

Registration number: 04085571

Broadcom Europe Limited

Annual report and financial statements

for the year ended 31 October 2018



Broadcom Europe Limited

Contents

Company information	1
Strategic report	2
Directors' report	3
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Broadcom Europe Limited

Company information

Directors	Thomas Harry Krause Jr Low Pong Chuen
Company secretary	Mark David Brazeal
Registered office	Fourth Floor Abbots House Abbey Street Reading Berkshire RG1 3BD
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

Broadcom Europe Limited

Strategic report For the year ended 31 October 2018

The directors present their strategic report on the Company for the year ended 31 October 2018.

Review of the business

The principal activity of the Company is provision of research and development services to its related company in a cost plus basis. Following a restructuring that took place in the prior period, the principal activity of the Company remained unchanged throughout the period and the directors do not anticipate any change in the principal activity in the foreseeable future.

Results and dividends

The turnover of £5,542,204 (2017: £6,859,584) is derived from the reimbursement of cost in rendering research and development services on a cost plus basis. Costs incurred on services rendered are included in the other external expenses, depreciation expenses, restructuring costs and staff costs captions in the income statement. The Company has seen a decrease of £1,400,235 (2017: increase of £821,409) in operating result for the year ended 31 October 2018 to an operating profit of £209,668 (2017: £1,609,903).

The results of the Company for the financial year show a profit after tax of £1,294,508 (2017: £1,613,501). The directors do not recommend the payment of any further dividend for 2018 (2017: £Nil).

The Company is devoting all of its remaining research and development resources to the co-operation with other companies in the Broadcom Group for the development of more highly-integrated devices which will be needed in future years.

The Broadcom Group manages its operations on a divisional basis. For this reason, the Company's 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.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.


Broadcom Ltd (from 5 April 2018: Broadcom Inc.) is the Company's ultimate holding company. The Company is fully reliant on its ultimate holding company and affiliated companies for business and financial support. The going concern of the company has a corresponding relationship to its affiliated and parent companies' financial position.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Financial risk management

As part of the Broadcom Group, the Company seeks to align itself with the treasury management policies of the parent. The Company does not use any derivative financial instruments and cash funding is provided by other group undertakings as required.

Approved by the Board on 11 November 19 and signed on its behalf by:

DocuSigned by:

890541652CBC453...
Low Pong Chuen
Director

Broadcom Europe Limited

Directors' report For the year ended 31 October 2018

The directors present their report and audited financial statements of the Company for the period from 1 November 2017 to 31 October 2018.

Principal activity

The principal activity of the Company is provision of research and development services to its related company on a cost plus basis.

Directors

The following directors have held office since 1 November 2017:

Thomas Harry Krause Jr
Low Pong Chuen

Future developments

The Company intends to continue operating in the provision of research and development services to its related company on a cost plus basis.

Dividends

The directors do not recommend the payment of any dividend for 2018 (2017: £Nil).

Directors and their interests

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report, Strategic report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial period. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss account of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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, 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.

Broadcom Europe Limited

Directors' report (continued) For the year ended 31 October 2018

Statement of disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

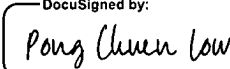
Strategic report

In accordance with section 414c (ii) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has set out the business review, including future developments, and the principal risks and uncertainties in the Strategic report on page 2 of these accounts.

Auditors

RSM UK Audit LLP were appointed auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing they be re-appointed will be put at the Board of Directors Meeting.

Approved by the Board on 11 November 19 and signed on its behalf by:

DocuSigned by:

890541652CBC453...
Low Pong Chuen
Director

Broadcom Europe Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROADCOM EUROPE LIMITED

Opinion

We have audited the financial statements of Broadcom Europe Limited (the 'company') for the year ended 31 October 2018 which comprise of the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Broadcom Europe Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROADCOM EUROPE LIMITED (Continued)

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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions from the requirements to prepare the strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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: <http://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.

Suneel Gupta

Suneel Gupta FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date 11 November 2019.

Broadcom Europe Limited

Profit and loss account

For the year ended 31 October 2018

		1 November 2017 to 31 October 2018	31 October 2016 to 31 October 2017
	Note	£	£
Turnover	4	5,542,204	6,859,584
Other external expenses		(2,323,145)	(1,618,128)
Depreciation expense	6	(306,851)	(484,293)
Restructuring costs	6	96,108	(22,694)
Staff costs	7	(2,798,648)	(3,124,566)
		<u>(5,332,536)</u>	<u>(5,249,681)</u>
Operating profit		209,668	1,609,903
Interest receivable and similar income	5	54,840	3,598
Profit before taxation	6	264,508	1,613,501
Tax on profit	8	1,030,000	-
Profit for the financial year		<u>1,294,508</u>	<u>1,613,501</u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the period other than the results above and therefore, no statement of comprehensive income is presented.

