Intel Corporation (UK) Limited

Report and Financial Statements

For the year ended 28th December 2019

Intel Corporation (UK) Limited
Financial year ended 28 December 2019

General Information

United Kingdom

Directors

T. Silva
D. Miles
T. Whitrow (appointed 28th March 2019)
S. Fefferman (resigned 24th February 2020)
S. Heck (resigned 28th March 2019)
G. Kershaw (resigned 28th March 2019)

Secretary

T. Silva

Independent Auditors

Ernst & Young LLP
Apex Plaza
Reading
Berkshire
RG1 1YE

Bankers

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Registered Office

Pipers Way
Swindon
Wiltshire
SN3 1RJ

Contents

Strategic Report

The directors present their strategic report for the year ended 28 December 2019.

Review of the business

Intel Corporation, a world leader in silicon innovation, develops technologies, products, and initiatives to continually advance how people work and live. Intel Corporation (UK) Limited (the "Company") has the principal activity of selling, marketing and distributing Intel Corporation products to Europe, Middle East and Africa (EMEA).

Key performance Indicators	**2019**	**2018**	**Change**
	$'000	***$'000***	**%**
Revenue	6,774,254	6,675,761	1.4%
Profit after tax	493,225	192,129	156.7%

There have been no changes to the Company's operating model in the year. The increase to revenue can be explained by the strong performance from CCG and IOTG in Q4 2019. The increase in profit was driven by exceptional items in 2019 – a large dividend income of $277 million received in 2019 from the overseas subsidiary in Germany.

Intel Corporation manages its operations on a divisional basis. For this reason, the directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business, and would be seriously prejudicial to the interests of the company. Divisional performance, which includes the EMEA region of which the Company is a part, is discussed in the Intel Corporation's Annual Report which does not form part of this Report.

The directors believe that good environmental practises support their strategy by enhancing the reputation of the Company. As such, the Company continues to put environmental responsibilities high on the agenda.

Research and Development (R&D)

The Company is active in research and development activities aimed at enhancing its lead in silicon innovation, technology, products and initiatives. We are focused on developing the technology innovations that we believe will deliver our next generation of products, which will in turn enable new form factors and usage models for businesses and consumers. We focus our R&D efforts on advanced computing technologies, developing new microarchitectures, advancing our silicon manufacturing process technology, delivering the next generation of platforms, improving our platform initiatives, developing new solutions in emerging technologies (including memory and the Internet of Things), and developing software solutions and tools. Our R&D efforts are intended to enable new levels of performance and address areas such as energy efficiency, system-level integration, and security, scalability for multi-core architectures, system manageability, and ease of use.

Strategic Report (continued)

Employees

To help attract, retain, and motivate qualified employees, we use share-based and other performance-based incentive awards such as restricted stock units (RSUs) and cash bonuses. Also, key to our employee hiring and retention is our ability to build and maintain an inclusive business culture and be viewed as an employer of choice. If our share-based or other compensation programs and workplace culture cease to be viewed as competitive, our ability to attract, retain, and motivate employees could be weakened, which could harm our results of operations.

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting performance of the Company. This is achieved by regular information bulletins which seek to achieve a common awareness of the financial and economic factors affecting the performance of the business.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

We have a zero-tolerance approach to bribery and corruption and commit to acting professionally, fairly with integrity in all our business dealings and relationships. We have in force effective systems to counter bribery wherever we operate and continue to monitor those systems.

Impact of COVID-19

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. As the epidemic evolves, it will be expected that many areas may detect imported cases and local transmission of COVID-19. As of now, COVID-19 has since spread to over 100 countries worldwide and on March 11, 2020 the World Health Organization ('WHO') declared COVID-19 a pandemic. This is considered a non-adjusting event that is indicative of conditions that arose after the reporting period.

Economic and demand uncertainty in the current environment may impact our future results. We continue to assess how the effects of COVID-19 on the economy may offset the immediate catalysts from more remote work and learning, and we recognize that our operations could be disrupted if our employees working in our fabs and factories contract the virus. We anticipate enterprise and government demand to weaken in the second half of 2020. We also expect lower demand in IOTG for the rest of the year than originally forecast. As global GDP estimates are revised down, we expect PC TAM to decline in the second half of the year. We remain focused on cash flow management, including careful management of operating expenses, capital expenditures, and working capital.

Strategic Report (continued)
Impact of COVID-19 (continued)

Intel has introduced working-from-home and social distancing policies. As we navigate through the effects of the COVID-19 pandemic we are working to ensure compliance with orders and restrictions imposed by government authorities. We have significantly reduced the number of people in our offices, helping to protect our employees who work in our labs and factories and who are essential to keeping our business running. Maintaining safe facilities is core to how we operate, and we are implementing additional practices in our fabs and assembly test plants so manufacturing employees can safely continue performing critical work on site. In addition to increased cleaning of our facilities, our manufacturing sites are taking extra steps to effectively implement social distancing. Some of these measures include staggering shift changes, adjusting meeting locations and schedules, limiting activities that require close proximity, and making thermometers and masks available (in addition to the normal protective gear worn by many factory employees). At our construction sites, we are working closely with our general contractors to implement social distancing, increased cleaning, and other protocols to safeguard the health of all workers on site.

Our employees and partners around the world have collaborated and leveraged lessons learned—in recent months and from past challenges—to safely keep the global tech supply chain functioning. Our Pandemic Leadership Team is at the centre of these efforts and through our Business Continuity Program we perform ongoing work with our suppliers to review their preparations to handle sudden disruptions to the supply chain. We have taken several actions throughout the pandemic to address our supply chain. For example, we increased inventory of raw materials as well as our supply of our finished goods coming out of China in early February. It is our practice to plan for scenarios where supply will be restricted or compromised in our supply chain for 30-60 days or more. We evaluated the end-to-end supply line needs for all products ramping this year, worked on securing supply lines and deployed our business continuity plans to mitigate potential risks. We are working with governments around the world to confirm our compliance with local requirements for continued operation as an essential business.

Principal risks and uncertainties

There are a range of risks and uncertainties facing the Company and those discussed below are not intended to be exhaustive but represent the most significant risks.

Fluctuations in demand for our products may adversely affect financial performance. Important factors that could cause demand for our products to fluctuate include:

- competitive pressures from other companies,
- changes in business and economic conditions, including customer requirements, and/or
- market acceptance of Intel products.

As a sales subsidiary, the Company is also subject to a risk of non-payment of debts by its customers. The Company also has exposure to foreign currency risk which arises from purchases in currencies other than its functional currency. These risks are managed at a global and regional level.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Intel Corporation (UK) Limited is also dependent on its ultimate parent, Intel Corporation, and fellow Intel Corporation group companies for the supply of products for its brand strength. More details on risks are included in Intel Corporation's Annual Report which does not form part of these statutory accounts.

