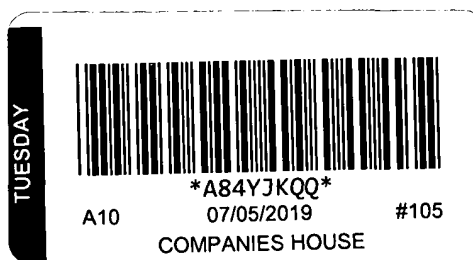


CSR Limited

Financial statements for the 53 weeks ended 30 September 2018
together with strategic, directors' and auditors' reports

Registered number: 04187346



Strategic report

The directors present their strategic report for the 53 weeks ended 30 September 2018. Comparative financial information is presented for the 52 weeks ended 24 September 2017.

Principal activity

CSR Limited (the 'Company') is a holding company, with one direct subsidiary in the UK and indirect subsidiaries in the UK, USA, Germany, Israel, Taiwan, Cayman Islands, Singapore, Hong Kong and, South Korea. The Company generates revenue from interest levied on an intercompany loan to Cambridge Silicon Radio Holdings Limited. No dividends were paid or received by the Company in the 53 weeks ended 30 September 2018 (52 weeks ended 24 September 2017: \$nil).

Principal risks and uncertainties

Since the Company is a holding company and Qualcomm Incorporated (of which the Company is an indirect wholly owned subsidiary) manages its operations on a groupwide basis, the directors do not believe that a further discussion of the non-financial risks is necessary or appropriate for an understanding of the risks facing the Company.

Going concern

The directors have considered the assets and liabilities of the Company and the ongoing support of its parent company to allow it to meet its liabilities as they fall due. The directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Financial risks

The Company's financial instruments comprise intercompany loans receivable, available for sale assets, trade and other receivables, trade and other payables, and cash and cash equivalents. It is the Company's policy not to enter into speculative transactions.

The Company has an intercompany balance payable to another Qualcomm Group company ('Group') denominated in GBP sterling and is therefore exposed to movements in the US Dollar to GBP Sterling exchange rate (see note 20 *Foreign Currency Sensitivity Analysis*). The Company does not seek to manage the foreign currency risk component of market risk.

The Company has no third party debt and therefore has no interest rate exposure.

Key performance indicators

Given that the Company is a holding company and does not trade, there are no relevant key performance indicators.

Results

The Company's results for the period were as follows:

	53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	\$'000	\$'000
Profit for the period	10,595	5,882

As at 30 September 2018, the Company had net assets of \$1,844.3m (24 September 2017: \$1,816.9m), including \$nil of cash and cash equivalents (24 September 2017: \$3.4m).

On behalf of the board,



G Rowe
Director
11 April 2019

Directors' report

The directors present their report together with the audited financial statements for the 53 weeks ended 30 September 2018. Comparative financial information is presented for the 52 weeks ended 24 September 2017.

The Company's business activities, together with any factors likely to affect its future development, financial performance and position are set out on page 1. Note 20 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of the financial instruments and hedging activities; and its exposure to credit risk. The principal risks and uncertainties which could adversely impact the long term performance of the Company are discussed on page 1 in the strategic report.

Going concern

The directors have prepared the financial statements on the going concern basis.

The directors have considered the assets and liabilities of the Company and the ongoing support of its parent company to allow it to meet its liabilities as they fall due. The directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Post Balance Sheet Event

The loan to Cambridge Silicon Radio Holdings Limited for \$277.6m (24 September 2017: \$277.6m) was due for repayment on 06 December 2018. On 7th December 2018, the directors of the Company and Cambridge Silicon Radio Holdings Limited have agreed to extend the scheduled redemption date to 6th December 2023.

Political donations

The Company did not make any political donations in the 53 weeks ended 30 September 2018 (52 weeks ended 24 September 2017: \$nil).

Dividends

The directors do not recommend the payment of a final dividend for the 53 weeks ended 30 September 2018 (52 weeks ended 24 September 2017: \$nil).

