Cirrus Logic International Semiconductor Ltd

Registered number: SC495735

Financial Statements
for the 52 week period ended
30 March 2019

Contents

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 Semiconductor Ltd 7B Nightingale Way Quartermile Edinburgh Scotland EH3 9EG United Kingdom
Registered Number:	SC495735
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 Semiconductor Ltd (the 'Company') for the 52 week period ended 30 March 2019.

Principal Activities and Products

The Company designs 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. The Company receives a royalty on intellectual property licensing arrangements with another group company.

Group Restructure

During the 53 week period ended 31 March 2018, the Company's parent company, Cirrus Logic UK International Holding Co. Ltd, sold its 100% investment in the Company to another of its subsidiaries, Cirrus Logic International Holdings Ltd, valued at $768.4 million.

Also during the 53 week period ended 31 March 2018, the Company completed a capital reduction, converting its share premium balance of $464.8 million to retained earnings, and then made a distribution to Cirrus Logic International Holdings Ltd by transferring its wholly owned subsidiary, Cirrus Logic International (UK) Ltd at its book cost of $490.1 million. As a result, the Company had no investment in subsidiaries at the end of the prior period.

Subsequently, during the 53 week period ended 31 March 2018, Cirrus Logic International Holdings Ltd distributed its 100% holding in the Company to Cirrus Logic UK International Holding Co. Ltd at its book cost of $768.4 million. At the end of the current and prior period, Cirrus Logic UK International Holding Co. Ltd is the Company's parent company.

There were no group restructuring transactions during the 52 week period ended 30 March 2019.

Research and Development

The Company concentrates its research and development efforts on the design and development of new products, including related software, technology and intellectual property. Research and development expenditure for the 52 week period ended 30 March 2019 was $427.6 million *(53 week period ended 31 March 2018: $476.6 million).*

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	**$448.0 million**	$602.2 million
Gross profit (as a % of revenue)	**100.0%**	100.0%
Research and development expenses (as a % of revenue)	**95.5%**	79.2%
Administrative expenses (as a % of revenue)	**1.9%**	1.8%
Operating profit (as a % of revenue)	**2.7%**	19.0%

Revenue

The Company earned royalty income in respect of an intellectual property license from another group company, Cirrus Logic International (UK) Ltd of $448.0 million during the 52 week ended 30 March 2019 *(53 week period ended 31 March 2018: $602.2 million).*

Operating Expenses

The amount of expenditure on research and development ('R&D') for the 52 week period ended 30 March 2019 was $427.6 million *(53 week period ended 31 March 2018: $476.6 million).*

Administrative expenses were $8.3 million in the 52 week period ended 30 March 2019, compared to $11.0 million in the 53 week period ended 31 March 2018.

Operating Profit

The resulting operating profit for the 52 week period ended 30 March 2019 was $12.0 million *(53 week period ended 31 March 2018: $114.5 million).*

Taxation

The total effective tax rate for the 52 week period ended 30 March 2019 was 42.1% primarily due to the non-deductible intellectual property amortisation *(53 week period ended 31 March 2018: 5% primarily due to the non-taxable dividend income received).* A reconciliation of the effective tax rate is presented in note 6 to the financial statements.

Financial Position

Cash and cash equivalents totalled $57.2 million at 30 March 2019 *(31 March 2018: $70.9 million).*

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

Principal Risks and Uncertainties

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.

The Company may be unable to protect its intellectual property rights

Our success depends in part on our ability to obtain patents and to preserve our other intellectual property rights covering our products. We seek patent protection for those inventions and technologies for which we believe such protection is suitable and is likely to provide a competitive advantage to us. We also rely on trade secrets, proprietary technology, non-disclosure and other contractual terms, and technical measures to protect our technology and manufacturing knowledge. We actively work to foster continuing technological innovation to maintain and protect our competitive position. We cannot provide assurances that steps taken by us to protect our intellectual property will be adequate, that our competitors will not independently develop or design around our patents, or that our intellectual property will not be misappropriated.

Any of these events could materially and adversely affect our business, operating results, or financial condition. Policing infringement of our technology is difficult, and litigation may be necessary in the future to enforce our intellectual property rights. Any such litigation could be expensive, take significant time, and divert management's attention.