The Company manages its cash flow risks through regular budgeting and receivables review.

The UK's withdrawal from the EU

Intel has established an internal planning team to address the challenges Brexit poses to the business. These include preparing to ensure as much business continuity as possible for our UK and EU customers, preparing for any effect on Intel's supply chain for the UK, supporting affected employees and ensuring compliance with trade authorisations, processes and other applicable laws.

Management are unable to disclose values or quantify impacts as a direct result of Brexit as a deal has not yet been reached.

Intel is also working with industry advocacy groups to promote industry needs including market access, flexible movement, secure and protected international data flows, R&D funding and inclusion, minimized regulatory complexity and renewed focus on infrastructure investment to enable the UK tech sector to lead.

By Order of the Board

Tiffany Doon Silva

Director

Date: September 21, 2020

Directors' Report

The directors present their report and financial statements for the year ended 28 December 2019.

Results and dividends

The profit after taxation for the year was $493,225,044 (2018: $192,129,019).

During the year $277,225,000 of distributable dividends were received (2018: $18,013,981) from subsidiary undertakings.

The Company only has one shareholder. Dividends paid during the year were $nil (2018: $nil) and no final dividend is proposed for the year ended 28 December 2019 (2018: $nil).

Principal Activity

Intel Corporation, a world leader in silicon innovation, markets, distributes and sells technologies, products, and initiatives to continually advance how people work and live. The Company has the principal activity of selling, marketing and distributing Intel Corporation products to Europe, Middle East and Africa (EMEA).

Intel Corporation (UK) Limited is a wholly owned indirect subsidiary of Intel Corporation.

Environment

Intel Corporation recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Intel Corporation group's activities. Initiatives designed to minimise the Company's impact on the environment include safe disposal of manufacturing waste, minimising the use of hazardous materials, recycling and reducing energy consumption.

Health and Safety

The Company strives to provide and maintain a safe environment for all employees, customers and visitors to its premises and to comply with relevant health and safety legislation. In addition, the Company aims to protect the health of employees with suitable, specific work-based strategies, seeking to minimise the risk of injury from company activity and ensure that systems are in place to address health and safety matters through the Company's Health and Safety Committee.

Employees

Details of the number of employees and related costs can be found in notes 7 and 8 to the financial statements on pages 38 and 39.

Directors' Report (continued)

Employee relations

The Company is an equal opportunities employer who give full and fair consideration to applications from disabled persons. Should an employee become disabled, it is the Company's practice to continue their current employment where possible or offer suitable alternatives. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Future developments

The Company invests in technology, manufacturing and people. This provides a platform for the continued growth through technology leadership, including mobile technology and digital technology for the enterprise, health and home sectors. Full details of the ultimate holding company, Intel Corporation, can be found at www.intel.com.

Directors' Report (continued)

Branches and representative offices

The Company has the following branches and representative offices:

Branch/Representative Office	Registered address
Intel Corporation (UK) Ltd. (Dubai Branch)	Floor 2, Building 5 Dubai Internet City Dubai United Arab Emirates
Intel Corporation (UK) Ltd. (Saudi Arabia Branch)	Southbound King Fahad Highway, Crossing King Abdullah St. Tatweer Towers, Tower 1 North, Level 4 P.O. Box 246761 Riyadh 11312 Saudi Arabia
Intel Corporation (UK) Ltd. (Kenya Branch)	Pipers Way Swindon Wiltshire SN3 1RJ United Kingdom
Intel Corporation Ltd.	Twin Centre, Tower Quest, 16e etg Angle Boulevards Zerktouni et Al Massira Casablanca 201000 Morocco
Intel Corporation (UK) Ltd. (Lebanon Representative Office)	Azarieh Building Azarieh Street Bloc A5 - Fifth Floor Beirut Central District Beirut 11-503 Lebanon
Intel Corporation (UK) Ltd., Kazakhstan Representative Office	9 floor, 28v, Timiryazev Str Bostandykskij district Almaty city 050040 Kazakhstan
Intel Corporation (UK) Ltd. (Algeria Liaison Office)	Algerian Business Centre, 11th Floor Pins Maritime, El Mohammadia Algiers Algeria

Directors' Report (continued)

Branches and representative offices (continued)

Results of these branches and representative offices have been aggregated within these financial statements as of 28 December 2019.

Political and charitable donations

During the year the Company made various charitable contributions totalling $85,464 (2018: $191,531). No political donations were made during the year (2018: $nil).

Directors of the Company

The directors who served during the year and in the subsequent period to the date of approval of these financial statements were as follows:

T Silva
D Miles
T Whitrow

During the year, and up to the date of approval of the financial statements, the company had in place third party indemnity provision for the benefit of all the directors of the company.

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 the profit or loss of the Company for that period.

Directors' Report (continued)
Directors' Responsibilities Statement (continued)

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 United Kingdom Accounting Standards, including FRS 101 standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquires of fellow directors and of the Company's auditors, each of these directors confirm that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are not aware; and

- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Creditor payment policy

It is the policy of the Company, with the intention of building long term relationships with suppliers, to agree in advance terms of payment, to ensure that suppliers are made aware of the terms of payment, and in the absence of dispute, to abide by the terms of payment. At 28 December 2019, the company had an average of 26 days purchases outstanding in trade creditors (2018: 26 days).

Directors' Report (continued)

Going Concern

With respect to the going concern of the entity, Intel Corporation UK has net current net assets of $2,234,098,000 and a current cash reserve including the short-term receivable from our in-house cash facility of $1,229,304,000. There has been limited disruption to the supply chain and interaction with customers, the relevant steps Intel has taken to mitigate supply chain risks are further detailed in the basis for preparation in note 1. Intel Corporation UK has received confirmation of support from its ultimate holding Intel Corporation, in the unlikely event Intel Corporation UK is unable to meet its liabilities, for a period of at least 12 months after the signing of the financial statements.

Based on the above considerations, the Directors deem it appropriate to prepare the financial statements on the going concern basis. Further information on this is given in the basis of preparation paragraph in note 1 to these statements. The directors are satisfied that the Company will have sufficient funds to repay its liabilities as they fall due. Consequently, the financial statements of the Company are prepared on the going concern basis.

Post balance sheet events

The Company derives its revenue from distributing the products of the ultimate holding company, Intel Corporation ("Intel"). Consequently, any adverse impact to Intel arising from the COVID-19 pandemic may also impact the operations, results and financial position of the Company subsequent to the end of the financial year. The extent of the impact of the COVID-19 pandemic will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, other actions taken by governments, businesses, and individuals in response to the virus and resulting economic disruption, and how quickly and to what extent normal economic and operating conditions can resume. The Company is similarly unable to predict the degree to which the pandemic impacts Intel's customers, suppliers, vendors, and other partners, and their financial conditions, but a material effect on these parties could also adversely affect the Company. The Company is continuously monitoring the developments related to COVID-19 in order to respond to risks which may arise.