Supplier payment policy

The Company's policy is to abide by the terms of payment agreed with suppliers.

Environment

The Company is part of the Qualcomm Incorporated group of companies. The Group recognises the importance of social, environmental and ethical matters.

Directors

The directors of the Company throughout the period and up to the date of signing this report were:

K Cadieux
G Rowe

Directors' and officers' indemnity insurance

A fellow Group company has taken out insurance to indemnify, against third party proceedings, the directors of the Company whilst serving on the board of the Company. This indemnity policy subsisted throughout the period and remains in place at the date of this report.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 53 week period. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

The directors 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information 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 that information.

On behalf of the director,



G Rowe
Director
11 April 2019

Independent auditors' report to the members of CSR Limited

Report on the audit of the financial statements

Opinion

In our opinion, CSR Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit and cash flows for the 53 week period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial statements for the 53 weeks ended 30 September 2018 together with strategic, director's and auditors' reports (the "Annual Report"), which comprise: the balance sheet as at 30 September 2018; the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in equity for the 53 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of CSR Limited (continued)

Strategic and Directors' Report

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 period ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Simon Ormiston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
11th April 2019

Income statement

For the 53 weeks ended 30 September 2018

		53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	Note	\$'000	\$'000
Revenue	5	9,021	9,021
Gross profit		9,021	9,021
Administrative expenses		-	(5,342)
Other income		1,742	-
Operating profit	6	10,763	3,679
Investment income	9	1,746	3,522
Profit before tax		12,509	7,201
Tax	10	(1,914)	(1,319)
Profit for the period	6	10,595	5,882

The results were all derived from continuing operations.

The profit for the period and for the prior period is wholly attributable to the equity holders of CSR Limited.

The notes on pages 9 to 24 form an integral part of the financial statements.

Statement of comprehensive income

For the 53 weeks ended 30 September 2018

		53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	Note	\$'000	\$'000
Profit for the period		10,595	5,882
Changes in the fair value of available-for-sale financial assets	20	-	1,803
Reclassification of fair value changes on disposal of available-for-sale financial assets	20	(1,803)	-
Total other comprehensive income for the period		(1,803)	1,803
Total comprehensive income for the period		8,792	7,685

The notes on pages 9 to 24 form an integral part of the financial statements.

Balance sheet

At 30 September 2018

		30 September 2018	24 September 2017
	Note	\$'000	\$'000
Non-current assets			
Investments in subsidiaries	11	1,566,659	1,548,359
Deferred tax assets	16	-	564
Available-for-sale financial assets	20	-	2,672
Loans Receivable	12	-	277,563
		<u>1,566,659</u>	<u>1,829,158</u>
Current assets			
Trade and other receivables	13	309,167	19,728
Cash and cash equivalents		-	3,425
		<u>309,167</u>	<u>23,153</u>
Total assets		<u>1,875,826</u>	<u>1,852,311</u>
Current liabilities			
Trade and other payables	14	31,550	33,835
Provisions	15	-	1,604
		<u>31,550</u>	<u>35,439</u>
Net current assets/(liabilities)		<u>277,617</u>	<u>(12,286)</u>
Total liabilities		<u>31,550</u>	<u>35,439</u>
Net assets		<u>1,844,276</u>	<u>1,816,872</u>
Equity			
Share capital	17	604,732	604,732
Share premium account	18	583,925	583,925
Capital redemption reserve	18	1,073	1,073
Available for sale reserve	18	-	1,803
Share-based payment reserve	18	219,877	201,577
Retained earnings	18	434,669	423,762
Total equity		<u>1,844,276</u>	<u>1,816,872</u>

The financial statements of CSR Limited on pages 6 to 24, registered number 04187346, were approved by the board of directors and authorised for issue on 11 April 2019 and signed on their behalf by:


G Rowe
Director

Statement of changes in equity

For the 53 weeks ended 30 September 2018

	Share capital	Share premium account	Capital redemption reserve	Capital contribution reserve	Available- for-sale reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 25 September 2016	604,732	583,925	1,073	187,921	-	418,192	1,795,843
Profit for the period	-	-	-	-	-	5,882	5,882
Total other comprehensive income for the period	-	-	-	-	1,803	-	1,803
Capital contribution arising from Group's equity-settled share-based payments	-	-	-	13,656	-	-	13,656
Deferred tax on available-for-sale asset	-	-	-	-	-	(312)	(312)
At 24 September 2017	604,732	583,925	1,073	201,577	1,803	423,762	1,816,872
Profit for the period	-	-	-	-	-	10,595	10,595
Total other comprehensive expense for the period	-	-	-	-	(1,803)	-	(1,803)
Capital contribution arising from Group's equity-settled share-based payments	-	-	-	18,300	-	-	18,300
Deferred tax on available-for-sale asset	-	-	-	-	-	312	312
At 30 September 2018	604,732	583,925	1,073	219,877	-	434,669	1,844,276

The notes on pages 10 to 24 form an integral part of the financial statements.

Cash flow statement

For the 53 weeks ended 30 September 2018

		53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	Note	\$'000	\$'000
Net outflow from operating activities	19	<u>(6,040)</u>	<u>(2,610)</u>
Investing activities			
Interest received		98	2
Proceeds from sale of available-for-sale assets		<u>2,517</u>	<u>2,024</u>
Net cash generated from investing activities		<u>2,615</u>	<u>2,026</u>
Net decrease in cash and cash equivalents		<u>(3,425)</u>	<u>(584)</u>
Cash and cash equivalents at beginning of period		<u>3,425</u>	<u>4,009</u>
Cash and cash equivalents at end of period		<u>-</u>	<u>3,425</u>

The notes on pages 10 to 24 form an integral part of the financial statements.

Notes to the financial statements

For the 53 weeks ended 30 September 2018

1. General information

CSR Limited is a company, limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is Churchill House, Cambridge Business Park, Cowley Road, Cambridge, United Kingdom, CB4 0WZ. The nature of the Company's operations and its principal activities are set out in the strategic and directors' reports on pages 1 to 3.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Company operates.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 401 of the Companies Act 2006 because its ultimate parent, Qualcomm Incorporated, a company incorporated in the United States of America, prepares consolidated financial statements which are publicly available. Information is therefore presented for the individual company, not its group.

2. Adoption of new and revised standards

Standards not affecting the reported results nor the financial position:

The following new and revised Standards and Interpretations have been adopted in the current period. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

Annual improvements to IFRSs (2012-2014 Cycle)	IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard (effective for annual periods beginning on or after 1 January 2017).
IAS 7 (amended)	Amendments will enable users of financial statements to evaluate changes in liabilities arising from financing activities.
IAS 12 (amended)	Amendments on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not yet been applied in these financial statements were in issue but not yet effective (and in some cases, had not yet been adopted by the EU):

IFRS 2 (amended)	Classification and measurement of share-based payment transactions
IFRS 4 (amended)	Insurance contracts
IFRS 9	Financial instruments - This standard replaces the guidance in IAS 39.
IFRS 9 (amended)	This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss.
IFRS 15	Revenue from contracts with customers
IFRS 15 (amended)	Revenue from contracts with customers
IAS 40	'Investment property' relating to transfers of investment property.
IAS 28 (amended)	'Investments in associates', on long term interests in associates and joint ventures
IFRS 17	Insurance contracts
IFRS 16	Leases
IAS 19 (amended)	'Employee benefits' on plan amendment, curtailment or settlement
Annual improvement to IFRSs (2014-2016 Cycle)	IFRS 1 and IAS 28
Annual improvement to IFRSs (2015-2017 Cycle)	IFRS 3, IFRS 11, IAS 12 and IAS 23
IFRIC 22	Foreign currency transactions and advance consideration
IFRIC 23	Uncertainty over income tax treatments

The adoption of IFRS 9 will impact both the measurement and disclosures of financial instruments, and the Company continues to assess the impact of adoption of IFRS 15. The directors are engaged in an ongoing project to evaluate how the impact of the adoption in future periods of the other standards and interpretations listed above will affect the financial statements of the Company.

