1,720)	-
Increase in liabilities in accordance with IFRIC 14	-	-	-	(700)	(2,005)
Recognised liability for defined benefit obligations	-	-	-	(700)	(2,361)

	2019 $000	2018 $000	2017 $000	2016 $000	2015 $000
Experience adjustments arising on plan liabilities	-	(86)	37	(286)	220
Experience adjustments arising on plan assets	-	1,960	3,104	(989)	2,066

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

18. Share-based Payments

Employees of the Company have been granted contingent restricted stock units ('RSUs'), stock options and performance shares by Cirrus Logic, Inc. under the Cirrus Logic, Inc. 2006 Stock Incentive Plan and the 2018 Long Term Incentive Plan.

The ordinary shares of Cirrus Logic, Inc. are traded on NASDAQ in the United States of America.

The Cirrus Logic, Inc. 2006 Stock Incentive Plan and 2018 Long Term Incentive Plan

RSUs
The fair value of the RSU awards granted from these Plans to the Company's employees is the market value of the Cirrus Logic, Inc. shares on the date of the award. Vesting of these awards is dependent on the individual remaining an employee within the Cirrus Logic, Inc. group of companies throughout the specified vesting period, which is 3 years. In accordance with the terms of these share scheme awards, no amounts are payable by the employees in respect of the grant of these RSUs.

	Number of Cirrus Logic, Inc. shares subject to RSUs awarded to employees of the Company	Weighted average fair value ($)
Outstanding as at 25 March 2017	128,536	35.37
Outstanding awards relating to employees transferred to other Group company in the period	(4,070)	36.97
Outstanding awards relating to employees transferred from other Group company in the period	2,670	33.99
Awarded in the period	49,535	55.56
Lapsed in the period	(2,729)	46.50
Vested in the period	(47,110)	24.50
Outstanding as at 31 March 2018	126,832	46.98
Outstanding awards relating to employees transferred to other Group company in the period	(37,354)	48.75
Outstanding awards relating to employees transferred from other Group company in the period	1,550	35.78
Awarded in the period	32,485	41.36
Lapsed in the period	(9,851)	45.74
Vested in the period	(34,025)	32.81
Outstanding as at 30 March 2019	79,637	49.84

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

18. Share Based Payments (continued)

Options

The fair value of the options granted from these Plans to the Company's employees is determined using the Black-Scholes model. Vesting of these options is dependent on the individual remaining an employee within the Cirrus Logic, Inc. group of companies throughout the specified vesting period, which is generally 4 years. In accordance with the terms of the share option scheme, options are exercisable at the market price of the shares at the date of grant.

	Number of Cirrus Logic, Inc. options awarded to employees of the Company	Weighted average fair value ($)
Outstanding as at 25 March 2017	28,125	17.17
Awarded in the period	12,500	19.87
Lapsed in the period	-	-
Vested in the period	-	-
Outstanding as at 31 March 2018	40,625	18.00
Awarded in the period	12,500	17.02
Lapsed in the period	-	-
Vested in the period	-	-
Outstanding as at 30 March 2019	53,125	17.77

The exercise price on options granted in the period was $41.49 per share. The range of exercise prices of options outstanding at the end of the period was $31.25 - $55.72 per share. The weighted average contractual life of options outstanding at 30 March 2019 was 8.01 years.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

18. Share Based Payments (continued)

Performance shares
The fair value of the performance shares granted from these Plans to the Company's employees is determined using the Monte Carlo simulation. Vesting of these shares is dependent on the individual remaining an employee within the Cirrus Logic, Inc. group of companies throughout the specified vesting period, which is 3 years, as well as the relative total shareholder return of the Company as compared to that of the Philadelphia Semiconductor Index. In accordance with the terms of these share scheme awards, no amount is payable by the employees in respect of the grant of these performance shares.