Auditors

A resolution to re-elect Ernst & Young LLP as the company's auditor was put to the board of directors' meeting at which the Financial Statements as of 28 December 2019 were approved.

By Order of the Board

Tiffany Doon Silva
Director

Date: September 21, 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEL CORPORATION (UK) LIMITED

Opinion

We have audited the financial statements of Intel Corporation (UK) Limited for the year ended 28 December 2019 which comprise the Income Statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 23, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 28 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report 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.

Emphasis of matter – Effects of COVID-19

We draw attention to Note 23 (Events after the Reporting Period) of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEL CORPORATION (UK) LIMITED

Other information

The other information comprises the information included in the statutory accounts, 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.

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEL CORPORATION (UK) LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11 to 12, 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.

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.

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

Ernst & Young LLP

Sandra Thompson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
Date: 22 September 2020

Income Statement

	Notes	2019	2018
		$'000	$'000
Revenue	5	6,774,254	6,675,761
Cost of Sales		(6,235,760)	(6,171,072)
Gross Profit		**538,494**	**504,689**
Research and development		(37,934)	(29,093)
Administrative expenses		(145,613)	(156,265)
Other operating income	6	117,721	102,655
Other operating expenses		(222,102)	(241,291)
Impairment of Investments		(2,134)	(2,205)
Dividend income		277,225	18,014
Operating Profit	7	**525,657**	**196,504**
Finance expense	10	(2,334)	(1,218)
Finance income	10	41,022	34,019
Profit before tax		**564,345**	**229,305**
Income tax expense	11	(71,120)	(37,176)
Profit for the financial year		**493,225**	**192,129**

There is no other comprehensive income for the current and the prior year, and as such no statement of other comprehensive income has been presented.

All profit is derived from continuing activities.

The notes on pages 21 to 55 are an integral part of the financial statements.

Intel Corporation (UK) Limited

Financial year ended 28 December 2019

Statement of Financial Position

Registered Number: 1134945

	Notes	2019	2018
		$'000	$'000
Assets			
Non-current assets			
Property, plant and equipment	12	16,540	16,767
Long-term investments	13	16,876,308	14,737,465
Deferred tax assets	11	2,184	2,892
Total non-current assets		**16,895,032**	**14,757,124**
Current assets			
Cash and cash equivalents		9,940	13,538
Trade and other receivables	14	735,902	828,608
Inventory	15	188,112	207,253
Amounts owed by Group undertakings	16	2,992,271	2,536,500
Total current assets		**3,926,225**	**3,585,899**
Total assets		**20,821,257**	**18,343,023**
Equity and liabilities			
Equity			
Share Premium	17	3,856,765	1,714,888
Share Capital	18	552,002	552,002
Merger Reserve		(42,272)	(42,272)
Retained earnings		14,763,149	14,273,100
Total Shareholder's Equity		**19,129,644**	**16,497,718**
Liabilities			
Current liabilities			
Trade and other payables and accruals	19	370,768	212,047
Contract Liabilities	5	244,848	496,020
Amounts due to Group	16	1,045,226	1,122,786
Income tax payable		30,771	14,452
Total liabilities		**1,691,613**	**1,845,305**
Total equity and liabilities		**20,821,257**	**18,343,023**

The notes on pages 21 to 55 are an integral part of the financial statements.

Statement of Financial Position (continued)

The financial statements on pages 21 to 55 were authorised for issue by the board of directors on 21st September 2020 and were signed on its behalf.

Tiffany Doon Silva

Director

Intel Corporation (UK) Limited

Registration Number: 1134945

Intel Corporation (UK) Limited

Financial year ended 28 December 2019

Statement of Changes in Equity

	Share capital (Note 18)	*Share Premium account*	*Merger Reserve*	*Retained Earnings*	*Total Shareholder's Equity*
	$'000	$'000	$'000	$'000	$'000
At 30 December 2017	**552,002**	**1,714,888**	**(39,519)**	**14,087,986**	**16,315,357**
Stock Option Charge	-	-	-	9,653	9,653
Merger Reserve	-	-	(2,753)	-	(2,753)
Recharge for Share Based Payments	-	-	-	(16,668)	(16,668)
Share capital issued	-	-	-	-	-
Retained profit for the year	-	-	-	192,129	192,129
At 29 December 2018	**552,002**	**1,714,888**	**(42,272)**	**14,273,100**	**16,497,718**
Stock Option Charge	-	-	-	11,760	11,760
Merger Reserve	-	-	-	-	-
Recharge for share based payment transactions	-	-	-	(14,936)	(14,936)
Share capital issued	-	2,141,877	-		2,141,877
Retained profit for the year	-	-	-	493,225	493,225
At 28 December 2019	**552,002**	**3,856,765**	**(42,272)**	**14,763,149**	**19,129,644**

The merger reserve shown above was initially recognised to reflect the excess of purchase price of net assets acquired as part of the initial Altera UK purchase in 2016.

The movement in merger reserve for 2018 reflects the excess of purchase price of net assets acquired from IMC UK.

The notes on pages 21 to 55 are an integral part of the financial statements.

Notes to the financial statements

1. Corporate information

Intel Corporation (UK) Limited (hereafter, the "Company") is a limited liability company incorporated and domiciled in the United Kingdom. The Company's immediate parent is Intel Overseas Funding Corporation, incorporated in the Cayman Islands. The ultimate holding company is Intel Corporation, incorporated in Delaware, the United States of America. Copies of their financial statements are available from Intel Corporation, 2200 Mission College Boulevard, Santa Clara, CA 95054, USA.

The registered office of the Company is located at Pipers Way, Swindon, Wiltshire, UK.

The principal activity of the Company is described in the Directors' report.