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

3. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with IFRSs and International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU) and also comply with the IFRSs as issued by the International Accounting Standards Board and have been prepared in accordance with The Companies Act 2006 as applicable to companies reporting under IFRS. Accounting policies have been applied consistently for both periods presented.

The financial statements cover the 53 weeks from 24 September 2017 to 30 September 2018, the comparatives are presented for the 52 weeks from 25 September 2016 to 24 September 2017.

The financial statements are reported on a 52 or 53 week basis to be consistent with Group internal reporting.

The financial statements have been prepared on the historical cost basis, other than share based payments and financial instruments. The principal accounting policies adopted are set out below.

Going concern

As explained in the Directors' report, the Company is a holding company. As required by IAS 1 'Presentation of Financial Statements', the directors have prepared the financial statements on the going concern basis. The directors have considered the liabilities of the Company and ongoing support of its parent company and the Company's ability to meet its liabilities as they fall due. The directors therefore have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Revenue recognition

Intercompany interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Foreign currencies

The functional and presentation currency of the Company is the US dollar. Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the net profit or loss for the period.

Taxation

The tax payable or receivable is based on taxable profit or loss for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused carried forward tax losses and unused carried forward tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly in other comprehensive income or to equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

3. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the asset, the estimated future cash flows of the investment have been impaired.

Objective evidence of impairment could include significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events, and it must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Financial liabilities and equity

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

Trade payables and amounts due to Group undertakings

Trade payables and amounts due to Group undertakings are not interest bearing and are stated at amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Available For Sale (AFS) financial assets

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long term. Financial assets that are not classified into any of the other categories are also included in the available-for-sale category.

Available-for-sale assets are initially recorded at fair value and are subsequently re-measured to fair value at each balance sheet date. Gains or losses arising from changes in fair value are recognised in other comprehensive income.

The financial assets are presented as non-current assets unless they mature or management intends to make the portfolio available for current operations.

Derecognition of financial liabilities

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

Capital contribution

Certain employees of the subsidiaries of the company are awarded options over the shares in the ultimate parent in the form of Restricted Stock Units (RSUs). Additionally, all employees are given the opportunity to take part in a share purchase plan. The fair value of the employee services received in exchange for these grants of options is recognised as an expense with a corresponding increase in the capital contribution reserve. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). The fair value for RSU Awards is defined as the closing market price on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit and loss account, with corresponding adjustment to profit and loss reserve.

In accordance with IFRS' 2 *Share-based Payments*, to recognise the capital contribution, the Company increases the cost of its investment in the subsidiary and recognises a credit to equity with an amount equal to the equity settled share-based payment expense recognised in the subsidiary.

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

3. Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are shown at cost, plus capital contributions and less provisions for impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

4. Critical accounting judgements and key sources of estimation and uncertainty

Impairments of investments in subsidiary undertakings

At each balance sheet date, the Company reviews the carrying amounts of its investments in subsidiary undertakings to determine whether there are any indications that those assets have suffered an impairment loss. If any such indication exists, such as the subsidiary undertaking being in a net liability position, the recoverable amount of the subsidiary is estimated in order to determine the extent of the impairment loss (if any).

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 values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the subsidiary for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of a subsidiary undertaking is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the income statement immediately.

5. Revenue

	53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	\$'000	\$'000
Interest on intercompany balance	9,021	9,021

6. Operating profit

Profit for the period has been arrived at after (crediting)/charging:

	53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	\$'000	\$'000
Unrealised foreign exchange (gains)/losses	(274)	4,983
VAT provision (reversal/charge (note 15))	(1,468)	419

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

7. Auditors' remuneration

	53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	\$'000	\$'000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	41	40
Total audit fees	41	40

There were no non-audit related services provided by the Group's auditors.

The auditors' remuneration for the period were borne and not recharged by Qualcomm Technologies International, Ltd.

