

Company Registration No. 2337754 (England and Wales)

ATMEL U.K., LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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ATMEL U.K., LTD

COMPANY INFORMATION

Directors	P Reutens S Laub T Wu
Company number	2337754
Registered office	Level 1 Exchange House Primrose Street London EC2A 2HS
Auditors	Eacotts Limited Grenville Court, Britwell Road Burnham Buckinghamshire SL1 8DF
Business address	The Braccans London Road Bracknell Berkshire RG12 2XH
Bankers	National Westminster Bank Plc 66 High Street Maidenhead Berkshire SL6 1QA

ATMEL U.K., LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

ATMEL U.K., LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principal activity of the company continued to be that of marketing and selling semiconductors supplied by its ultimate parent company.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2008:

P Reutens
S Laub
T Wu

Auditors

Eacotts Limited are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that 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 1985. 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.

ATMEL U.K., LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

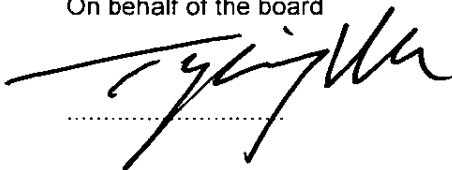
Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

A handwritten signature in black ink, appearing to be 'T. G. Smith', written over a dotted line.

Dec. 18, 2009

ATMEL U.K., LTD

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ATMEL U.K., LTD

We have audited the financial statements of Atmel U.K., Ltd for the year ended 31 December 2008 set out on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ATMEL U.K., LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF ATMEL U.K., LTD

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Eacotts Ltd

Eacotts Limited

Chartered Accountants
Registered Auditor

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Grenville Court, Britwell Road
Burnham
Buckinghamshire
SL1 8DF

ATMEL U.K., LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	2,151,356	2,114,088
Administrative expenses		(974,040)	(2,038,192)
Operating profit	3	1,177,316	75,896
Other interest receivable and similar income	4	497	5,013
Interest payable and similar charges	5	(466)	(346)
Profit on ordinary activities before taxation		1,177,347	80,563
Tax on profit on ordinary activities	6	-	-
Profit for the year	11	1,177,347	80,563

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.


ATMEL U.K., LTD

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Current assets					
Debtors	7	5,342,828		4,011,036	
Cash at bank and in hand		165,702		604,081	
		<u>5,508,530</u>		<u>4,615,117</u>	
Creditors: amounts falling due within one year	8	<u>(555,105)</u>		<u>(839,039)</u>	
Total assets less current liabilities		<u>4,953,425</u>		<u>3,776,078</u>	
Capital and reserves					
Called up share capital	10	100,000		100,000	
Profit and loss account	11	<u>4,853,425</u>		<u>3,676,078</u>	
Shareholders' funds	12	<u>4,953,425</u>		<u>3,776,078</u>	

Approved by the Board and authorised for issue on December 18, 2009.


.....
Director

Company Registration No. 2337754

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary of Atmel Corporation and its results are included in the consolidated financial statements of that company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2008	2007
	£	£
Operating profit is stated after charging:		
Operating lease rentals		
- Plant and machinery	-	(596)
- Other assets	168,070	167,201
Auditors' remuneration	18,485	18,632

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

4	Investment income	2008	2007
		£	£
	Bank interest	497	5,013
		<u>497</u>	<u>5,013</u>
5	Interest payable	2008	2007
		£	£
	On bank loans and overdrafts	466	346
		<u>466</u>	<u>346</u>
6	Taxation	2008	2007
	Current tax charge	-	-
		<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,177,347	80,563
		<u>1,177,347</u>	<u>80,563</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	329,657	24,169
		<u>329,657</u>	<u>24,169</u>
	Effects of:		
	Non deductible expenses	26,973	98,334
	Tax losses utilised	(238,738)	(30,598)
	Group losses utilised	(117,892)	(91,905)
		<u>(329,657)</u>	<u>(24,169)</u>
	Current tax charge	-	-
		<u>-</u>	<u>-</u>

The company has estimated losses of £ nil (2007 - £ 834,174) available for carry forward against future trading profits.

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7	Debtors	2008	2007
		£	£
	Amounts owed by parent and fellow subsidiary undertakings	5,272,253	3,950,146
	Other debtors	10,670	48,155
	Prepayments and accrued income	59,905	12,735
		<u>5,342,828</u>	<u>4,011,036</u>
8	Creditors: amounts falling due within one year	2008	2007
		£	£
	Bank loans and overdrafts	3,200	8,564
	Trade creditors	1,185	4,203
	Amounts owed to parent and fellow subsidiary undertakings	289,431	548,739
	Taxes and social security costs	76,989	41,005
	Other creditors	12,509	12,914
	Accruals and deferred income	171,791	223,614
		<u>555,105</u>	<u>839,039</u>
9	Pension and other post-retirement benefit commitments Defined contribution	2008	2007
		£	£
	Contributions payable by the company for the year	<u>35,750</u>	<u>38,261</u>
10	Share capital	2008	2007
		£	£
	Authorised		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2008	3,676,078
Profit for the year	<u>1,177,347</u>
Balance at 31 December 2008	<u><u>4,853,425</u></u>

12 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	1,177,347	80,563
Opening shareholders' funds	<u>3,776,078</u>	<u>3,695,515</u>
Closing shareholders' funds	<u><u>4,953,425</u></u>	<u><u>3,776,078</u></u>

13 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings	
	2008 £	2007 £
Operating leases which expire:		
In over five years	<u>101,430</u>	<u>101,430</u>

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Technical	2	2
Selling and distribution	14	14
Marketing and administration	4	4
	<u>20</u>	<u>20</u>

Employment costs

	2008 £	2007 £
Wages and salaries	1,145,994	1,000,408
Social security costs	142,868	136,183
Other pension costs	35,750	38,261
	<u>1,324,612</u>	<u>1,174,852</u>

15 Control

The immediate parent company is Atmel Corporation, a company incorporated in the United States of America which is the only company to consolidate these financial statements. Copies of the parent company's consolidated financial statements may be obtained from the Secretary, Atmel Corporation, 2325 Orchard Parkway, San Jose, CA95131, United States of America.

There is no ultimate controlling party of the company.

16 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

ATMEL U.K., LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008		2007	
	£	£	£	£
Turnover				
Commissions		2,151,356		2,114,088
Administrative expenses				
Wages and salaries	1,145,994		1,000,408	
Employer's N.I. contributions	142,868		136,183	
Staff pension costs	35,750		38,261	
Staff welfare	26,991		27,147	
Recruitment	16,390		28,735	
Commissions payable	59,443		154,707	
Premises costs	160,796		132,189	
Insurance	-		3,678	
Repairs and maintenance	17,313		11,980	
General administration expenses	77,856		72,601	
Motor vehicle leasing	-		(596)	
Travelling expenses	302,252		284,020	
Entertaining	794		935	
Legal and professional fees	(703)		29,032	
Audit fees	18,485		18,632	
Bank charges	3,305		2,292	
Loss / (profit) on foreign currency	(1,051,032)		58,996	
Sundry expenses	16,672		37,565	
Trade subscriptions	866		1,427	
		(974,040)		(2,038,192)
Operating profit		1,177,316		75,896
Other interest receivable and similar income				
Bank interest		497		5,013
Interest payable				
Bank interest		(466)		(346)
Profit before taxation	54.73%	1,177,347	3.81%	80,563