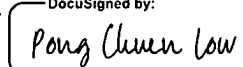
The notes on pages 10 to 20 form an integral part of these financial statements.

Broadcom Europe Limited**Balance sheet****As at 31 October 2018**

	Note	31 October 2018 £	31 October 2017 £
Fixed assets			
Tangible assets	9	649,350	889,956
		<u>649,350</u>	<u>889,956</u>
Current assets			
Debtors: amounts falling due within one year	10	4,678,409	1,576,474
Deferred tax asset	8	1,030,000	-
Cash at bank and in hand		9,205,804	10,657,158
		<u>14,914,213</u>	<u>12,233,632</u>
Creditors: amounts falling due within one year	11	(1,288,772)	(790,424)
Net current assets		<u>13,625,441</u>	<u>11,443,208</u>
Total assets less current liabilities		14,274,791	12,333,164
Creditors: amounts falling due after more than one year	12	(56,820)	(80,331)
Net assets		<u>14,217,971</u>	<u>12,252,833</u>
Capital and reserves			
Called-up share capital	13	1	1
Capital contribution reserve	13	5,759,181	5,759,181
Profit and loss account	13	8,458,789	6,493,651
Shareholders' funds		<u>14,217,971</u>	<u>12,252,833</u>

The financial statements of Broadcom Europe Limited (registration number: 04085571) were approved by the Board of directors and authorised for issue on 11 November 19.

They were signed on its behalf by:

DocuSigned by:

 890541652CBC453...

Low Pong Chuen
 Director

The notes on pages 10 to 20 form an integral part of these financial statements.

Broadcom Europe Limited**Statement of changes in equity
For the year ended 31 October 2018**

	Called-up share capital £	Capital contribution reserve £	Profit and loss account £	Total £
At 31 October 2016	1	5,759,181	4,178,348	9,937,530
Profit for the financial period	-	-	1,613,501	1,613,501
Total comprehensive income	-	-	1,613,501	1,613,501
Transactions with owners:				
Equity settled share-based payment transactions	-	-	701,802	701,802
At 31 October 2017	1	5,759,181	6,493,651	12,252,833
	Called-up share capital £	Capital contribution reserve £	Profit and loss Account £	Total £
At 1 November 2017	1	5,759,181	6,493,651	12,252,833
Profit for the financial year	-	-	1,294,508	1,294,508
Total comprehensive income	-	-	1,294,508	1,294,508
Transactions with owners:				
Equity settled share-based payment transactions	-	-	670,630	670,630
At 31 October 2018	1	5,759,181	8,458,789	14,217,971

The notes on pages 10 to 20 form an integral part of these financial statements.

Broadcom Europe Limited

Notes to the financial statements For the year ended 31 October 2018

1 General information

Broadcom Europe Limited ("the Company") is a private company limited by shares domiciled and incorporated in England.

The address of its registered office is Fourth Floor, Abbots House, Abbey Street, Reading, Berkshire, RG1 3BD.

2 Accounting policies

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 periods presented, unless otherwise stated.

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102") and the requirements of the Companies Act 2006, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

Reduced disclosures

Broadcom Europe Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. In accordance with FRS102 Reduced Disclosure Framework, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 26 'Share-based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

With effect from 5 April 2018, upon the completion of the re-domiciliation process to change the parent corporation of the Broadcom corporate group from a Singapore company to a Delaware corporation, the ultimate holding corporation is now Broadcom Inc., a Delaware corporation incorporated in the United States of America ("USA").

The financial statements of the Company are consolidated in the financial statements of Broadcom Inc.. Consolidated financial statements for Broadcom Inc. can be obtained at 1320 Ridder Park drive, San Jose, California 95131.

Broadcom Europe Limited

Notes to the financial statements (continued) For the year ended 31 October 2018

2 Accounting policies (continued)

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

Going concern

Commitment has been received from the directors of Avago Technologies International Sales Pte. Ltd. that it will continue to support the Company for the foreseeable future. The directors have reviewed this commitment received and have concluded that the Avago Technologies International Sales Pte. Ltd. has adequate resources to continue this funding to the company.

The directors, therefore, have a reasonable expectation that the company has adequate resources to continue in operational existence and have consequently prepared the accounts on a going concern basis.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All translation differences are taken to profit or loss.