8. Staff costs

The Company had no employees during the 53 weeks ended 30 September 2018 (52 weeks ended 24 September 2017: no employees).

Mr K Cadieux's remuneration was borne by Qualcomm Technologies Inc and Mr G Rowe's remuneration was borne by Qualcomm UK Limited. Hence no remuneration was attributable to the Company.

No directors exercised share options in the period (2017: no directors exercised share options).

9. Investment income

	53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	\$'000	\$'000
Interest income	98	2
Gains recognised on available-for-sale assets (note 20)	1,648	3,520
	1,746	3,522

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

10. Tax

	53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	\$'000	\$'000
Current income tax payable / (receivable) for the period	807	(9)
Adjustment in respect of previous periods	256	-
Retranslation of tax payable	(25)	-
Total current income tax charge / (credit)	1,038	(9)
Deferred tax - origination and reversal of timing differences	806	1,316
Adjustment in respect of previous periods	70	-
Deferred tax rate change impact	-	12
Total deferred tax charge/(credit)	876	1,328
Total tax charge/(credit)	1,914	1,319

The tax charge/(credit) for the period can be reconciled to the profit per the income statement as follows:

	53 weeks ended 30 September 2018		52 weeks ended 24 September 2017	
	\$'000	%	\$'000	%
Profit before tax	12,509	100.0	7,201	100.0
Tax at the UK corporation tax rate of 19.0% (2017: 19.5%)	2,377	19.0	1,404	19.5
Adjustment in respect of prior periods	326	2.6	-	-
Non-taxable income	(305)	(2.5)	(55)	(0.8)
Transfer pricing adjustment	(78)	(0.6)	(33)	(0.5)
Impact of UK rate changes	-	-	12	0.2
Effects of group relief/ other reliefs	(353)	(2.8)	-	-
Effects of chargeable gains	(28)	(0.2)	-	-
Foreign exchange difference on translation	(25)	(0.2)	(9)	(0.1)
Tax charge/(credit) and effective tax rate for the period	1,914	15.3	1,319	18.3

Corporation tax is calculated at 19.0% (2017: 19.5%) on estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Finance Act 2014 enacted the UK Corporation tax rate to 20% from 1 April 2015. Finance (No.2) Act 2015 reduced the rate from 20% to 19% from 1 April 2017. Finance Act 2016 enacted the UK Corporation tax rate to be reduced from 19% to 17% from 1 April 2020.

The reduced rates had no impact on the company's balance sheet.

As at 30 September 2018, the company has a corporation tax debtor of \$nil (24 September 2017: \$0.3m) related to refunds due from the HMRC and a corporation tax liability of \$0.8m (24 September 2017: \$nil).

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

11. Investments in subsidiaries

	Place of incorporation (or registration) and operation	Proportion of ownership interest	Proportion of voting power held
Direct ownership		%	%
Cambridge Silicon Radio Holdings Limited	Churchill House, Cambridge Business Park, Cowley Road, Cambridge, United Kingdom, CB4 0WZ	100	100
Indirect ownership			
Qualcomm Technologies International, Ltd.	Churchill House, Cambridge Business Park, Cowley Road, Cambridge, United Kingdom, CB4 0WZ	100	100
QTIL Holdco.	Churchill House, Cambridge Business Park, Cowley Road, Cambridge, United Kingdom, CB4 0WZ	100	100
APT Licensing Limited	Unit 2 The Legacy Building, Northern Ireland Science Park, Queen's Road, Queen's Island, Belfast, United Kingdom, BT3 9DT	100	100
UbiNetics (VPT) Limited	Churchill House, Cambridge Business Park, Cowley Road, Cambridge, United Kingdom, CB4 0WZ	100	100
Cambridge Positioning Systems Limited	Churchill House, Cambridge Business Park, Cowley Road, Cambridge, United Kingdom, CB4 0WZ	100	100
Qualcomm Technologies International GmbH	Marie-Curie Strausse 1, Ingolstadt, Germany, 85055	100	100
CSR Israel Ltd.	Advanced Technology Centre, Building #8/2, Haifa, Israel, 31905	97	97
CSR Technology (Taiwan) Co. Ltd.	12F, No. 407 Ruiguang Road, Neihu District, Taipei, Taiwan, 11492	100	100
SIRF Technology Inc.	251 Little Falls Drive, Wilmington, Delaware, United States, 19808	100	100
CSR Technology (Cayman) Limited	PO Box 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104	100	100
CSR Technology Singapore Pte. Ltd.	80 Robinson Road #02-00, Singapore, Singapore, 068898	100	100
UbiNetics (Hong Kong) Limited	1401 Fl 14 Hutchison House, 10 Harcourt Road, Hong Kong	100	100
Qualcomm Korea RFFE Limited	4th floor, POBA Gangnam Tower, 343, Hakdong-ro, Gangnam-gu, Seoul, Korea, Republic Of, 06060	100	100