The financial statements of the Company for the year end 28 December 2019 were authorised for issue in accordance with a resolution of the directors on 21st September 2020.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis for preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a historical cost convention in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45 (b) and 46 to 52 of IFRS 2, 'Share-Based Payments' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received were determined).
- IFRS 7 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of Financial Statements' comparative information requirements in respect of:
    - (i) Paragraph (79) (a) (iv) of IAS 1;
    - (ii) Paragraph (73) (e) of IAS 16, Property, Plant and Equipment;

Notes to the financial statements (continued)

2.1. Basis for preparation (continued)

(iii) Paragraph (118) (e) of IAS 38, Intangible Assets (reconciliations between the carrying amount at the beginning and end of the period);

- The following paragraphs of IAS 1, 'Presentation of Financial Statements':
  - (i) 10 (d), (Statement of Cash Flows),
  - (ii) 10 (f), (a Statement of Financial Position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclasses items in its financial statements),
  - (iii) 16 (statement of compliance with all IFRS),
  - (iv) 38A (requirement for minimum of two primary statements, including cash flow statements),
  - (v) 38B-D (additional comparative information),
  - (vi) 40A-D (requirements for a third statement of financial position),
  - (vii) 111 (cash flow statement information), and
  - (viii) 134-136 (capital management disclosures)

- IAS 7, 'Statement of Cash Flows'.
- Paragraph 30 and 31 of IAS 8, 'Accounting Policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but not yet effective).
- Paragraph 17 of IAS 24, 'Related Party disclosures; (key management compensation).
- The requirements in IAS 24, 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group.
- The requirement of paragraph 33 (c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations may be omitted provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- Paragraphs 134 (d) to 134 (f) and 135 (c) to 135 (e) of IAS 36, 'Impairment of assets' (assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts.
- Paragraphs 113(a), 114 to 118, 119(a) to 119(c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with customers

Notes to the financial statements (continued)

2.2. Going Concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

In assessing whether the going concern basis is appropriate, the directors take into account all available information about the future, which is at least, but is not limited to, 12 months from the date of approval of these financial statements. The directors have performed this review at a company level including considering the impact of COVID-19 and have concluded that it does not impact the going concern of the business.

In making this conclusion, the directors have considered the letter of support the company received from Intel Corporation Inc. confirming that it will provide financial support as needed for a period of at least twelve months from the date of approval of these financial statements. After reviewing the consolidated financial results of Intel Corporation Inc. - for the period Q4'19 to Q2'20 inclusive - the directors have a reasonable expectation that the company has adequate resources to continue due to both the continued strong performance during the pandemic and ongoing financial results of the ultimate parent company which are publicly available. Thus, the Company continues to adopt the going concern basis in preparing these financial statements.

Please refer to the Strategic Report for a more detailed assessment by the Company of the COVID-19 situation.

2.3. New standards, amendments and IFRIC interpretations

The Company has adopted IFRS9 Financial Instruments & IFRS16 Leases with effect from 30th December 2018 and going forward.

The Company has availed of the disclosure exemptions in accordance with FRS101 and mentioned in the summary of disclosure exemptions.

Following review of the company's financial assets, financial liabilities and lease arrangements, no material measurement or transition impact from the application of IFRS9 and IFRS16 have been identified.

Notes to the financial statements (continued)

2.4. Consolidation

The Company is a wholly owned subsidiary of Intel Overseas Funding Corporation and of its ultimate parent, Intel Corporation. It is included in the consolidated financial statements of Intel Corporation which are publicly available. Therefore, the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

2.5. Investment in subsidiaries

The Company's investments in subsidiaries are stated at cost less any impairment losses. The results of subsidiaries are included in the Company's Income Statement to the extent of dividends received and receivable.

2.6. Foreign currency translation

2.6.1. Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in US Dollars (rounded off to the nearest $1,000), which has also been determined to be the Company's functional currency, as the majority of the Company's business is carried out in USD.

2.6.2. Transactions and balances

Foreign currency transactions are initially recorded in the functional currency at the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-measured into the functional currency at the exchange rates at the Statement of Financial Position date. Non-monetary items measured in terms of historical cost in a foreign currency are recorded using the exchange rates approximating the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are re-measured using the exchange rates at the date when the fair value was determined.

2.7. Revenue recognition

The Company is in the business of marketing and selling platform products, accelerators, boards and systems, connectivity, memory and storage.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Notes to the financial statements (continued)

2.7. Revenue recognition (continued)

2.7.1. Sale of goods

Revenue from sale of platform products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the platform products. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties). In determining the transaction price for the sale of products, the Company considers the effects of variable consideration, noncash consideration, and consideration payable to the customer (if any).

2.7.2. Services rendered

Revenue from the rendering of services to related companies is recognised in periods in which the services are rendered and calculated on a cost-plus basis of the expenses incurred. The revenue is recognised over time when expenses incurred.

2.7.3. Interest income

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company also receives long-term advances from customers for the sale of customised platform products. If assessed that significant financing components exist, the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

Revenue by geography has not been disclosed as in the opinion of the directors it would be seriously prejudicial to the interest of the business.

2.7.4. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of platform products provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Notes to the financial statements (continued)

2.7. Revenue recognition (continued)

2.7.5. Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

2.7.6. Volume rebates

The Company provides prospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

2.7.7. Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.8. Current and deferred income tax

2.8.1. Current tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in Shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in Shareholder's funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of financial position date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the financial statements (continued)

2.8. Current and deferred income tax (continued)

2.8.2. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Net deferred tax is on undiscounted basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the Statement of financial position date.

Notes to the financial statements (continued)

2.9. Property, plant and equipment

All property and equipment are measured at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.
Land is not depreciated. Depreciation is calculated on the straight-line basis over the following estimated useful lives:

- Freehold buildings, between 10 and 25 years
- Machinery and equipment, 2 to 4 years;
- Leasehold improvements over the remaining lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The carrying values of tangible fixed assets are reviewed when events or changes in circumstances indicate that the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets under construction are not in use by the business at the year end and are capitalised at cost. These assets are transferred into the relevant fixed asset categories and depreciation commences on the date usage of the asset commences by the business.

2.10. Impairment of non-financial asset

Indicators of impairment are assessed at each reporting date. Where an indication of impairment exists the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is charged to the Income Statement in the period in which it arises. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A reversal of such an impairment loss is credited to the statement of comprehensive income in the period in which it arises.

Notes to the financial statements (continued)

2.11. Leases

2.11.1. Policies applicable prior to 1 January 2019

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under the operating leases are charged to the statement of comprehensive income on the straight-line basis over the lease terms.

2.11.2. Policies applicable from 1 January 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.11.3. Right-of-use assets

Recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.8 Impairment of non-financial assets.

2.11.4. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2.11.5. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognised as expense on a straight-line basis over the lease term.

The adoption of this Standard did not have a material impact on the Financial Statements and therefore the Company has not presented a separate line for 'right-of-use asset' and 'lease liability' in the Statement of Financial Position. Accordingly, no corresponding disclosures have been made in the note to the Financial Statements.

Notes to the financial statements (continued)

2.12. Financial assets

2.12.1. Classification

The company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise receivables, cash and commercial paper in the Statement of financial position.

2.12.2. Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

2.12.3. De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between (a) the carrying amount plus any cumulative gain or loss that had been recognised in other comprehensive income, and (b) the sum of the consideration received is recognised in profit or loss.