	Number of Cirrus Logic, Inc. performance shares awarded to employees of the Company	**Weighted average fair value ($)**
Outstanding as at 25 March 2017	8,269	53.25
Awarded in the period	3,100	63.36
Lapsed in the period	-	-
Vested in the period	-	-
Outstanding as at 31 March 2018	11,369	56.01
Awarded in the period	3,100	56.33
Lapsed in the period	(5,169)	39.86
Vested in the period	-	-
Outstanding as at 30 March 2019	9,300	65.09

19. Trade and Other Payables

	2019 $000	2018 $000
Non-current liabilities		
Other payables	**6,158**	6,670
Current liabilities		
Trade payables	**36,057**	52,571
Amounts due to other group companies	**147,323**	170,616
Amounts due to ultimate parent company	**8,623**	11,039
Non-trade payables	**243**	483
Accruals	**7,286**	3,393
	199,532	238,102

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in the Directors' Report.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

20. Financial Instruments and Financial Risk Management

The Company's principal financial instruments as at 30 March 2019 and 31 March 2018 comprise cash and cash equivalents. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial instruments which mainly comprise trade receivables and trade payables which arise directly from its operations.

The Company does not hold or issue derivative financial instruments for trading purposes.

Exposure to market risk (which includes currency and interest rate risk) and credit risk arises in the normal course of the Company's business.

Concentration of credit risk
Financial instruments that potentially subject us to material concentrations of credit risk consist primarily of cash equivalents and trade accounts receivable. We are exposed to credit risk to the extent of the amounts recorded on the balance sheet. By policy, our cash equivalents are subject to certain nationally recognised credit standards, issuer concentrations, sovereign risk, and marketability or liquidity considerations.

In evaluating our trade receivables, we perform credit evaluations of our major customers' financial condition and monitor closely all of our receivables to limit our financial exposure by limiting the length of time and amount of credit extended. In certain situations, we may require payment in advance or utilise letters of credit to reduce credit risk. By policy, we reserve for trade accounts receivable based on the type of business in which a customer is engaged, the length of time a trade account receivable is outstanding, and other knowledge that we may possess relating to the probability that a trade receivable is at risk of non-payment.

We had three contract manufacturers, Hongjufin Precision, Pegatron, and Foxconn who represented 21 percent, 20 percent and 12 percent, respectively of our gross trade accounts receivable at the end of the period ended 30 March 2019. Pegatron, Jabil Circuits and Honjufin Precision represented 25 percent, 18 percent and 10 percent, respectively of our gross trade accounts receivable at the end of the period ended 31 March 2018. No other distributor or customer had receivable balances that represented more than 10 percent of gross trade accounts receivable at the end of the period ended 30 March 2019 or 31 March 2018.

Since the components we produce are largely proprietary and generally not available from second sources, we consider our end customer to be the entity specifying the use of our component in their design. These end customers may then purchase our products directly from us, from a distributor, or through a third-party manufacturer contracted to produce their end product. For the period ended 30 March 2019 and 31 March 2018, our ten largest customers represented approximately 92 percent and 93 percent, of our sales, respectively. For the period ended 30 March 2019 and 31 March 2018, we had one end customer. Apple Inc., who purchased through multiple contract manufacturers and represented approximately 79 percent and 82 percent, of our sales, respectively. No other customer or distributor represented more than 10 percent of net sales for the periods ending 30 March 2019 and 31 March 2018.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

20. Financial Instruments and Financial Risk Management (continued)

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value approximation for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Loans and receivables	Other financial liabilities	Total
As at 30 March 2019	**$000**	**$000**	**$000**
Financial assets not measured at fair value			
Trade and other receivables	124,271	-	124,271
Cash and cash equivalents	15,327	-	15,327
	139,598	-	139,598
Financial liabilities not measured at fair value			
Trade and other payables	-	(199,532)	(199,532)
	-	(199,532)	(199,532)

	Loans and receivables	Other financial liabilities	Total
As at 31 March 2018	**$000**	**$000**	**$000**
Financial assets not measured at fair value			
Trade and other receivables	104,937	-	104,937
Cash and cash equivalents	4,237	-	4,237
	109,174	-	109,174
Financial liabilities not measured at fair value			
Trade and other payables	-	(238,102)	(238,102)
	-	(238,102)	(238,102)

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

20. Financial Instruments and Financial Risk Management (continued)

Capital Management

The Board's policy is to maintain a strong balance sheet so as to maintain customer and creditor confidence and to sustain the future development of the business. The Company is part of a larger group of companies whose ultimate parent company, Cirrus Logic, Inc. has its ordinary shares traded on NASDAQ in the United States of America.

