



**SEMTECH LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 26 JANUARY 2020**

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**SEMTECH LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	E N Chukwu J T Gutierrez
<b>Company secretary</b>	J T Gutierrez
<b>Registered number</b>	SC053259
<b>Registered office</b>	4th Floor Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
<b>Independent auditor</b>	Wilkins Kennedy Audit Services Statutory Auditor Carnac Place Cams Hall Estate Fareham Hampshire PO16 8UY

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**SEMTECH LIMITED**

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**CONTENTS**

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	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditor's report</b>	3 - 5
<b>Statement of income and retained earnings</b>	6
<b>Statement of financial position</b>	7 - 8
<b>Notes to the financial statements</b>	9 - 19

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## SEMTECH LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 26 JANUARY 2020

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The directors present their report and the financial statements for the year ended 26 January 2020.

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

#### **Directors**

The directors who served during the year were:

E N Chukwu  
J T Gutierrez

#### **Future developments**

Under the 2015 contract R & D agreement, Semtech Limited will continue to support Semtech International AG and Semtech Canada Corporation with R & D.

Semtech Limited will continue to support Semtech International AG and Semtech Canada Corporation as required providing research and development services based on the business needs and the individual skillset from hired employees. Business will continue with no plan for a reduction or increase in staff.



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**SEMTECH LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 26 JANUARY 2020**

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**Going concern**

Following the outbreak of the Coronavirus (COVID-19) in 2020, the business activities of the Semtech Group have been affected. Local management is monitoring as well as assessing the impact on the local business for the financial year 2021. The situation is rapidly changing and additional impacts to the business may arise that we are not aware of currently. While this disruption is currently expected to be temporary, there is uncertainty around the duration. This subsequent event is a non-adjusting event for the year ended January 26 2020 but the ultimate impact of the pandemic on the Company's results for the calendar year 2020 on operations, financial position cannot be reasonably estimated at this time. Given the measures taken to face the impacts and challenges of the COVID-19 pandemic management and the board of directors are in no substantial doubt about the Company's ability to continue as a going concern.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**E N Chukwu**  
Director

Date: 30 July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMTECH LIMITED

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**Opinion**

We have audited the financial statements of Semtech Limited (the 'Company') for the year ended 26 January 2020, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, 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 Financial Reporting Standard 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 26 January 2020 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.

Page 2

**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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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



We have nothing to report in this regard.

#### **Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- 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 in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 1, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMTECH LIMITED (CONTINUED)

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**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: [www.frc.org.uk/auditorsresponsibilities](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.

Zara Hogg BA FCA (Senior statutory auditor)  
for and on behalf of

**Wilkins Kennedy Audit Services**

Statutory Auditor  
Cams Hall Estate  
Fareham  
Hampshire  
PO16 8UY

31 July 2020

	Note	2020 \$	2019 \$
Turnover		6,835,480	6,557,528
Cost of sales		<b>(6,571,955)</b>	<i>(6,705,531)</i>
<b>Gross profit/(loss)</b>		<b>263,525</b>	<i>(148,003)</i>
Administrative expenses		<b>(23,474)</b>	<i>(3,416)</i>
Other operating income	4	<b>274,072</b>	<i>169,902</i>
<b>Operating profit</b>		<b>514,123</b>	<i>18,483</i>
Interest receivable and similar income		<b>564</b>	<i>1,881</i>
Interest payable and expenses		-	<i>141</i>
<b>Profit before tax</b>		<b>514,687</b>	<i>20,505</i>
Tax on profit		<b>98,003</b>	<i>(108,177)</i>
<b>Profit/(loss) after tax</b>		<b><u>612,690</u></b>	<i><u>(87,672)</u></i>
Retained earnings at the beginning of the year		<b>5,869,890</b>	<i>5,957,562</i>
		<b>5,869,890</b>	<i>5,957,562</i>
Profit/(loss) for the year		<b>612,690</b>	<i>(87,672)</i>
<b>Retained earnings at the end of the year</b>		<b><u>6,482,580</u></b>	<i><u>5,869,890</u></i>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 19 form part of these financial statements.