(1) CSR Israel was liquidated on 14 January 2019

	30 September 2018	24 September 2017
Cost and net book value	\$'000	\$'000
At the beginning of the period	1,548,359	1,534,703
Capital contributions arising from group equity settled share based payments	18,300	13,656
At the end of the period	1,566,659	1,548,359

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

12. Loans receivable (non-current)

	30 September 2018	24 September 2017
	\$'000	\$'000
Loan due from other Group undertaking	-	277,563

The directors consider that the carrying amount of the loan to another Group undertaking approximates its fair value.

The loan to Cambridge Silicon Radio Holdings Limited was due for repayment on 06 December 2018 (see note 13). The loan carries an interest rate of 3.25% (2017: 3.25%). No amounts have been pledged as collateral.

13. Financial assets

	30 September 2018	24 September 2017
	\$'000	\$'000
<i>Trade and other receivables</i>		
VAT	-	41
Other debtors	-	3,127
Corporation tax debtor	-	255
Amounts receivable from other Group undertakings	309,167	16,305
	309,167	19,728

The directors consider that the carrying amount of the financial assets approximates to their fair values.

The Company's principal financial assets and credit risks are intercompany receivables. Amounts due from other Group undertakings are neither past due nor impaired as management considers that the counterparty has sufficient access to funds and assets to fulfil its future obligations.

The loan to Cambridge Silicon Radio Holdings Limited \$277.6M (2017 \$277.6m) included within amounts receivable from other Group undertakings was due for repayment on 06 December 2018. On 7 December 2018, the directors of the Company and Cambridge Silicon Radio Holdings Limited have agreed to extend the scheduled redemption date to 6th December 2023. See details in note 22.

The loan carries an interest rate of 3.25% (2017: 3.25%). No amounts have been pledged as collateral.

Cash and cash equivalents

Bank balances and cash comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

14. Financial liabilities

	30 September 2018	24 September 2017
	\$'000	\$'000
<i>Trade and other payables</i>		
Amounts due to other Group undertakings	30,066	33,106
Corporation tax liabilities	781	-
Accruals and deferred income	703	729
	31,550	33,835

The directors consider that the carrying amount of the financial liabilities approximates to their fair value.

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

15. Provisions

	VAT provision
	\$'000
At 24 September 2017	1,604
Foreign exchange movement	(136)
Provision used in the period (note 6)	(1,468)
At 30 September 2018	-

	30 September 2018	24 September 2017
	\$'000	\$'000
Amounts included within current liabilities	-	1,604

VAT provision

The HMRC have concluded their enquiry into the recoverability of VAT input tax the Company incurred and reclaimed as part of its acquisition by Qualcomm. The HMRC agreed with the Company's position stating the input tax would be recoverable in principle and subject to normal recovery rules. As the VAT has already been reclaimed no further adjustments are required, hence, the provision has been released in the CY.