Failure to develop and ramp new products and technology 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, from time-to-time, we have experienced delays in developing and introducing these new products. Successful product development and introduction depend on a number of factors. Our failure to develop and introduce new products successfully could harm our business and operating results.

Failure to attract, hire and retain qualified personnel may impact our ability to develop, market or sell our products or successfully manage our business

Competition for highly qualified personnel in our industry is intense. The number of technology companies in the geographic areas in which we operate is greater than it has been historically and we expect competition for qualified personnel to intensify. There are only a limited number of individuals in the job market with the requisite skills. Furthermore, changes in immigration laws and regulations, or the administration or enforcement of such laws or regulations, can also impair our ability to attract and retain qualified personnel. Our Human Resources organisation focuses significant efforts on attracting and retaining individuals in key technology positions. The loss of the services of key personnel or our inability to hire new personnel with the requisite skills or to assimilate talent could restrict our ability to develop new products or enhance existing products in a timely manner, sell products to our customers, or manage our business effectively.

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

Principal Risks and Uncertainties (continued)

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 Semiconductor Ltd (the 'Company').

Financial

Results
The Company's profit after taxation for the 52 week period ended 30 March 2019 was $8.1 million *(53 week period ended 31 March 2018: $329.4 million).*

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

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 $57.2 million *(as at 31 March 2018: $70.9 million).*

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

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 declared or paid in the period ended 30 March 2019.

A dividend of $200.0 million was declared and paid to Cirrus Logic UK International Holding Co. Ltd in the period ended 31 March 2018.

A dividend of $490.1 million was declared and paid to Cirrus Logic International Holdings Ltd by distributing the Company's wholly owned investment in Cirrus Logic International (UK) Ltd in the period ended 31 March 2018.

In the period ended 30 March 2019, the Company has no subsidiaries and therefore received no divided income. In the period ended 31 March 2018, the Company received dividend income of $230.0 million from its wholly owned subsidiary, Cirrus Logic International (UK) Ltd.

Strategic Report

The report of the directors should be read in conjunction with the Strategic Report on pages 2 to 5, 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.

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

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

Directors (continued)

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.

Employees

Employee involvement
The Company is committed to employee involvement throughout the business.

Discretionary employee share schemes are an established and effective part of reward packages for employees, encouraging and supporting employee share ownership. A summary of the employee share schemes, which have operated at any time during the period, is included in note 14 to the financial statements.

Employees with disabilities
The Company policy is to give full and fair consideration to suitable applications for employment from people with disabilities. If existing employees become disabled they will continue to be employed, wherever practicable, in the same job or, if this is not practicable, every effort will be made to find suitable alternative employment and to provide appropriate training.

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 Semiconductor Ltd

Opinion

We have audited the financial statements of Cirrus Logic International Semiconductor Ltd for the period ended 30 March 2019 which comprise the Income Statement, the Statement of Changes in Equity and the Balance Sheet and the related notes 1 to 19, 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 Semiconductor 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 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 Semiconductor 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 $000	53 weeks ended 31 March 2018 $000
Revenue		**447,959**	602,173
Cost of sales		**-**	-
Gross profit		**447,959**	602,173
Research and development expenses		**(427,581)**	(476,628)
Administrative expenses		**(8,334)**	(11,047)
Operating profit	*3*	**12,044**	114,498
Income from investments	*5*	**-**	230,000
Finance income	*5*	**1,890**	2,786
Finance costs	*5*	**-**	(440)
Net finance income		**1,890**	232,346
Profit before tax		**13,934**	346,844
Income tax expense	*6*	**(5,868)**	(17,418)
Profit for the period attributable to equity holders of the Company		**8,066**	329,426

The notes are an integral part of these financial statements.

Other Comprehensive Income

The Company has no Other Comprehensive Income for the current or prior period.

