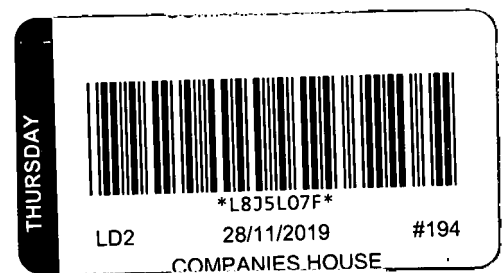


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019
FOR
CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED**



**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2019**

DIRECTORS:

K R Dolliver
B O Orndorff

SECRETARY:

Reed Smith Corporate Services Limited

REGISTERED OFFICE:

The Broadgate Tower
Third Floor
20 Primrose Street
London
EC2A 2RS

REGISTERED NUMBER:

03709300 (England and Wales)

AUDITORS:

Wilkins Kennedy Audit Services
Statutory Auditor
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED (REGISTERED NUMBER: 03709300)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

The directors present their report with the financial statements of the company for the year ended 28 February 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the licensing of intellectual property rights in respect of optoelectronic technologies.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2018 to the date of this report.

K R Dolliver
B O Orndorff

RISKS AND UNCERTAINTIES

As a subsidiary of Microsoft Inc, the principal risks and uncertainties of the company are now intrinsically linked to the other Microsoft group companies. Their performance continues to be reasonable and there is not considered to be a significant risk to the company's ongoing operations. The company is not considered to be at significant risk from environmental or other external influences.

FINANCIAL INSTRUMENTS

The company has various financial instruments such as intercompany balances, prepayments and accruals that arise directly from its operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are interest rate, liquidity risk, foreign currency and going concern risk:

Interest rate risk

The company has received loan advances from, and made loan advances to, its parent company on which interest is charged. The directors review the interest rate charged on a regular basis and considers the risk to the company to be reasonable.

Liquidity risk

The company had net cash balances as at the balance sheet date.

Going concern risk

The company has significant net assets. As such it is felt that the company has adequate financial resources to enable the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of this report and accordingly the directors are confident that this risk is reasonable.

Financial assets

The company has no financial assets other than short-term debtors.

**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED (REGISTERED NUMBER: 03709300)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

REVIEW OF BUSINESS

In the year under review turnover was £Nil.

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial, and the most significant of these are the key performance indicators (KPI's).

The key financial performance indicators are turnover, operating results, research and development expenditure and net assets or liabilities at the balance sheet date. These KPI's indicate the volume of work the company has undertaken as well as the efficiency and profitability, with which this work has been delivered.

The key performance indicators for the year ended 28 February 2019, with audited comparatives for 2018 and 2017 are set out below:

	2019	2018	2017
Turnover (£'000)	-	-	-
Turnover change	-	-	-
Net profit/(loss) (£'000)	(12)	(8)	(4)
Operating result change	(50)%	(105)%	66%
Net assets/(liabilities) (£'000)	195	207	215
Average number of employees	2	2	2

In respect of future developments, the directors currently anticipate no significant changes to the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself 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 provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


B O Orndorff - Director

Date: 26 November 2019

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED**

Opinion

We have audited the financial statements of Cambridge Flat Projection Displays Limited (the 'company') for the year ended 28 February 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 28 February 2019 and of its loss 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Report of the Directors.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

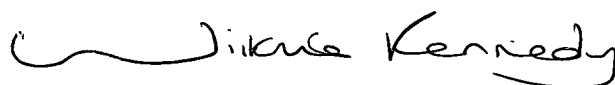
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

 Wilkins Kennedy Audit Services

Daniel Graves (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date: 27 November 2019

**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED (REGISTERED NUMBER: 03709300)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Notes	2019 £	2018 £
TURNOVER		-	-
Administrative expenses		<u>12,744</u>	<u>8,300</u>
OPERATING LOSS	3	(12,744)	(8,300)
Interest receivable and similar income		<u>891</u>	<u>412</u>
LOSS BEFORE TAXATION		(11,853)	(7,888)
Tax on loss	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(11,853)	(7,888)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(11,853)</u>	<u>(7,888)</u>