**SEMTECH LIMITED**  
**REGISTERED NUMBER: SC053259**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 26 JANUARY 2020**

	<b>Note</b>	<b>26 January 2020 \$</b>	<i>27 January 2019 \$</i>
<b>Fixed assets</b>			
Tangible assets	8	<b>2,815,841</b>	<i>3,272,968</i>
		<b>2,815,841</b>	<i>3,272,968</i>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	9	<b>11,076</b>	<i>1,431</i>
Debtors: amounts falling due within one year	9	<b>2,971,170</b>	<i>3,776,537</i>
Cash at bank and in hand	10	<b>2,987,818</b>	<i>1,747,741</i>
		<b>5,970,064</b>	<i>5,525,709</i>
Creditors: amounts falling due within one year	11	<b>(2,051,107)</b>	<i>(2,646,756)</i>
<b>Net current assets</b>		<b>3,918,957</b>	<i>2,878,953</i>
<b>Total assets less current liabilities</b>		<b>6,734,798</b>	<i>6,151,921</i>
Creditors: amounts falling due after more than one year	12	<b>(55,181)</b>	<i>(63,780)</i>
<b>Provisions for liabilities</b>			
Deferred tax	7	<b>(43,335)</b>	<i>(57,232)</i>
Other provisions	13	<b>(139,695)</b>	<i>(147,012)</i>
		<b>(183,030)</b>	<i>(204,244)</i>
<b>Net assets</b>		<b>6,496,587</b>	<i>5,883,897</i>
<b>Capital and reserves</b>			
Called up share capital	14	<b>125</b>	<i>125</i>
Share premium account		<b>13,882</b>	<i>13,882</i>
Profit and loss account		<b>6,482,580</b>	<i>5,869,890</i>
		<b>6,496,587</b>	<i>5,883,897</i>

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 26 JANUARY 2020**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**E N Chukwu**  
Director

Date: 30 July 2020

The notes on pages 9 to 19 form part of these financial statements.

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**SEMTECH LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 JANUARY 2020**

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Semtech Limited (SC053259) is a private company, limited by shares, incorporated and domiciled in the UK and registered in Scotland. The Company's registered address is 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN. The Company's place of trade is Endeavour House 2nd Floor, Coopers End Road, Stansted, CM24 1SJ. These financial statements are presented in US dollars and that is the functional currency due to the primary economic environment in which the company operates.

## **2. Accounting policies**

### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

### **2.2 Going concern**

Following the outbreak of the Coronavirus (COVID-19) in 2020, the business activities of the Semtech Group has been affected. Local management is monitoring as well as assessing the impact on the local business for the financial year 2021. The situation is rapidly changing and additional impacts to the business may arise that we are not aware of currently. While this disruption is currently expected to be temporary, there is uncertainty around the duration. This subsequent event is a non-adjusting event for the year ended January 26 2020 but the ultimate impact of the pandemic on the Company's results for the year 2020 on operations, financial position cannot be reasonably estimated at this time. Given the measures taken to face the impacts and challenges of the COVID-19 pandemic management and the board of directors are in no substantial doubt about the Company's ability to continue as a going concern.

### **2.3 Revenue**

The only income generated is from Semtech International AG and Semtech Canada Corporation, and this is recognised on a cost plus basis.

### **2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Page 8

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

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**SEMTECH LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 JANUARY 2020**

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**2. Accounting policies (continued)**

**2.5 Interest income**

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

**2.6 Finance costs**

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

**2.8 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.



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**SEMTECH LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 JANUARY 2020**

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**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by

the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## **2.10 Development costs**

Research and development expenditure is written off as incurred.

## **2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 3-8 years straight line basis
Fixtures and fittings	- 7-8 years straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

**2. Accounting policies (continued)**

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.14 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.15 Long term equity incentive plans**

The ultimate parent company operates cash and equity settled long term equity incentive plans, whereby options and restricted stock unit (RSU) awards are granted to employees of the UK operation. In accordance with FRS 102 Section 26 Share-based Payments, provision is also made for the fair value of share options and restricted stock units unexercised at the balance sheet date.