2.12.4. Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in Income Statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Notes to the financial statements (continued)

2.12.5. Impairment of financial assets

The Company assesses at the end of the reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced when there is no realistic prospect of future recovery and the amount of the impairment loss is recognised in the Income Statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the carrying amount. Any subsequent reversal of an impairment loss is recognised in Income Statement to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.13. Financial liabilities

Financial Liabilities at Amortised Cost

Financial liabilities including other payables and certain accruals, and the amounts due to the immediate holding company and subsidiaries are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised in the Income Statement. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the Income Statement.

2.14. Inventories

We compute inventory cost on a first-in, first-out basis. Inventories are stated at the lower of actual cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Notes to the financial statements (continued)

2.15. Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.16. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand and at banks, which are subject to an insignificant risk of changes in value. The carrying amounts of the cash equivalents approximates their fair values.

2.17. Share-based payment

The Company's ultimate holding company, Intel Corporation, has employee equity-settled share-based payment plans under which the Company's employees may be granted equity shares of Intel Corporation. The Company recognises share-based compensation over the service period of the award in Other Reserves in equity. The expense in the Income Statement represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised as an employee benefit. The employee benefit is recorded as costs or expenses at the fair value of the equity instruments on the grant date, on the basis of the best estimate of the number of vested equity instruments.

2.17.1. Stock Option Plan ("SOP")

The Company's ultimate holding company, Intel Corporation, has an employee Stock Option Plan ("SOP") under which the Company's employees may be granted options to purchase shares of Intel Corporation.

In May 2009, stockholders approved an extension of the 2006 Equity Incentive Plan (the 2006 Plan). Stockholders approved 134 million additional shares for issuance, increasing the total shares of common stock available for issuance as equity awards to employees and non-employee Directors to 428 million shares. The approval also extended the expiration date of the 2006 Plan to June 2012. The maximum number of shares to be awarded as restricted stock or restricted stock units increased to 373 million shares.

Options granted to employees in 2016 under the 2006 Plan generally vest over 4 years from the date of grant and expire 7 years from the date of grant. Other relevant terms and conditions applicable to options granted include:

- The exercise price of options is equal to the market price of Intel Corporation's common stock at the average of the high and low trading prices reported by The NASDAQ Stock Market on the date of grant
- Upon exercise, these options will be settled in common stock of Intel Corporation.

Notes to the financial statements (continued)

2.17. Share-based payment (continued)

2.17.2. Share Participation Plan ("SPP")

The Company's ultimate holding company, Intel Corporation has an employee Stock Participation Plan ("SPP") under which eligible employees of the Company may purchase shares of Intel Corporation's common stock at 85% of the average of the high and low stock price reported by the NASDAQ Stock Market at specific, predetermined dates. The benefit provided to the Company's employees by this plan is considered to be share-based payment transactions under IFRS 2. The rights to purchase shares are granted during the first and third quarter of each year.

As at 28 December 2019, 505 (2018: 528) employees sought to participate in the SPP.

2.17.3. Restricted Stock Unit Plan ("RSU")

Under the 2006 Plan, the Company's ultimate holding company, Intel Corporation, has an employee Restricted Stock Unit Plan ("RSU") under which employees may be granted rights to receive shares of Intel Corporation effective from 2006.

There is no change in the vesting pattern of the RSU compared to SOP. The RSU shall vest and be converted into the right to receive a specific number of shares of Intel Corporation. Shares will be issued or become free of restrictions as soon as practicable following vesting of the RSU. The shares will be issued in employees' names and may be affected by recording shares on the stock records of Intel Corporation.

2.18. Research and Development

Research and Development costs are incurred as expensed. These expenses are compensated in full as the entity does not own the Intellectual property.

3. Changes in accounting policy and disclosures

The Company has adopted IFRS 16 & IFRS 9 for the first time.

3.1. IFRS 16

IFRS 16 supersedes IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Statement of Financial Position.

The information presented for the periods prior to January 1, 2019 has not been restated and is reported under the accounting standard in effect for those periods.

The adoption of this Standard did not have a material impact on the Financial Statements and therefore the Company has not presented a separate line for 'right-of-use asset' and 'lease liability' in the Statement of Financial Position. Accordingly, no corresponding disclosures have been made in the note to the Financial statements.

Notes to the financial statements (continued)

3. Changes in accounting policy and disclosures (continued)

3.2. IFRS 9

The adoption of IFRS 9 has not had a significant impact to assets and liabilities or profit and loss and equity.

There are no other new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 28 December 2019.

4. Significant accounting judgments, estimates and assumptions

a. Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 2.9 for the useful economic lives for each class of assets.

b. Inventory provisioning

The Company sells, markets and distributes Intel Corporation products to Europe, Middle East and Africa and is subject to changing consumer demands and technological obsolescence. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 15 for the net carrying amount of the inventory and associated provision.

c. Revenue Recognition

The Company determined the incremental costs that may require capitalisation under IFRS 15 relates to sales commissions. Significantly all of our commissions are earned based on our product sales, which we recognise revenue at a point of time versus over an extended period.

Intel has elected to apply the practical expedient to expense the sales commissions as incurred since the amortisation is less than one year.

To estimate transaction price, Intel will take into consideration the various rebates and discounts offered to customers as well as estimated returns that are yet to be processed relating to revenue during the period or left to process from prior periods. Intel Corporation (UK) Limited will recognise the amount of expected rebates and returns as a refund liability, representing its obligation to return the customers consideration.

Notes to the financial statements (continued)

4. Significant accounting judgments, estimates and assumptions (continued)

d. Agent versus principal

Intercompany transactions includes marketing services expenditure to promote the brand, these amounts are collected from the local marketing offices and recharged to Intel Corporation that owns the brand. Following the adoption of IFRS 15, it has been assessed that the Company is a conduit in the collection of revenue from the local marketing offices on behalf of the ultimate parent and remains an agent.

e. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from budget and forecast calculations that cover a period up to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the long-term growth rates used.

f. Determination of acquisition date fair values of investments

Where investments are acquired at fair value, the income method is used to estimate fair value. The income method is based on a discounted future cash flow approach that uses the following major assumptions and inputs: revenue, based on assumed market segment growth rates and our assumed market segment share; estimated costs; and appropriate discount rates based on a reporting unit's weighted average cost of capital as determined by considering the observable weighted average cost of capital of comparable companies. Our estimates of market segment growth, our market segment share, and costs are based on historical data, various internal estimates, and a variety of external sources. The same estimates are also used in our business planning and forecasting process. We test the reasonableness of the inputs and outcomes of our discounted cash flow analysis against available comparable market data.

Notes to the financial statements (continued)

5. Revenue

	2019	2018
	$000	***$000***
Sale of goods	6,774,254	6,675,761
	6,774,254	6,675,761

Contract balances

	2019	2018
	$'000	***$'000***
Trade receivables (Note 14)	735,902	828,608
Contract liabilities	244,848	496,020

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Contract liabilities include long-term advances received to deliver long-term supply agreements towards future product delivery.