The notes form part of these financial statements

**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED (REGISTERED NUMBER: 03709300)**

**BALANCE SHEET
28 FEBRUARY 2019**

	Notes	2019 £	2018 £
CURRENT ASSETS			
Debtors	5	206,671	218,544
CREDITORS			
Amounts falling due within one year	6	<u>11,400</u>	<u>11,420</u>
NET CURRENT ASSETS		<u>195,271</u>	<u>207,124</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>195,271</u>	<u>207,124</u>
CAPITAL AND RESERVES			
Called up share capital	8	106	106
Share premium	9	388,909	388,909
Retained earnings	9	<u>(193,744)</u>	<u>(181,891)</u>
SHAREHOLDERS' FUNDS		<u>195,271</u>	<u>207,124</u>

The financial statements were approved by the Board of Directors on 26 November 2019 and were signed on its behalf by:

B O Omdorff - Director



The notes form part of these financial statements

**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED (REGISTERED NUMBER: 03709300)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 March 2017	106	(174,003)	388,909	215,012
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(7,888)</u>	<u>-</u>	<u>(7,888)</u>
Balance at 28 February 2018	<u>106</u>	<u>(181,891)</u>	<u>388,909</u>	<u>207,124</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(11,853)</u>	<u>-</u>	<u>(11,853)</u>
Balance at 28 February 2019	<u><u>106</u></u>	<u><u>(193,744)</u></u>	<u><u>388,909</u></u>	<u><u>195,271</u></u>

The notes form part of these financial statements

**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED (REGISTERED NUMBER: 03709300)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

1. STATUTORY INFORMATION

Cambridge Flat Projection Displays Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has net assets and it is felt that the company has adequate financial resources to enable the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of this report and accordingly the directors consider that the going concern basis is an appropriate basis for the preparation of these accounts.

The financial statements are presented in Sterling (£), which is also the functional currency of the company.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Exemption from preparing a strategic report

Exemption has been taken from preparing a strategic report under S414B (b) of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 on the grounds that the company would qualify as a small company were it not a member of an ineligible group.

3. OPERATING LOSS

The operating loss is stated after charging:

	2019	2018
	£	£
Auditors' remuneration	5,730	5,625
Auditors' remuneration for non audit work	1,185	2,363
Impairment provision in relation to current assets	<u>5,517</u>	<u>-</u>

**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED (REGISTERED NUMBER: 03709300)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019**

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 28 February 2019 nor for the year ended 28 February 2018.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Loss before tax	<u>(11,853)</u>	<u>(7,888)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(2,252)	(1,499)
Effects of: Amounts added to tax losses	<u>2,252</u>	<u>1,499</u>
Total tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

At the balance sheet date the company had a deferred tax assets in respect tax adjusted losses totalling £40,357 and which has been calculated at 17% (2018: £38,105 and calculated at 17%). This has not been incorporated as an asset in accordance with the company's accounting policy of deferred taxation.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Amounts owed by group undertakings	206,671	213,592
VAT	-	4,952
	<u>206,671</u>	<u>218,544</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	3,390	3,800
Accruals and deferred income	<u>8,010</u>	<u>7,620</u>
	<u>11,400</u>	<u>11,420</u>

7. FINANCIAL INSTRUMENTS

All financial assets, comprising amounts owed by group undertakings, VAT recoverable and cash at bank, and financial liabilities, comprising trade creditors, amounts owed to group undertakings and accruals, have been measured at amortised cost.

**CAMBRIDGE FLAT PROJECTION
DISPLAYS LIMITED (REGISTERED NUMBER: 03709300)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019**

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
1,025	Ordinary shares	£0.10	103	103
30	Ordinary non-voting shares	£0.10	3	3
			<u>106</u>	<u>106</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. The ordinary non-voting shares have attached to them non-voting rights, but with dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

9. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 March 2018	(181,891)	388,909	207,018
Deficit for the year	<u>(11,853)</u>		<u>(11,853)</u>
At 28 February 2019	<u>(193,744)</u>	<u>388,909</u>	<u>195,165</u>

10. ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking of the company, which is also the controlling undertaking, is Microsoft Corporation, a company incorporated in the state of Washington in the United States of America. Microsoft Corporation is the parent of the only group into which the results are consolidated. Copies of Microsoft Corporation's annual report are available on written request from the Investor Relations Department, at the registered address, Microsoft Corporation, 1 Microsoft Way, Redmond, Washington, 98052-6399, USA.

11. RELATED PARTY DISCLOSURES

As at 28 February 2019 and 28 February 2018, the company was a wholly owned subsidiary of Microsoft Corporation. The company has taken advantage of the exemption under paragraph 1.12(e) of FRS 102 and has therefore not disclosed transactions with other wholly owned entities of Microsoft Corporation.

Details of balances held with other group undertakings can be found in notes 5 and 6.