Balance Sheet
As at 30 March 2019

	Notes	As at 31 March 2019 $000	As at 31 March 2018 $000
Assets			
Property, plant and equipment	*7*	**37,843**	37,851
Intangible assets	*8*	**68,714**	118,731
Investments in subsidiaries	*9*	**-**	-
Receivables	*11*	**650**	963
Total non-current assets		**107,207**	157,545
Trade and other receivables	*11*	**147,193**	171,571
Income tax receivable	*6*	**9,648**	4,507
Cash and cash equivalents	*12*	**57,183**	70,858
Total current assets		**214,024**	246,936
Total assets		**321,231**	404,481
Equity			
Issued share capital	*13*	**4,700**	4,700
Share premium	*13*	**-**	-
Capital contribution	*13*	**12,010**	12,010
Retained earnings	*13*	**264,108**	256,227
Total equity attributable to equity holders of the parent		**280,818**	272,937
Liabilities			
Other payables	*15*	**333**	256
Deferred tax liabilities	*10*	**3,198**	2,777
Total non-current liabilities		**3,531**	3,033
Trade and other payables	*15*	**36,882**	128,511
Total current liabilities		**36,882**	128,511
Total liabilities		**40,413**	131,544
Total equity and liabilities		**321,231**	404,481

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.d. Andrade

Pedro Andrade
Director

Statement of Changes in Equity
As at 30 March 2019

	Share capital	Share premium	Capital contribution	Retained earnings	Total equity
	$000	$000	$000	$000	$000
Balance at 25 March 2017	**4,700**	**464,781**	**12,010**	**152,523**	**634,014**
Profit for the period	-	-	-	329,426	329,426
Total comprehensive income for the period ended 31 March 2018	-	-	-	329,426	329,426
Transactions with owners of the Company recognised directly in equity:					
Current tax on equity settled share-based payment transactions recognised in equity	-	-	-	966	966
Deferred tax on equity settled share-based payment transactions recognised in equity	-	-	-	(1,378)	(1,378)
Reduction of capital	-	(464,781)	-	464,781	-
Dividends paid	-	-	-	(690,091)	(690,091)
Total contributions by and distributions to the owners of the Company	-	(464,781)	-	(225,722)	(690,503)
Balance at 31 March 2018	**4,700**	**-**	**12,010**	**256,227**	**272,937**
Profit for the period	-	-	-	8,066	8,066
Total comprehensive income for the period ended 30 March 2019	-	-	-	8,066	8,066
Transactions with owners of the Company recognised directly in equity:					
Current tax on equity settled share-based payment transactions recognised in equity	-	-	-	102	102
Deferred tax on equity settled share-based payment transactions recognised in equity	-	-	-	(287)	(287)
Total contributions by and distributions to the owners of the Company	-	-	-	(185)	(185)
Balance at 30 March 2019	**4,700**	**-**	**12,010**	**264,108**	**280,818**

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 Semiconductor 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 5. The financial position of the Company and liquidity positions are described within the Financial Performance section of the Strategic Report on page 3. In addition, the directors' report and note 16 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 $57.2 million *(2018: $70.9 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'; and
- 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.

(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") and IFRS 9 'Financial Instruments' ("IFRS 9") are new standards effective for the period ended 30 March 2019. The adoption of IFRS 15 and IFRS 9 did not have a material impact on the Company.

(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 intangible assets
The Company tests whether 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 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.

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.

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

2. Significant Accounting Policies (continued)

(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 (g)).

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
Plant and machinery	3 to 10 years
Computer hardware	3 years
Furniture and fittings	3 to 10 years

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.

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

2. Significant Accounting Policies (continued)

(d) Intangible Assets

(i) Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised as an expense in the income statement as incurred.

(ii) 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).

(iii) Other intangible assets

Other intangible assets are stated at cost net of amortisation and any provision for impairment. The directors are primarily responsible for determining the fair value of intangible assets acquired as part of a business combination although the Company may choose to obtain independent valuations for those intangible assets which are significant.

Amortisation is provided at rates so as to write off the cost or fair value, less estimated residual value, of each asset on a straight-line basis over its expected useful economic life.

The principal economic lives used for this purpose are:

Intellectual property rights	1 to 6 years
Technology licences	3 years
Computer software	3 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 (g)). 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.

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

2. Significant Accounting Policies (continued)

(f) Cash and Cash Equivalents

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

(g) Impairment

The carrying amounts of the Company's actual assets, other than financial assets and deferred tax assets (see accounting policy (o)), 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.

(h) 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.

(i) 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.

(j) 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)

(k) 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) 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.

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.

(l) Trade and Other Payables

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

(m) Revenue

Revenue comprises royalty income earned from other group companies during the period.

(n) 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, 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)

(o) 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.

(p) 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.