16. Deferred tax assets

The following are the deferred tax assets recognised by the Company and movements thereon during the period:

	Tax losses	Available for sale assets	Total
	\$'000	\$'000	\$'000
At 24 September 2017	876	(312)	564
Charge to income statement (note 10)	(806)	-	(806)
Adjustment in respect of prior years	(70)	-	(70)
Credit to equity	-	312	312
At 30 September 2018	-	-	-

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

17. Share capital

Allotted, called-up and fully paid:

	30 September 2018	24 September 2017
	\$'000	\$'000
420,790,033,213 Ordinary shares of £0.001 each (2017: 420,790,033,213)	604,732	604,732

18. Reserves

Share premium account

The Share premium account contains the premium arising on issue of equity shares, net of issue expenses. This reserve is not distributable.

Capital redemption reserve

The Capital redemption reserve represents the nominal value of preference shares redeemed in 2004 in accordance with capital maintenance regulations and the nominal value of treasury shares cancelled. This reserve is not distributable.

Share-based payment reserve

The Share-based payment reserve represents the equity component of the share options and awards issued by the Company to employees of the CSR Ltd group of companies when the Company was a public listed company.

Retained earnings

The Retained earnings represent cumulative profits and losses, net of dividends paid and other adjustments.

Available-for-Sale financial assets reserve

Changes in the fair value and exchange differences arising on translation of investments that are classified as available-for-sale financial assets are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

19. Notes to cash flow statement

	53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	\$'000	\$'000
Profit before tax	12,509	7,201
Adjustments for:		
Investment income	(1,746)	(3,522)
Movement in provisions	(1,604)	419
Operating cash inflows before movement in working capital	9,159	4,098
Increase in receivables	(12,133)	(8,587)
(Decrease)/increase in payables	(3,066)	1,879
Cash used in operations	(15,199)	(6,708)
Net outflow from operating activities	(6,040)	(2,610)

20. Financial Instruments

	30 September 2018	24 September 2017
	\$'000	\$'000
<i>Financial assets</i>		
Available for sale	-	2,672
Loans and receivables (including cash and cash equivalents)	309,167	297,292
	309,167	299,964
<i>Financial liabilities</i>		
Amortised cost	(30,066)	(33,106)

Categories of financial instruments

All the financial assets of the Company are designated as available for sale assets or loans and receivables. All the financial liabilities of the Company are carried at amortised cost.

Financial risk management objectives

The Group treasury function provides services to the Company. The Company does not enter into any financial derivative contracts. The Company follows Group policies on interest rate risk, credit risk, the use of non-derivative financial instruments and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Interest rate risk management

The Company has no significant direct exposure to fluctuations in interest rates other than those on interest bearing cash balances. In the period the majority of cash balances were held at fixed rates of interest and the effective rate of interest on those balances in the period was 0.0% (2017: 0.0%)

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

20. Financial Instruments (continued)

Credit risk management

Credit risk refers to the risk that the counterparties will default on their contractual obligations resulting in financial loss to the Company. For cash and cash equivalents, the Company only invests with entities that are equivalent to investment grade or above. Other financial assets consist of amounts receivable from related parties. The Company's exposure to significant concentration of credit risk on receivables from related parties is detailed in note 21.

Liquidity risk management

The Company manages liquidity risk via the Group's centralised treasury function, using sources of financing from other Group entities and providing financing to other Group entities. The directors have considered the assets and liabilities of the Company and the ongoing support of its parent company to allow it to meet its liabilities as they fall due.

	More than 6 months but less than 1 year
30 September 2018	\$'000
Amounts due to other Group undertakings	30,066
24 September 2017	\$'000
Amounts due to other Group undertakings	33,106

Foreign currency risk management

The Company does not seek to manage the currency risk component of market risk as these risks are managed on a Group level. The Company does not enter into any financial derivative contracts. The Company does not enter into, or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency sensitivity analysis

The sensitivity analysis below has been determined based on the exposure of the Company to foreign currency movements for its non-derivative financial instruments at the balance sheet date.