Turnover

During the current period, the Company recognised turnover from intercompany sales of research and development services on a cost plus basis when the service is provided.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Broadcom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 October 2018

2 Accounting policies (continued)

Taxation (Continued)

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Tangible assets

Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation on tangible fixed assets is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets as follows:

Leasehold improvements	the shorter of the lease term or 10 years
Laboratory equipment	2 to 5 years
Computer and office equipment	3 to 7 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

Broadcom Europe Limited

Notes to the financial statements (continued) For the year ended 31 October 2018

2 Accounting policies (continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company, being invested with insurance companies. Employer's contributions are charged to the profit and loss account in the period to which they relate.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Group and other debtors (including accrued income) which are receivable less than one year and for which there is no contractual interest rate.

Financial liabilities and equity

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

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable less than one year and for which there is no contractual interest rate.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Broadcom Europe Limited

Notes to the financial statements (continued) For the year ended 31 October 2018

2 Accounting policies (continued)

Share-based compensation

The directors recognise compensation expense for time-based restricted share units, or RSUs, using the straight-line amortisation method based on the fair value of RSUs on the date of grant. The fair value of RSUs is the closing market price of ultimate holding corporation's ordinary shares on the date of grant, reduced by the present value of dividends expected to be paid on ultimate holding corporation's ordinary shares prior to vesting. The directors recognise compensation expense for time-based share options based on the estimated grant-date fair value method determined using the Black-Scholes valuation model with a straight-line amortisation method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The directors do not consider there to be any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Turnover

The analysis of the company's turnover is as follows:

	1 November 2017 to 31 October 2018 £	31 October 2016 to 31 October 2017 £
Services rendered	5,542,204	6,843,205
Royalties received	-	16,379
	<u>5,542,204</u>	<u>6,859,584</u>

Broadcom Europe Limited**Notes to the financial statements (continued)
For the year ended 31 October 2018****4 Turnover (continued)**

	1 November 2017 to 31 October 2018 £	31 October 2016 to 31 October 2017 £
The analysis of the company's turnover by geographical market is set out below:		
Turnover:		
Asia	5,542,204	5,948,837
Europe	-	4,192
North America	-	906,555
	<hr/> 5,542,204	<hr/> 6,859,584

5 Interest receivable and similar income

	1 November 2017 to 31 October 2018 £	31 October 2016 to 31 October 2017 £
Interest income on bank deposits	34,566	3,598
Interest income on intercompany loan	20,274	-
	<hr/> 54,840	<hr/> 3,598

6 Profit before taxation

Profit before taxation is stated after charging/(crediting):

	1 November 2017 to 31 October 2018 £	31 October 2016 to 31 October 2017 £
Depreciation expense	306,851	484,293
Restructuring costs	(96,108)	22,694
Operating lease expense	593,529	569,694
Foreign exchange losses	244,127	510,948
Loss on disposal of fixed assets	4,957	712,651
Audit fees	19,500	18,000
	<hr/>	<hr/>

Broadcom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 October 2018

7 Staff costs

The average monthly number of employees (including executive directors) was:

	1 November 2017 to 31 October 2018	31 October 2016 to 31 October 2017
Administration and support	7	6
Research and development	13	14
	<hr/>	<hr/>
	20	20
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	1 November 2017 to 31 October 2018 £	31 October 2016 to 31 October 2017 £
Wages and salaries	1,781,255	1,776,497
Social security costs	171,634	576,986
Pension costs, defined contribution scheme (see note 15)	128,925	69,281
Share-based payment expenses	716,834	701,802
	<hr/>	<hr/>
	2,798,648	3,124,566
	<hr/>	<hr/>

The directors did not receive any remuneration from the Company for their services as directors (2017: nil)

Broadcom Europe Limited
Notes to the financial statements (continued)
For the year ended 31 October 2018

8 Tax on profit

The tax charge comprises:

	1 November 2017 to 31 October 2018	31 October 2016 to 31 October 2017
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Origination and reversal of timing differences	(1,030,000)	-
Tax on profit	<u>(1,030,000)</u>	<u>-</u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	1 November 2017 to 31 October 2018	31 October 2016 to 31 October 2017
Profit before tax	<u>264,508</u>	<u>1,613,501</u>
Tax on profit at standard UK corporation tax rate of 19% (2017: 19.42%)	50,256	313,342
Effects of:		
Expenses not deductible for tax purposes	33,778	38,165
Tax losses carried forward	(83,850)	(348,627)
Recognition of previously unrecognised deferred tax	(1,004,509)	79,807
Share option deduction	(25,675)	(82,687)
Tax charge/(credit) for the year	<u>(1,030,000)</u>	<u>-</u>

The deferred tax asset has been calculated using a corporation tax rate of 17%.

The deferred tax asset has been recognised in the year as the directors believe the Company will generate sufficient future taxable profits against which the deferred tax asset will be recovered based on forecast of the expected taxable profits for a period of five years.