Dividends

No dividends were declared and paid during the period ended 30 March 2019 *(period ended 31 March 2018 $230.0 million).*

Management of cash and cash equivalents balances

The total cash and cash equivalents balance increased by $11.1 million to $15.3 million as at 30 March 2019.

21. Lease Commitments

Total future minimum lease payments under non-cancellable operating lease rentals are payable as follows:

	2019	2018
	$000	$000
Less than one year	**6,359**	6,463
Between one and five years	**25,647**	27,412
More than five years	**10,729**	18,407
	42,735	52,282

None of these leases include contingent rentals.

During the 52 week period ended 30 March 2019, $5.2 million was recognised as an expense in the income statement in respect of operating leases *(53 week period ended 31 March 2018: $6.0 million).*

22. Capital Commitments

As at 30 March 2019, the Company had entered into contracts to purchase property, plant and equipment and computer software for $1.7 million *(as at 31 March 2018: $5.1 million)* of which $1.7 million *(as at 31 March 2018: $4.9 million)* is expected to be settled in the next financial year and $0.0 million *(as at 31 March 2018: $0.2 million)* in later financial years.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

23. Related Parties

Identity of related parties

The Company has a related party relationship with its ultimate parent company, fellow group companies, its subsidiaries (see note 24) and with its directors. The names of the directors who have served during the period are included in the Directors' Report on page 9.

Transactions with key management personnel

Key management personnel compensation
Mr Case and Mr Andrade do not receive compensation from the Company in respect of their directorships of the Company.

For the other director who has served during the periods below, as shown on page 9, in addition to salary, the Company also provides non-cash benefits to executive directors. The executive directors also participate in the employee share scheme and other long-term incentive plans (see note 18).

Key management personnel compensation, being directors' emoluments, comprised:

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Remuneration paid or receivable by directors in respect of qualifying services	**456**	653
Gains on the exercise of share options	-	-
Long-term incentive schemes – amounts paid to / receivable by directors	-	-
	456	653
Company contributions to money purchase pension scheme	-	-
	456	653

The emoluments of the highest paid director, as included in the amounts in the table above, in each period were:

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Total remuneration for qualifying services, gains on the exercise of share options and amounts paid from long-term incentive schemes	**456**	653
Company contributions to money purchase pension scheme	-	-

Key management personnel and director transactions
Directors of the Company as at 30 March 2019 do not own, or otherwise have an interest in, the shares of the Company.

Notes to the Financial Statements (continued)
For the 52 week period ended 30 March 2019

24. Subsidiaries

Significant subsidiaries as at 30 March 2019 and 31 March 2018 (see note 11)

Company name	Country of incorporation	Principal activity	Share Class	Proportion of nominal value held 2019 %	2018 %
Cirrus Logic International (Australia) Pty Ltd.	Australia	Development of software and technology	Ordinary	**100**	100
Cirrus Logic International Singapore Pte Ltd.	Singapore	Sales support services	Ordinary	**100**	100
Cirrus Logic KK	Japan	Sales support services	Ordinary	**100**	100
Cirrus Logic Korea Co., Ltd.	South Korea	Sales support services	Ordinary	**100**	100
Cirrus Logic International (Spain) S.L.	Spain	Development of software and technology	Ordinary	**100**	100
Cirrus Logic International (Sweden) AB	Sweden	Development of software and technology	Ordinary	**100**	100
Cirrus Logic Semiconductor (Shanghai) Co., Ltd	China	Sales support services	Ordinary	**100**	100

25. Ultimate Parent Company

The Company is a wholly owned subsidiary undertaking of Cirrus Logic International Holdings Ltd, a company incorporated England, which is the Company's immediate parent undertaking. Cirrus Logic, Inc. is the parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the Company is a member. Copies of Cirrus Logic, Inc.'s financial statements can be obtained from 800 West Sixth Street, Austin, TX 78701, United States of America. The Company's ultimate parent undertaking and controlling party is Cirrus Logic, Inc. The common shares of Cirrus Logic, Inc. are listed and traded on NASDAQ. The financial results of the Company are included in the consolidated financial statements of the Cirrus Logic, Inc. group of companies. The consolidated financial statements of the Cirrus Logic, Inc. group of companies are available on the website www.cirrus.com.