

Company Registration No 2337754 (England and Wales)

ATMEL U K., LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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ATMEL U.K., LTD

COMPANY INFORMATION

Directors	S Cumming S Laub T Wu	(Appointed 23 March 2010)
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 2009

The directors present their report and financial statements for the year ended 31 December 2009

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 2009

P Reutens	(Resigned 23 March 2010)
S Cumming	(Appointed 23 March 2010)
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 Directors' Report and the financial statements in accordance with applicable law and regulations

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ATMEL U.K., LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

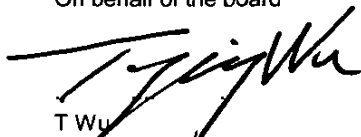
Statement of disclosure to auditors

(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 relating to small companies within Part 15 of the Companies Act 2006

On behalf of the board


T Wu
Director
July 23, 2010

ATMEL U.K., LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ATMEL U.K., LTD

We have audited the financial statements of Atmel U K , Ltd for the year ended 31 December 2009 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

the information given in the directors' report is consistent with the financial statements

ATMEL U.K., LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ATMEL U.K., LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Mr Martin Gatehouse ACA (Senior Statutory Auditor)
for and on behalf of Eacotts Limited

31/8/10

Chartered Accountants
Statutory Auditor

Grenville Court, Bntwell Road
Burnham
Buckinghamshire
SL1 8DF

ATMEL U.K., LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	2	1,758,484	2,151,356
Administrative expenses		(2,344,794)	(974,040)
Operating (loss)/profit	3	(586,310)	1,177,316
Exceptional income			
Intercompany loan written off	3	2,868,022	-
Profit on ordinary activities before interest		2,281,712	1,177,316
Investment income	4	104,367	-
Other interest receivable and similar income	4	-	497
Interest payable and similar charges	5	(933)	(466)
Profit on ordinary activities before taxation		2,385,146	1,177,347
Tax on profit on ordinary activities	6	-	-
Profit for the year	11	2,385,146	1,177,347

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 2009

	Notes	2009 £	£	2008 £	£
Current assets					
Debtors	7	7,520,716		5,342,828	
Cash at bank and in hand		66,998		165,702	
		<u>7,587,714</u>		<u>5,508,530</u>	
Creditors amounts falling due within one year	8	<u>(249,143)</u>		<u>(555,105)</u>	
Total assets less current liabilities		<u>7,338,571</u>		<u>4,953,425</u>	
Capital and reserves					
Called up share capital	10	100,000		100,000	
Profit and loss account	11	<u>7,238,571</u>		<u>4,853,425</u>	
Shareholders' funds	12	<u>7,338,571</u>		<u>4,953,425</u>	

Approved by the Board and authorised for issue on July 23, 2010



Director

Company Registration No 2337754

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 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

1.5 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

1.6 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 (loss)/profit

	2009	2008
	£	£
Operating (loss)/profit is stated after charging		
(Profit) / Loss on foreign exchange transactions	691,695	(1,051,032)
- Other assets	168,070	167,201
Auditors' remuneration	20,770	18,485

In 2000 the company accrued for stock to be purchased from group companies and the amount due was included as a reduction in the amounts owed by parent and fellow subsidiary undertakings. This debt was waived as of 31 December 2009 creating an amount of £2,858,022 shown as exceptional income in these accounts

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

4	Investment income	2009	2008
		£	£
	Interest from group undertakings	104,367	-
	Bank interest	-	497
		<u>104,367</u>	<u>497</u>
5	Interest payable	2009	2008
		£	£
	On bank loans and overdrafts	933	466
		<u>933</u>	<u>466</u>
6	Taxation	2009	2008
	Current tax charge	-	-
		<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	2,385,146	1,177,347
		<u>2,385,146</u>	<u>1,177,347</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.00%)	667,841	329,657
		<u>667,841</u>	<u>329,657</u>
	Effects of		
	Non deductible expenses	-	26,973
	Tax losses utilised	-	(238,738)
	Group relief claimed/surrendered	122,394	(117,892)
	Other tax adjustments	(790,235)	-
		<u>(667,841)</u>	<u>(329,657)</u>
	Current tax charge	-	-
		<u>-</u>	<u>-</u>
7	Debtors	2009	2008
		£	£
	Amounts owed by parent and fellow subsidiary undertakings	7,493,445	5,272,253
	Other debtors	9,319	10,670
	Prepayments and accrued income	17,952	59,905
		<u>7,520,716</u>	<u>5,342,828</u>

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2009**

8	Creditors amounts falling due within one year	2009	2008
		£	£
	Bank loans and overdrafts	4,081	3,200
	Trade creditors	5,449	1,185
	Amounts owed to parent and fellow subsidiary undertakings	60,677	289,431
	Taxes and social security costs	35,726	76,989
	Other creditors	6,378	12,509
	Accruals and deferred income	136,832	171,791
		<u>249,143</u>	<u>555,105</u>
9	Pension and other post-retirement benefit commitments		
	Defined contribution		
		2009	2008
		£	£
	Contributions payable by the company for the year	<u>41,210</u>	<u>35,750</u>
10	Share capital	2009	2008
		£	£
	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>
11	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 January 2009		4,853,425
	Profit for the year		2,385,146
	Balance at 31 December 2009		<u>7,238,571</u>

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

12 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Profit for the financial year	2,385,146	1,177,347
Opening shareholders' funds	4,953,425	3,776,078
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>7,338,571</u>	<u>4,953,425</u>

13 Employees

Number of employees

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

	2009	2008
	Number	Number
Technical	2	2
Selling and distribution	13	14
Marketing and administration	4	4
	<u>19</u>	<u>20</u>

Employment costs

	2009	2008
	£	£
Wages and salaries	961,018	1,145,994
Social security costs	128,709	142,868
Other pension costs	41,210	35,750
	<u>1,130,937</u>	<u>1,324,612</u>

14 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.

ATMEL U.K., LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2009**

15 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