**2.16 Foreign currency translation**

The Group, of which Semtech Limited is a member, reports financial performance in US Dollar, which is also its functional currency. Profit and loss account transactions incurred in GB pounds sterling ("GBP") or other currencies are translated into USD at the average rate for the accounting period being presented. Monetary assets and liabilities denominated in GBP or other currencies are translated into USD at the closing rates at the balance sheet date. Non-monetary assets and liabilities are recorded at historical cost, translated into USD, at the rate prevailing at the transaction date. Differences on translation are included in the profit and loss account for the year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 JANUARY 2020**

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**2. Accounting policies (continued)**

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.18 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the process of applying the Company's accounting policies, which are described in Note 2, management has made some judgments that have a significant effect on the amounts recognised in the financial statements.

These also include key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The key sources of estimation uncertainty that may have a significant effect on the amounts recognised in the financial statements are;

i) Useful economic lives of tangible and intangible assets.

ii) Valuation and creditor amounts in respect of the long term equity incentive plans.

The valuation methods used will impact upon the values included within the accounts.

**SEMTECH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 JANUARY 2020**

**4. Other operating income**

	<b>2020</b>	<i>2019</i>
	\$	\$
Research and development tax credit	<u><b>274,072</b></u>	<u><i>169,902</i></u>

**5. Auditor's remuneration**

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled \$11,825 (*2019 - \$12,535*).

**6. Employees**

The average monthly number of employees, including directors, during the year was 28 (*2019 - 28*).

**7. Taxation**

	<b>2020</b>	<i>2019</i>
	\$	\$
<b>Corporation tax</b>		
Current tax on profits for the year	<b>(84,325)</b>	<i>50,945</i>
<b>Total current tax</b>	<u><b>(84,325)</b></u>	<u><i>50,945</i></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(13,678)</b>	<i>57,232</i>
<b>Total deferred tax</b>	<u><b>(13,678)</b></u>	<u><i>57,232</i></u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u><b>(98,003)</b></u>	<u><i>108,177</i></u>

## SEMTECH LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 JANUARY 2020**


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**7. Taxation (continued)****Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	<b>2020</b>	<i>2019</i>
	\$	\$
Profit on ordinary activities before tax	<b><u>514,687</u></b>	<u>20,505</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>97,791</b>	<i>3,896</i>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>(5,433)</b>	<i>44,701</i>
Capital allowances for year/period in excess of depreciation	<b>44,727</b>	<i>(14,761)</i>
Deferred tax movement	<b>(13,678)</b>	<i>57,232</i>
Changes in provisions leading to an increase (decrease) in the tax charge	<b>(26,087)</b>	<i>-</i>
Other tax adjustment	<b>(195,323)</b>	<i>17,109</i>
<b>Total tax charge for the year/period</b>	<b><u>(98,003)</u></b>	<u>108,177</u>

**Factors that may affect future tax charges**

There are unrelieved capital losses of \$61,719 (2018: \$61,719) to be offset against future capital gains.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 JANUARY 2020**

**8. Tangible fixed assets**

	<b>Plant and machinery</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	\$	\$	\$
<b>Cost or valuation</b>			
At 28 January 2019	7,630,621	573,514	8,204,135
Additions	574,193	39,890	614,083
Disposals	(66,214)	-	(66,214)
At 26 January 2020	<u>8,138,600</u>	<u>613,404</u>	<u>8,752,004</u>
<b>Depreciation</b>			
At 28 January 2019	4,756,334	174,833	4,931,167
Charge for the year on owned assets	968,486	82,801	1,051,287
Disposals	(46,291)	-	(46,291)
At 26 January 2020	<u>5,678,529</u>	<u>257,634</u>	<u>5,936,163</u>
<b>Net book value</b>			
At 26 January 2020	<u>2,460,071</u>	<u>355,770</u>	<u>2,815,841</u>
<i>At 27 January 2019</i>	<u>2,874,287</u>	<u>398,681</u>	<u>3,272,968</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 JANUARY 2020**