(q) Government Grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

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

3. Operating Profit

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Operating profit is stated after charging/(crediting):		
Depreciation (note 7)	**8,453**	6,743
Amortisation of intangible assets (note 8)	**50,888**	55,937
Government grant instalments	**-**	(217)
Loss on disposal of property, plant and equipment and intangible assets	**270**	41

	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

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. There is no material allocation done for both audit and non-audit fees of the Company.

4. 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:		
Research and development	**420**	403
General and administration	**12**	11
	432	414

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Wages and salaries	**37,952**	37,076
Social security costs	**4,971**	5,057
Contributions to defined contribution pension plans	**2,762**	2,040
Equity settled share-based payment transactions	**8,446**	9,246
	54,131	53,419

Information regarding the remuneration of the directors is included in note 19.

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

5. Net Finance Income

	52 weeks ended 30 March 2019 $000	53 weeks ended 31 March 2018 $000
Income from investments	**-**	230,000
Bank interest receivable	**1,545**	2,698
Foreign exchange gain	**345**	88
Finance income	**1,890**	2,786
Interest payable on loans from Group companies	**-**	(440)
Finance costs	**-**	(440)
Net finance income	**1,890**	232,346

6. 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 asset of $9.6 million at 30 March 2019 *(2018: $4.5 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	**5,827**	16,244
Adjustments for prior years	**(93)**	834
	5,734	17,078
Deferred Tax Expense		
Origination and reversal of temporary differences	**(48)**	182
Adjustments for prior years	**232**	195
Impact of changes in tax rates	**(50)**	(37)
	134	340
Total income tax charge in the income statement	**5,868**	17,418

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

6. Income Tax (continued)

Recognised Directly in Other Comprehensive Income and Equity:	**52 weeks ended 30 March 2019 $000**	53 weeks ended 31 March 2018 $000
Recognised in Equity:		
Relating to equity settled transactions – current tax	**(102)**	(966)
Relating to equity settled transactions – deferred tax	**287**	1,378
Decrease in equity	**185**	412

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.

	52 weeks ended 30 March 2019		53 weeks ended 31 March 2018	
	%	**$000**	%	$000
Profit before tax		**13,934**		346,844
Income tax charge using the UK corporation tax rate	**19.0%**	**2,647**	19.0%	65,900
Non-deductible expenses	**45.3%**	**6,307**	1.6%	5,774
UK patent box claim	**(22.8%)**	**(3,174)**	(3.3%)	(11,548)
Non-taxable dividend income	**-**	**-**	(12.6%)	(43,700)
Adjustments relating to prior years	**1.0%**	**138**	0.3%	1,029
Impact of changes in tax rates	**(0.4%)**	**(50)**	(0.0%)	(37)
Total Tax Charge	**42.1%**	**5,868**	5.0%	17,418

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

7. Property, Plant and Equipment

	Leasehold Improvements $000	Plant and Machinery $000	Computer Hardware $000	Furniture and Fittings $000	Total $000
Cost					
At 25 March 2017	15,328	14,334	2,609	4,130	36,401
Additions	5,689	3,848	1,009	2,146	12,692
Disposals	-	(171)	(36)	(69)	(276)
At 31 March 2018	21,017	18,011	3,582	6,207	48,817
Additions	3,044	5,212	316	230	8,802
Disposals	-	(638)	(112)	-	(750)
At 30 March 2019	**24,061**	**22,585**	**3,786**	**6,437**	**56,869**
Depreciation					
At 25 March 2017	87	3,481	695	59	4,322
Charge for the period	1,968	3,139	1,133	503	6,743
Disposals	-	(35)	(24)	(40)	(99)
At 31 March 2018	2,055	6,585	1,804	522	10,966
Charge for the period	2,696	4,025	1,098	634	8,453
Disposals	-	(316)	(77)	-	(393)
At 30 March 2019	**4,751**	**10,294**	**2,825**	**1,156**	**19,026**
Net Book Value					
At 31 March 2018	18,962	11,426	1,778	5,685	37,851
At 30 March 2019	**19,310**	**12,291**	**961**	**5,281**	**37,843**