Performance obligations

Information about the Company's performance obligations are summarised below:

Technology equipment

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 30 to 60 days from delivery.

The performance obligation to deliver technology equipment whereby the customer pays the transaction price equal to the cash selling price upon delivery of the equipment.

Notes to the financial statements (continued)

5. Revenue (continued)

In some contracts, a one-year or three-year warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied over one-year or three-years based on time elapsed.

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 30 to 60 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Customers are entitled to points which results in allocation of a portion of the transaction price to the points programme. Revenue is recognised when the points are redeemed.

In addition, the Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Assets and liabilities arising from rights of return

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

6. Other operating income

	2019	2018
	$'000	*$'000*
Service income from a related party	117,721	102,655

Notes to the financial statements (continued)

7. Operating Profit

Operating profit is stated after charging:

	2019	2018
	$'000	*$'000*
Staff costs		
Wages and salaries	88,362	89,442
Social security costs	11,909	13,087
Other pension costs	13,816	13,306
Share-based payment expense	10,296	9,342
	124,383	125,177

	2019	2018
	$'000	*$'000*
Dividend Income		
Dividends	277,225	18,014

In November 2019 Intel Corporation (UK) Ltd. received a dividend from its subsidiary, Intel Deutschland GmbH amounting to USD 277,225,000.

Auditor's Remuneration		
- audit of these financial statements	262	272
- other fees to auditors, pension audit	3	15
Depreciation	2,716	3,190
Operating lease rentals – plant & machinery	1,168	1,540
land & buildings	2,550	1,700
Research and Development expenditure	37,934	29,093

Notes to the financial statements (continued)

8. Employees and directors

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

	2019 *No.*	2018 *No.*
Office and management	155	162
Research and Development	157	142
Selling and marketing	353	371
	665	675

9. Directors' Remuneration

	2019 *$'000*	2018 *$'000*
Aggregate emoluments in respect of qualifying services	488	474
Company contributions paid in respect of money purchase schemes	15	35
	503	509

The number of directors exercising share options in Intel Corporation in the year was 2 (2018: 2). The number of directors who received shares in respect of qualifying services under long term incentive plans was nil (2018: nil). Retirement benefits are accruing to 1 director under money purchase arrangements (2018: 2).

In respect of the highest paid director:

	2019 *$'000*	2018 *$'000*
Aggregate emoluments	255	256

The highest paid director exercised share options during the year.

T Silva, G Kershaw, S Heck and S Fefferman are also a director or officer of other companies within the Intel Corporation group. The directors' services to the company do not occupy a significant amount of their time. As such, the directors do not consider that they receive any remuneration for their incidental services to the Company for the year ended 28 December 2019.

Notes to the financial statements (continued)

10. Interest income and expense

	2019	2018
	$'000	**$'000**
Finance Expense		
Interest on amounts due to related parties	2,049	939
Other interest payable	285	279
	2,334	**1,218**
Finance Income		
Interest on amounts due from related parties	41,022	33,946
Other interest receivable	-	73
	41,022	**34,019**
Net interest income	**38,688**	**32,801**

Notes to the financial statements (continued)

11. Taxation

a. Tax charged in the Income Statement

	2019	2018
Current Income Tax:	*$'000*	*$'000*
UK Corporation tax	54,726	38,898
Foreign Tax	1,009	360
Current income Tax Charge	55,735	39,258
Amounts under/(over) provided in previous years	14,558	(3,495)
Total current income tax	**70,293**	**35,763**
Deferred Income tax		
Origination and reversal of temporary differences	498	1,309
Amounts under provided in previous years	329	104
Total deferred tax	**827**	**1,413**
Tax expense in the Income Statement	**71,120**	**37,176**

b. Reconciliation of the total tax charge

The tax expenses in the Income Statement for the year is lower than the standard rate of corporation tax in the UK of 19% (2018: lower than 19%). The differences are reconciled below:

	2019	2018
	$'000	*$'000*
Accounting profit before income tax	**564,345**	**229,305**

	2019	2018
	$'000	*$'000*
Tax calculated at UK standard rate of corporation tax of 19% (2018: 19%)	107,226	43,568
Expenses not deductible for tax purposes	461	(809)
Share-based payment relief	224	1,024
Overseas taxation	1,009	360
Non-taxable income	(52,687)	(3,423)
Tax Under/(over)provided in previous years	14,887	(3,390)
Change in tax laws and rate	-	(154)
Total tax expense reported in the Income Statement	**71,120**	**37,176**

Notes to the financial statements (continued)

11. Taxation (continued)

c. Change in Corporation Tax rate

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. The 2016 Finance Act introduced a UK corporation tax rate of 17% from 1 April 2020.

Accordingly, these rates are applicable in the measurement of deferred tax assets and liabilities at 28 December 2019. Deferred tax has been provided at 17%, being the rate at which temporary differences are expected to reverse.

However, the Budget which took place on 11 March 2020 confirmed the rate of corporation tax will remain at 19% from 1 April 2020, cancelling the enacted rate reduction to 17%. The rate reduction reversal was substantively enacted on 17 March 2020 by way of a special resolution. Had the 19% rate been substantively enacted at the balance sheet date, the impact on the closing deferred tax balances at 31 December 2019 would be immaterial.

d. Deferred tax asset

	2019	2018
	$'000	***$'000***
Pensions and post-employment benefits	(7)	(4)
Decelerated capital allowances	1,256	1,818
Share-based payment	935	1,078
	2,184	**2,892**

Disclosed on the Statement of financial position

	2019	2018
	$'000	***$'000***
Deferred tax asset opening balance	2,892	4,913
Charge to the Income Statement	(827)	(1,413)
Charge to equity	119	(608)
	2,184	**2,892**

Deferred tax in the Income Statement

	2019	2018
	$'000	***$'000***
Decelerated capital allowances	562	484
Share-based payment	262	916
Pension plans and other post-employment medical benefits	3	13
Deferred tax expense	**827**	**1,413**

Notes to the financial statements (continued)

12. Property, plant and equipment

	Freehold Land	Freehold Buildings	Plant and machinery	Assets under construction	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Cost:					
At 30 December 2017	4,161	54,911	7,471	872	67,415
Additions	-	937	5,547	1,171	7,655
Disposals	(39)	(5,218)	(4,737)	(321)	(10,315)
Transfers	-	294	978	(1,272)	-
At 29 December 2018	**4,122**	**50,924**	**9,259**	**450**	**64,755**
Additions	-	189	883	1,988	3,060
Disposals	-	(309)	(3,804)	(1)	(4,114)
Transfers	-	17	-	(17)	-
At 28 December 2019	**4,122**	**50,821**	**6,338**	**2,420**	**63,701**

Notes to the financial statements (continued)