If the US dollar had strengthened by 10 percent against GBP sterling, the Company's:

- profit for the 53 weeks ended 30 September 2018 would have decreased by \$ 330,344 (52 weeks ended 24 September 2017: \$13,153,809). In both periods, this is mainly attributable to the Company's exposure to foreign exchange movements on sterling-denominated monetary assets and liabilities.
- there is no impact on other equity reserves (2017: \$nil).

A 10 percent weakening of the US dollar against GBP sterling would have had the equal but opposite effect, on the basis that all the other variables remain constant. In management's opinion, this is a reasonably possible change in currency rates given current market conditions. This analysis assumes all other variables, in particular interest rates and other foreign currencies, remain constant. The analysis is performed on the same basis as used for the period from 24 September 2017 to 30 September 2018.

Fair values of financial instruments

Details of the methods of determining the fair values of the Company's financial assets and financial liabilities are discussed in notes 13 and 14. The carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements which approximates their fair values in the opinion of the directors.

The following table provides an analysis of the financial assets, specifically money market funds and marketable debt instruments that are measured on a recurring basis, subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include significant inputs for the asset and liability that are not based on observable market data (unobservable inputs).

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

20. Financial Instruments (continued)

30 September 2018

Available for sale financial assets

Shares in quoted equity securities

Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
\$'000	\$'000	\$'000	\$'000

-	-	-	-
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24 September 2017

Available for sale financial assets

Shares in unquoted equity securities

Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
\$'000	\$'000	\$'000	\$'000

2,672	-	-	2,672
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Reconciliation of Level 1 fair value measurements of financial assets:

	Available for sale equities
	\$'000
Balance at 24 September 2017	2,672
Decrease in market value	(155)
Disposal of investment	(2,517)
Balance at 30 September 2018	-

The fair value at the end of FY 2017 was based on the market value of the shares.

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

21. Related party transactions

Transactions between the Company and subsidiaries within the Group, which are related parties, are disclosed below.

	53 weeks ended 30 September 2018	52 weeks ended 24 September 2017
	\$'000	\$'000
Qualcomm Technologies International, Ltd.		
- Funding provided	-	(10,138)
- Cost transfers	3,022	5,720
- Foreign exchange movements	90	1,854
Cambridge Silicon Radio Holdings Limited		
- Interest income on intercompany balance	(9,021)	(9,021)

Balances between the Company and its immediate parent company, which is a related party, is disclosed below.

	30 September 2018	24 September 2017
	\$'000	\$'000
Qualcomm Global Trading Pte. Ltd	6,191	-

Balances between the Company and subsidiaries within the Group, which are related parties, are disclosed below.

	30 September 2018	24 September 2017
	\$'000	\$'000
Qualcomm Technologies International, Ltd.	(30,066)	(27,134)
Cambridge Silicon Radio Holdings Limited	25,326	16,305
CSR Technology Inc.	87	(5,972)

Loan balances between the Company and subsidiaries and associated branches within the Group, which are related parties, are disclosed below.

	30 September 2018	24 September 2017
	\$'000	\$'000
Cambridge Silicon Radio Holdings Limited	277,563	277,563

22. Post Balance Sheet Event

The loan to Cambridge Silicon Radio Holdings Limited for \$277.6m (24 September 2017: \$277.6m) was due for repayment on 06 December 2018. On 7th December 2018, the directors of the Company and Cambridge Silicon Radio Holdings Limited have agreed to extend the scheduled redemption date to 6th December 2023.

Notes to the financial statements (cont.)

For the 53 weeks ended 30 September 2018

23. Parent and ultimate controlling party

At 30 September 2018, the directors regarded Qualcomm Global Trading Pte. Ltd., a company incorporated in Singapore, as the immediate parent company and Qualcomm Incorporated, a company incorporated in the United States of America, as the ultimate parent undertaking and controlling party.

Qualcomm Incorporated is the parent company of the smallest and largest group of which the Company is a member and for which consolidated financial statements are drawn up. Copies of the financial statements for Qualcomm Incorporated are available from Qualcomm Incorporated, 5775 Morehouse Drive, San Diego, California, USA and on that company's website (www.qualcomm.com).