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

8. Intangible Assets

	Intellectual property rights $000	Technology licences $000	Computer software $000	Total $000
Cost				
At 25 March 2017	220,063	3,237	1,753	225,053
Additions	24,465	989	865	26,319
Disposals	-	(77)	(27)	(104)
Asset reclassification	-	1,780	5	1,785
At 31 March 2018	244,528	5,929	2,596	253,053
Additions	-	963	169	1,132
Disposals	-	(319)	(351)	(670)
At 30 March 2019	**244,528**	**6,573**	**2,414**	**253,515**
Amortisation				
At 25 March 2017	75,989	838	690	77,517
Amortisation for the period	54,015	1,291	631	55,937
Disposals	-	(59)	(17)	(76)
Asset reclassification	-	939	5	944
At 31 March 2018	130,004	3,009	1,309	134,322
Amortisation for the period	48,207	1,974	707	50,888
Disposals	-	(167)	(242)	(409)
At 30 March 2019	**178,211**	**4,816**	**1,774**	**184,801**
Net Book Value				
At 31 March 2018	114,524	2,920	1,287	118,731
At 30 March 2019	**66,317**	**1,757**	**640**	**68,714**

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
Research and development expenses	**50,888**	55,937
	50,888	55,937

Impairment Loss

The Company reviews any indefinite useful life assets annually for impairment or more frequently if there are indications that any such assets might be impaired. No 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

9. Investments in Subsidiaries

The Company distributed its wholly owned subsidiary investment in Cirrus Logic International (UK) Ltd for its book cost of $490.1 million in the period ended 31 March 2018. At the end of the current period, the Company has investments in subsidiaries of $0.0 million *(2018: $0.0 million).*

10. Deferred Tax Assets and Liabilities

Recognised deferred tax assets and liabilities *(see note 6)*

	Assets		Liabilities		Net	
	2019	2018	**2019**	2018	**2019**	2018
	$000	$000	**$000**	$000	**$000**	$000
Property, plant and equipment	-	-	**4,993**	5,070	**4,993**	5,070
Intangible assets	-	-	-	12	-	12
Employee benefits – share-based payments	**(1,772)**	(2,248)	-	-	**(1,772)**	(2,248)
Other items	**(23)**	(57)	-	-	**(23)**	(57)
Deferred tax (assets) / liabilities	**(1,795)**	(2,305)	**4,993**	5,082	**3,198**	2,777
Set off tax	**1,795**	2,305	**(1,795)**	(2,305)	-	-
Net deferred tax liabilities	-	-	**3,198**	2,777	**3,198**	2,777

Movement in deferred tax balances during the period

	Balance at 25 March 2017 $000	Recognised in profit or loss $000	Recognised in equity $000	Balance at 31 March 2018 $000
Property, plant and equipment	4,223	847	-	5,070
Intangible assets	193	(181)	-	12
Employee benefits – share-based payments	(3,321)	(305)	1,378	(2,248)
Other items	(36)	(21)	-	(57)
	1,059	340	1,378	2,777

	Balance at 31 March 2018 $000	**Recognised in profit or loss $000**	**Recognised in equity $000**	**Balance at 30 March 2019 $000**
Property, plant and equipment	**5,070**	**(77)**	-	**4,993**
Intangible assets	**12**	**(12)**	-	-
Employee benefits – share-based payments	**(2,248)**	**189**	**287**	**(1,772)**
Other items	**(57)**	**34**	-	**(23)**
	2,777	**134**	**287**	**3,198**

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

11. Trade and Other Receivables

	2019 $000	2018 $000
Non-current assets		
Other assets	**650**	963
Current assets		
Other receivables	**560**	721
Amounts due from other group companies	**145,034**	169,482
Prepayments and accrued income	**1,599**	1,368
	147,193	171,571

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 6.

12. Cash and Cash Equivalents

	2019 $000	2018 $000
Bank balances	**57,183**	70,858
	57,183	70,858

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 6.

13. Capital and Reserves

Share capital and share premium

	2019 Number	2019 $000	2018 Number	2018 $000
In issue at start and end of period	**470,000,000**	**4,700**	470,000,000	4,700

The Company's share capital during the current and prior period comprises ordinary shares which have a nominal value of $0.01 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.

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

13. Capital and Reserves (continued)

The Company did not issue or purchase any of its own ordinary shares of $0.01 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 15.

During the prior period, the Company completed a capital reduction and converted its share premium balance of $464.8 million into retained earnings.

Capital contributions from parent

The capital contribution of $12.0 million comprises a cash contribution of $10.0 million received from the Company's ultimate parent company, and the contribution of Cirrus Logic Korea and Cirrus Logic Japan of $0.6 million and $1.4 million respectively. There were no capital contributions in the current or prior period.