12. Property, plant and equipment (continued)

Accumulated depreciation:	**Freehold Land**	**Freehold Buildings**	**Plant and machinery**	**Assets under construction**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***
At 30 December 2017	-	46,278	6,234	-	52,512
Charge for the year	-	1,175	2,015	-	3,190
Disposals/write-off	-	(4,900)	(2,814)	-	(7,714)
At 29 December 2018	**-**	**42,553**	**5,435**	**-**	**47,988**
Charge for the year	-	1,108	1,608	-	2,716
Disposals/write-off	-	(309)	(3,234)	-	(3,543)
At 28 December 2019	**-**	**43,352**	**3,809**	**-**	**47,161**
Net book value:					
At 29 December 2018	**4,122**	**8,371**	**3,824**	**450**	**16,767**
At 28 December 2019	**4,122**	**7,469**	**2,529**	**2,420**	**16,540**

Notes to the financial statements (continued)

13. Investments in Subsidiaries

	Investment in subsidiary undertakings
	$'000
Cost:	
At 30 December 2017	14,842,924
Disposals	(983)
At 29 December 2018	14,841,941
Additions	2,141,876
Disposals	(3,033)
At 28 December 2019	16,980,784
Amounts provided:	
At 30 December 2017	63,272
Impairment for the year	2,204
Return on investment	39,000
At 29 December 2018	104,476
At 28 December 2019	104,476
Net book value:	
At 29 December 2018	14,737,465
At 28 December 2019	16,876,308

On 16th December 2019 Intel Microprocessors Greece Societe Anonyme for the Provision of Consulting Services was liquidated.

Notes to the financial statements (continued)

13. Investment in subsidiaries (continued)

The Company has commitment in respect of interests in the subsidiaries. Details of the investments in which the company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows:

Name of Company	Registered Office	Class of shares	Nature of business	Proportion of ownership interest and voting power (%)	
				2019	2018
Intel Corporation NV/SA	Kings Square, Veldkant 31 2550 Kontich Belgium	Ordinary	Local Marketing office	*99.92%*	*99.92%*
Intel Semiconductor AG	Badenerstrasse 549 8048 Zurich Switzerland	Ordinary	Local Marketing office	*100%*	*100%*
Intel Corporation SAS	Les Montalets 2, rue de Paris 92196 Meudon Cedex France	Ordinary	Local Marketing office	*100%*	*100%*
Intel Deutschland GmbH	Am Campeon 10-12 85579 Neubiberg Germany	Ordinary	Semiconductor products and solutions for mobile communications	*100%*	*100%*
Intel Finland OY	Westendinkatu 7 Espoo, 02160 Finland	Ordinary	Local Marketing office	*100%*	*100%*

Intel Corporation (UK) Limited
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Notes to the financial statements (continued)
13. Investment in subsidiaries (continued)

Name of Company	Registered Office	Class of shares	Nature of business	Proportion of ownership interest and voting power (%)	
				2019	**2018**
Intel Corporation Italia S.p.A.	Milanofiori Palazzo E/4 20090 Assago (Milano) Italy	Ordinary	Local Marketing office	*100%*	*100%*
Turbe – Distribucao e Marketing de Produtos Electronicos, Sociedade Unipessoal Lda.	Rua Castilho, 44, 8th Floor, 1250-071 Lisbon Portugal	Ordinary	Local Marketing office	*100%*	*100%*
Intel Benelux B.V.	High Tech Campus 83 5656AG Eindhoven Netherlands	Ordinary	Local Marketing office	*100%*	*100%*
Intel Sweden A.B.	Isafjordsgatan 30B 16440 Kista Sweden	Ordinary	Local Marketing office	*100%*	*100%*

Notes to the financial statements (continued)

13. Investment in subsidiaries (continued)

Name of Company	Registered Office	Class of shares	Nature of business	Proportion of ownership interest and voting power (%)	
				2019	2018
Intel Semi Conductor West Africa Limited	Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos Nigeria	Ordinary	Local Marketing office	*99.99%*	*99.99%*
Intel Corporation Iberia S.A.	Edificio Torre Picasso Pl. Pablo Ruiz Picasso, 1 - Floor 25, 28020 Madrid Spain	Ordinary	Local Marketing office	*100%*	*100%*
Intel Software Development S.R.L	2A Piata Consiliului Europei United Business Center 1, 7th floor unit U1E7 and 8th floor, Timisoara Timis County Romania	Ordinary	Software and Local Marketing office	*100%*	*100%*
Intel Kabushiki Kaisha	Kokusai Bldg. 5F 1-1, Marunouchi 3-chome Chiyoda-ku Tokyo, 100-0005 Japan	Ordinary	Japanese sales entity	*100%*	*100%*

Notes to the financial statements (continued)

13. Investment in subsidiaries (continued)

Name of Company	Registered Office	Class of shares	Nature of business	Proportion of ownership interest and voting power (%)	
				2019	**2018**
Intel Teknoloji Hizmetleri Limited Sirketi	Nispetiye Cad. Akmerkez B3 Kule Kat 8 Etiler 34337 Besiktas Istanbul Turkey	Ordinary	Local Marketing office	*99%*	*99%*
Intel Technologies d.o.o. Beograd	Resavska 23 Beograd, Vracar Serbia	Ordinary	Software and Local Marketing office	*100%*	*100%*
Intel Technologies LLC	17, Krylatskaya str., Bldg. 4 121614 Moscow Russian Federation	Ordinary	Local Marketing office	*99%*	*99%*
Intel Corporation Hungary Trading Limited Liability Company	Bajcsy-Zsilinszky út 78, 1055 Budapest, Hungary	Ordinary	Local Marketing office	*100%*	*100%*
Intel Vilnius UAB	J.Jasinskio 16B, LT-03163 Vilnius, Lithuania	Ordinary	Local marketing office	*100%*	*100%*

Notes to the financial statements (continued)

13. Investment in subsidiaries (continued)

Name of Company	Registered Office	Class of shares	Nature of business	Proportion of ownership interest and voting power (%)	
				2019	2018
Intel International B.V.	Capronilaan 37, 1119 NG, Schiphol-Rijk, Netherlands	Ordinary	Local marketing office	100%	100%
Intel Corporation Egypt LLC	Office no 444 Administrative Building No 47, Fourth Floots Al Tasseein North Street, Fifth Settlement New Cairo Egypt	Ordinary	Local Marketing office	99%	99%
Movidius Limited	Collinstown Industrial Park Leixlip Kildare Ireland	Ordinary	Provider of computer vision products	<1%	<1%

Notes to the financial statements (continued)

14. Trade and other receivables

	2019	2018
	$'000	***$'000***
Trade Receivables	724,683	817,702
Other taxes	7,751	3,767
Other debtors and prepayments	3,468	7,139
	735,902	828,608

Trade receivables are non-interest bearing and generally on 30 day terms.