The deferred tax asset amounted to £1.03 million (2017: nil) relates to utilization of tax losses again future expected profits of the same period and other timing differences that are expected to mature within the same period. As at year end there was unrecognized deferred tax asset amounting to £7.8 million (2017: £9.1 million).

Broadcom Europe Limited**Notes to the financial statements (continued)**
For the year ended 31 October 2018**9 Tangible assets**

	Leasehold Improvements £	Laboratory equipment £	Computer & office equipment £	Total £
Cost				
At 1 November 2017	1,467,796	2,390,234	2,848,224	6,706,254
Additions	-	54,107	17,096	71,203
Disposals	-	-	(661,793)	(661,793)
At 31 October 2018	1,467,796	2,444,341	2,203,527	6,115,664
Depreciation				
At 1 November 2017	779,249	2,306,644	2,730,405	5,816,298
Charge for the year	174,467	37,474	94,910	306,851
Eliminated on disposal	-	-	(656,835)	(656,835)
At 31 October 2018	953,716	2,344,118	2,168,480	5,466,314
Net book value				
At 31 October 2018	514,080	100,223	35,047	649,350
At 31 October 2017	688,547	83,590	117,819	889,956

10 Debtors: amounts falling due within one year

	31 October 2018 £	31 October 2017 £
Amounts owed by group undertakings	4,557,783	1,266,869
Other debtors	105,438	303,890
Prepayments and accrued income	15,188	5,715
	4,678,409	1,576,474

Broadcom Europe Limited**Notes to the financial statements (continued)****For the year ended 31 October 2018****11 Creditors: amounts falling due within one year**

	31 October 2018	31 October 2017
	£	£
Amounts due to group undertakings	6,952	2,879
Trade creditors	463,423	109,530
Other taxation and social security	44,629	40,391
Accruals and deferred income	773,768	637,624
	<hr/> 1,288,772	<hr/> 790,424

12 Creditors: amounts falling due after more than one year

	31 October 2018	31 October 2017
	£	£
Accruals and deferred income	56,820	80,331
	<hr/>	<hr/>

The amounts relate to operating lease incentives which are spread on a straight-line basis over the lease term.

13 Called-up share capital and reserves**Allotted, called -up and fully paid shares**

	31 October 2018		31 October 2017	
	No.	£	No.	£
Ordinary shares of £0.50 each	2	1.00	2	1.00
	<hr/>	<hr/>	<hr/>	<hr/>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

Profit and loss account

The profit and loss reserve represents cumulative profits or losses and cumulative share based payment expenses, including net of dividends paid and other adjustments.

Capital contribution reserve

The capital contribution reserve represents capital contributions made by a shareholder company.

Broadcom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 October 2018

14 Commitments under operating leases

At the balance sheet date the company had outstanding commitments for the future minimum lease payments under non-cancellable operating leases as follows:

	2018 Land and buildings £	2017 Land and buildings £
Within one year	651,555	651,555
In two to five years	609,295	1,220,348
Over five years	-	40,503
	<u>1,260,850</u>	<u>1,912,406</u>

15 Pensions

The company operates a defined contribution pension scheme for all its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. During the period contributions payable amounted to £128,925 (2017: £146,997).

The amounts outstanding at the period-end were £15,254 (2017: £13,478).

16 Share-based payments

Share-based incentive awards are provided to employees and directors under the terms of various equity incentive plans issued by its Ultimate Parent Company, Broadcom Inc. ("Broadcom"). The share-based compensation programs of the Company include RSUs.

RSUs awards granted to employees under the 2009 Plan are generally time-based and vest over four years. RSUs is an equity award that is granted with an exercise price equal to zero and which represents the right to receive one of the Broadcom's ordinary shares immediately upon vesting.

The fair value of each RSU is estimated based on Black-Scholes model. The significant inputs into the model were share price at the grant date, exercise price and vesting period, which are all determined by the ultimate holding company.

17 Parent and ultimate parent undertaking

At 31 October 2018, the immediate parent company was Broadcom International Limited, a company registered in Cayman Islands. The ultimate parent company, controlling party and the parent undertaking of the smallest and largest group for which group accounts were prepared and of which the company is a member was Broadcom Limited.

With effect from 5 April 2018, upon the completion of the re-domiciliation process to change the parent corporation of the Broadcom corporate group from a Singapore company to a Delaware corporation, the ultimate holding corporation is now Broadcom Inc., a Delaware corporation incorporated in the United States of America ("USA").

Consolidated financial statements for Broadcom Inc. can be obtained at 1320 Ridder Park drive, San Jose, California 95131.