**9. Debtors**

	<b>26 January 2020</b>	<i>27 January 2019</i>
	\$	\$
<b>Due after more than one year</b>		
Prepayments and accrued income	<u><b>11,076</b></u>	<u><i>1,431</i></u>
	<b>26 January 2020</b>	<i>27 January 2019</i>
	\$	\$
<b>Due within one year</b>		
Amounts owed by group undertakings	<b>2,097,617</b>	<i>2,898,246</i>
Other debtors	<b>773,080</b>	<i>776,795</i>
Prepayments and accrued income	<b>100,473</b>	<i>101,496</i>
	<u><b>2,971,170</b></u>	<u><i>3,776,537</i></u>

**10. Cash and cash equivalents**

	<b>26 January 2020</b>	<i>27 January 2019</i>
	\$	\$
Cash at bank and in hand	<u><b>2,987,818</b></u>	<u><i>1,747,741</i></u>

**11. Creditors: Amounts falling due within one year**

	<b>26 January 2020</b>	<i>27 January 2019</i>
	\$	\$
Trade creditors	<b>69,897</b>	<i>171,285</i>
Other taxation and social security	<b>71,436</b>	<i>85,291</i>
Other creditors	<b>1,053,297</b>	<i>1,116,594</i>
Accruals and deferred income	<b>856,477</b>	<i>1,273,586</i>
	<u><b>2,051,107</b></u>	<u><i>2,646,756</i></u>



## SEMTECH LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 JANUARY 2020**


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**12. Creditors: Amounts falling due after more than one year**

	<b>26 January 2020</b>	<i>27 January 2019</i>
	\$	\$
Accruals and deferred income	<u><b>55,181</b></u>	<u><i>63,780</i></u>

**13. Provisions**

	<b>Other provision</b>
	\$
At 28 January 2019	<b>147,012</b>
Utilised in year	<b>(7,317)</b>
<b>At 26 January 2020</b>	<u><b>139,695</b></u>

The provisions relate to the potential National Insurance Contributions arising on the exercise of share options under the Unapproved Share Option scheme of the ultimate parent undertaking, Semtech Corporation. The options outstanding at the Balance Sheet date may be exercised at any time after the right to do so has accrued.

**14. Share capital**

	<b>26 January 2020</b>	<i>27 January 2019</i>
	\$	\$
<b>Allotted, called up and fully paid</b>		
100 (2019 - 100) Ordinary shares of \$1.25 each	<u><b>125</b></u>	<u><i>125</i></u>

**15. Share based payments**

The ultimate parent company operates cash and equity settled long term equity incentive plans, whereby options and restricted stock unit (RSU) awards are granted to employees of the UK operation.

The fair value of options is determined by the application of the Black-Scholes valuation model, and the fair value of RSU awards is determined by the market value of the equity instrument at the date of grant.

At 26 January 2020 there were 2,750 (2019: 2,575) options which had vested but which had not been exercised.

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SEMTECH LIMITED

**16. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to \$107,421 (2019 - \$112,104). Contributions totalling \$9,001 (2019 - \$8,818) were payable to the fund at the reporting date.

**17. Commitments under operating leases**

At 26 January 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>26 January 2020</b>	<i>27 January 2019</i>
	\$	\$
Not later than 1 year	<b>150,992</b>	<i>154,725</i>
Later than 1 year and not later than 5 years	<b>566,221</b>	<i>571,833</i>
Later than 5 years	<b>213,905</b>	<i>368,515</i>
	<b><u>931,118</u></b>	<i><u>1,095,073</u></i>

**18. Related party transactions**

The company has taken advantage of the exemption available not to disclose any related party transactions occurring with wholly owned group companies.

**19. Controlling party**

The immediate parent undertaking of the company is Semtech (International) AG, a company incorporated in Switzerland.

At the balance sheet date, the ultimate parent undertaking and controlling party is Semtech Corporation, a company incorporated in the United States of America.

The results of the company are consolidated by Semtech Corporation and copies of its financial statements can be obtained from the registered office, 200 Flynn Road, Camarillo, USA.