15. Inventory

	2019	2018
	$'000	***$'000***
Raw materials	628	673
Finished goods	187,484	206,580
Total inventories	188,112	207,253

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to $6,023,348,440 (2018: $6,116,707,067).

16. Amounts due to and from group companies

	2019	2018
	$'000	***$'000***
Amounts owed by parent and fellow subsidiary undertakings	1,772,907	1,319,276
Inter-company cash pooling	1,219,364	1,217,224
	2,992,271	2,536,500
Amounts owed to ultimate holding company and fellow subsidiary undertakings	1,045,226	1,122,786

All amounts due to and from the group undertakings are payable on demand.

Notes to the financial statements (continued)

17. Share Premium

	2019	2018
	$'000	*$'000*
Share premium	3,856,765	1,714,888
	3,856,765	1,714,888

In December 2019 Intel Overseas Funding Corporation purchased 2 additional ordinary shares in Intel Corporation (UK) Ltd for the nominal value of £1 each. The total purchase price was $2,141,877,121 (£1,641,005,051).

18. Issued capital and reserves

	2019	2018
	$'000	*$'000*
Allotted, called up and fully paid:		
386,347,445 (2018: 386,347,443) Ordinary shares of £1 each	552,002	552,002
	552,002	552,002

There is no longer an upper limit on the authorised share capital of the Company.

19. Trade and other payables

	2019	2018
	$'000	*$'000*
Other payables and accrued liabilities	11,748	4,325
Trade payables	6,665	5,151
Accruals and deferred income	352,355	202,571
	370,768	212,047

Notes to the financial statements (continued)

20. Share-Based Payment plans

The Company operates 3 share incentive schemes to employees. These are designed to reward employees based on personal and corporate performance. These are the Restricted Stock Unit plan (RSU), Stock Option Program (SOP) and Stock Participation Plan (SPP).

Restricted stock unit plan

Under the 2006 Plan, the Company's ultimate holding company, Intel Corporation, has an employee Restricted Stock Unit Awards under which employees may be granted rights to receive shares of Intel Corporation effective from 2006.

There is no change in the vesting pattern of the RSU compared to Stock Option. The RSU shall vest and be converted into the right to receive a specific number of shares of Intel Corporation. Shares will be issued or become free of restrictions as soon as practicable following vesting of the RSU. The shares will be issued in employees' names and may be affected by recording shares on the stock records of Intel Corporation.

The company estimate the fair value of restricted stock unit awards with time-based vesting using the value of our common stock on the date of grant, reduced by the present value of dividends expected to be paid on our common stock prior to vesting. The Company based the weighted average estimated value of restricted stock unit grants, as well as the weighted average assumptions that we used in calculating the fair value, on estimates at the date of grant, as follows:

	2019	2018
Estimated values	$48.06	$48.95
Risk-free interest rate	2.3%	2.4%
Dividend yield	2.5%	2.4%

During the year ended 28 December 2019, 264,570 (2018: 284,953) RSUs were exercised with weighted average share price of $35.24 (2018: $30.19).

RSUs with both a market condition and a service condition (market-based RSUs), which is called outperformance stock units (OSUs), and which are granted to a group of senior officers, employees, and non-employee directors. For OSUs granted in 2019, the number of shares of our common stock to be received at vesting will range from 0% to 200% of the target grant amount, based on total stockholder return (TSR) of our common stock measured against the benchmark TSR of the S&P 500 IT Sector Index over a three-year period. TSR is a measure of stock price appreciation plus any dividends paid in this performance period.

Notes to the financial statements (continued)

20. Share-Based Payment plans (continued)

Stock option plan and Stock participation plan

The Company uses the Black-Scholes option pricing model to estimate the fair value of options granted under our equity incentive plans and rights to acquire stock granted under our stock purchase plan. The Company based the weighted average estimated value of employee stock option grants and rights granted under the stock purchase plan, as well as the weighted average assumptions used in calculating the fair value, on estimates at the date of grant, as follows:

	Stock Purchase Plan	
	2019	**2018**
Estimated values	$10.93	$10.57
Expected life (in years)	0.50	0.50
Risk-free interest rate	2.27%	1.87%
Share price volatility	27.37%	25.74%
Dividend yield	2.58%	2.49%

The Company bases the expected volatility on implied volatility, because it have determined that implied volatility is more reflective of market conditions and a better indicator of expected volatility than historical volatility. Prior to 2011, we used the simplified method of calculating expected life due to significant differences in the vesting terms and contractual life of current option grants compared to our historical grants. In 2011, the Company began using historical option exercise data as the basis for determining expected life as the Company believe it have sufficient historical data to provide a reasonable basis upon which to estimate the expected life input for valuing options using the Black-Scholes model.

During the year ended 28 December 2019, 10,485 (2018: 6,039) options were exercised with weighted average share price of $24.95 (2018: $23.29).

Share options outstanding at the end of the year have the following weighted average remaining contractual life and exercise prices:

Ranges of exercise prices	*2019 number*	*Weighted average contractual life (in years)*	*2018 number*	*Weighted average contractual life (in years)*
0 - $15	-	-	-	-
$15.01 - $20	-	-	-	-
$20.01 - $25	1,450	0.32	8,230	1.32
$25.01 - $30	-	-	3,705	0.31
Total	1,450	0.32	11,935	1.01

Notes to the financial statements (continued)

21. Commitments and contingencies

Capital Commitments

	2019	2018
	$'000	*$'000*
Contracted but not provided in the financial statements	256	783
	256	783

The amount stated in Capital Commitments reflects renovations and improvements in buildings.

At 29 December 2018, the company's bank facilities relating to guarantees amounted to $7,908,740 (2018: $30,063,999).

22. Controlling entities

The immediate parent undertaking is Intel Overseas Funding Corporation.

The ultimate parent undertaking to consolidate the group financial statements is Intel Corporation. This entity heads the smallest and largest group in which the results of the Company are consolidated. Copies of the Intel Corporation consolidated financial statements can be obtained from the Company Secretary at 1209 Orange Street, Wilmington DE 19801, United States.

23. Post balance sheet events

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

The Company will continue to monitor its operations closely during this period and make appropriate adjustments in response to the potential negative impact from the COVID-19 pandemic. The value of our balance sheet assets have not been negatively impacted by COVID-19 year to date.

Please refer to the strategic report for a description of the steps the Company have taken to mitigate the material risks that COVID-19 represents to the Company and to ensure the safety of Intel's workforce as we continue to operate.

In March 2020 there was a return of capital of $1.5bn from Intel Benelux, a subsidiary of ICUK, there was then a subsequent dividend paid to Intel overseas funding corporation, the immediate parent of the Company. There were no other subsequent events to report.