14. 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 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 typically 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	558,280	37.51
Outstanding awards relating to employees transferred to other Group company in the period	(3,597)	38.40
Outstanding awards relating to employees transferred from other Group company in the period	4,070	36.97
Awarded in the period	192,665	54.91
Lapsed in the period	(17,239)	43.29
Vested in the period	(179,005)	27.94
Outstanding as at 31 March 2018	555,174	46.42

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

14. Share Based Payments (continued)

	Number of Cirrus Logic, Inc. shares subject to RSUs awarded to employees of the Company	Weighted average fair value ($)
Outstanding as at 31 March 2018	**555,174**	**46.42**
Outstanding awards relating to employees transferred to other Group company in the period	**(1,550)**	**35.78**
Outstanding awards relating to employees transferred from other Group company in the period	**1,952**	**44.75**
Awarded in the period	**177,325**	**41.23**
Lapsed in the period	**(36,979)**	**51.86**
Vested in the period	**(216,365)**	**34.31**
Outstanding as at 30 March 2019	**479,557**	**49.56**

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 up to 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 at 25 March 2017	83,073	17.24
Awarded in the period	37,500	19.87
Lapsed in the period	-	-
Vested in the period	(5,208)	12.63
Outstanding as at 31 March 2018	115,365	18.30
Awarded in the period	12,500	17.02
Lapsed in the period	(30,209)	19.85
Vested in the period	(5,208)	12.63
Outstanding as at 30 March 2019	**92,448**	**17.94**

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 4.97 years.

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

14. 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 at 25 March 2017	24,807	53.25
Awarded in the period	9,300	63.36
Lapsed in the period	-	-
Vested in the period	-	-
Outstanding as at 31 March 2018	**34,107**	**56.01**
Awarded in the period	**3,100**	**56.33**
Lapsed in the period	**(21,707)**	**48.32**
Vested in the period	-	-
Outstanding as at 30 March 2019	**15,500**	**66.84**

15. Trade and Other Payables

	2019 **$000**	2018 $000
Non-current liabilities		
Other payables	**333**	256
Current liabilities		
Trade payables	**5,217**	7,233
Amounts due to ultimate parent company	**23,607**	110,788
Amounts due to other group companies	**1,004**	905
Accruals	**6,497**	8,784
Other payables	**557**	801
	36,882	128,511

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 on page 6.

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

16. 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.

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			
Other receivables	**147,193**	**-**	**147,193**
Cash and cash equivalents	**57,183**	**-**	**57,183**
	204,376	**-**	**204,376**
Financial liabilities not measured at fair value			
Trade and other payables	**-**	**37,215**	**37,215**
	-	**37,215**	**37,215**

	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	171,571	-	171,571
Cash and cash equivalents	70,858	-	70,858
	242,429	-	242,429
Financial liabilities not measured at fair value			
Trade and other payables	-	128,767	128,767
	-	128,767	128,767

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

16. 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.

Management of cash and cash equivalents balances

The total cash and cash equivalents balance decreased by $13.7 million to $57.2 million as at 30 March 2019.

17. Lease Commitments

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

	2019 **$000**	2018 $000
Less than one year	**296**	-
Between one and five years	**1,185**	-
More than five years	**469**	-
	1,950	-

None of these leases include contingent rentals.

During the 52 week period ended 30 March 2019, $0.3 million was recognised as an expense in the income statement in respect of operating leases *(53 week period ended 31 March 2018: $0.0 million).*

18. Capital Commitments

As at 30 March 2019, the Company had entered into contracts to purchase property, plant and equipment and computer software for $2.5 million *(as at 31 March 2018: $6.0 million)* of which $2.3 million *(as at 31 March 2018: $5.5 million)* is expected to be settled in the next financial year and $0.2 million *(as at 31 March 2018: $0.5 million)* in later financial years.

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

19. Related Parties

Identity of related parties

The Company has a related party relationship with its ultimate parent company, fellow group companies and with its directors. The names of the directors who have served during the period are included in the directors' report on page 7.

Transactions with key management personnel

Key management personnel compensation
None of the directors received compensation from the Company in respect of their directorships of the Company *(2018: none).*

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.

20. Ultimate Parent Company

The Company is a wholly owned subsidiary undertaking of Cirrus Logic UK International Holding Co. Ltd, a company incorporated in 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.