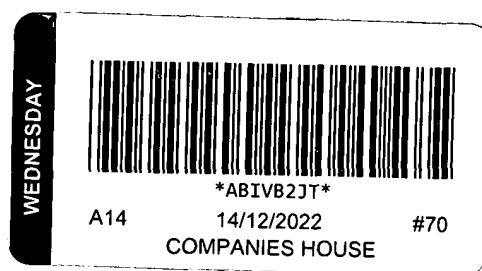


**CDT Oxford Limited**  
Annual Report and Financial Statements  
Registered Number 04421247  
31 March 2022



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## Directors' report

The directors present their report and financial statements for the year ended 31 March 2022.

### Principal activities

The principal activity of the Company is licensing of its patent portfolio relating to polymer, dendrimer and hybrid OLED materials.

### Business review

As shown in the Company's statement of comprehensive income on page 11, the Company's revenue was £136k (2021: £136k) and profit after tax was £109k (2021: £150k). This revenue represents royalties receivable from licenses. Profit after tax made in prior year reversing as it was no longer required.

On page 12 of the financial statements, the statement of financial position shows that the net assets at year-end has increased from £172k to £282k due to profitability in the year.

### Principal risks and uncertainties

The principal risks faced by the Company are as follows:

#### *Competitive risks*

Even if the technology is technically feasible, it may not be adopted by display manufacturers. Market acceptance of the polymer organic light emitting diode ("P-OLED"), and related technologies will depend, in part, upon this technology providing benefits comparable to or greater than those provided by competing technologies at an advantageous cost to manufacturers, and the adoption of products incorporating this technology by consumers.

There are alternatives to P-OLED technology, which may limit the Company's ability to commercialise it. These alternatives would include LCD and small molecule OLED technologies, including Quantum-Dot small molecule OLED displays.

Because the Company does not manufacture or sell any products to end users, it depends on the manufacturing capabilities of its licensed display manufacturers. Any difficulties or delays affecting their manufacturing processes or any decision to terminate or reduce their display manufacturing businesses could harm its business.

#### *Progress during the year*

The Company's ultimate parent and licensee has continued to supply P-OLED materials to display manufacturers who are mass-producing printable OLED display panels. Adoption of these panels into medium sized displays of 20-30 inches has continued. Large panel manufacturers have been developing mass-production printing methods for large substrates, leading to large display panels of 55 inches or more moving to the validation stage.

## **Directors' report (continued)**

### **Principal risks and uncertainties (continued)**

#### *Inflation*

The directors consider and monitor actively the risks to the future revenue of CDT Oxford Ltd. The global situation with inflationary pressures could impact the overall cost of downstream products utilising the Company's intellectual property due to increases in the cost of raw materials and labour costs.

However, since the products produced by our licences are highly innovative with attractive display properties, the inflationary pressures are not considered a significant risk or threat to the Company.

#### *Ukraine Conflict*

There is no direct impact from the ongoing conflict in Ukraine to the business and operations of the company. The indirect impact and risk to the business from the conflict is in relation to global price inflation. These risks and impacts are discussed above.

### **Proposed dividend**

The directors do not recommend the payment of a dividend (2021: £nil).

### **Directors**

The directors who held office during the year were as follows:

H Ueda  
I Kurimoto (Resigned 31<sup>st</sup> March 2022)  
R Wilson (Appointed 1<sup>st</sup> April 2021)  
T Yamada  
T Yamaguchi (Appointed 1<sup>st</sup> April 2022)

### **Directors' and officers' indemnity insurance**

The Company has taken out insurance to indemnify, against third party proceedings, the directors of the Company whilst serving on the board of the Company. This cover, together with that taken out by certain subsidiaries, where relevant, indemnifies all employees of the group who serve on the board of all subsidiaries, associates and joint ventures.

### **Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure during the year (2021: £nil).

### **Disclosure of information to auditor**

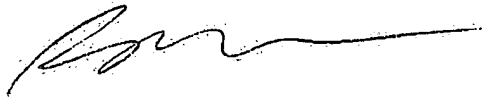
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## Directors' report (continued)

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**Richard Wilson**

*Director*

Unit 12 Cardinal Park  
Cardinal Way  
Godmanchester  
Cambridgeshire  
PE29 2XG

Date: 13 December 2022

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006) 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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of CDT Oxford Limited**

### **Opinion**

We have audited the financial statements of CDT Oxford Limited ("the company") for the year ended 31 March 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

## **Independent auditor's report to the members of CDT Oxford Limited (continued)**

### *Identifying and responding to risks of material misstatement due to fraud (continued)*

Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We did not identify any fraud risks, however the audit team remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue for the company is derived from royalty on patented products from the ultimate parent. This revenue stream is simple in nature and straightforward in its calculation and not exposed to a risk of fraudulent revenue recognition. We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedure identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to unrelated accounts linked to cash and borrowings.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequence of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, laws and regulations related to foreign corrupt practices, general data protection, registration and operation of the research and development business. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.



## **Independent auditor's report to the members of CDT Oxford Limited (continued)**

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)*

Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the

## **Independent auditor's report to the members of CDT Oxford Limited (continued)**

### **Directors' responsibilities (continued)**

going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Michael Scrivener (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR

Date: 13 December 2022

## Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 March 2022

	Note	2022 £	2021 £
Revenue	4	135,905	136,474
Cost of sales		<u>(1,058)</u>	<u>(574)</u>
Gross profit		134,847	135,900
Administrative expenses	6	<u>(242)</u>	13,856
Profit before tax		134,605	149,756
Taxation	8	<u>(25,575)</u>	-
Profit for the financial year		<u>109,030</u>	<u>149,756</u>
Total comprehensive income for the year		<u>109,030</u>	<u>149,756</u>

The notes on pages 15 to 25 form part of these financial statements.

The profit for the financial year and total comprehensive income for the year is all attributable to owners of the parent.

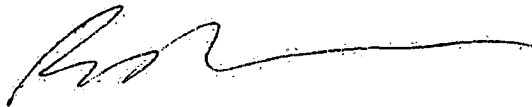
## Statement of Financial Position

As at 31 March 2022

	Note	2022 £	2021 £
<b>Current assets</b>			
Trade and other receivables	9	278,144	47,142
Cash and cash equivalents	10	29,644	125,729
<b>Total assets</b>		<b>307,788</b>	<b>172,871</b>
<b>Current liabilities</b>			
Trade and other payables	11	(26,275)	(388)
<b>Total liabilities</b>		<b>(26,275)</b>	<b>(388)</b>
<b>Net assets</b>		<b>281,513</b>	<b>172,483</b>
<b>Equity</b>			
Share capital	12	960	960
Share premium		1,550,846	1,550,846
Retained earnings		(1,270,293)	(1,379,323)
<b>Total equity</b>		<b>281,513</b>	<b>172,483</b>

The notes on page 15 to 25 form part of these financial statements.

These financial statements were approved by the board of directors on 13 December 2022 and were signed on its behalf by:



**R Wilson**

Director  
Company registered number: 04421247

## Statement of Changes in Equity

In the year ended 31 March 2022

	Share capital £	Share premium £	Retained earnings £	Total equity £
Balance at 1 April 2020	960	1,550,846	(1,529,079)	22,727
Profit for the year	-	-	149,756	149,756
Balance at 31 March 2021	960	1,550,846	(1,379,323)	172,483
Profit for the year	-	-	109,030	109,030
Balance at 31 March 2022	960	1,550,846	(1,270,293)	281,513

The notes on pages 15 to 25 form part of these financial statements.

## Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash flow from operating activities</b>			
Profit before tax for the year		134,605	149,756
<i>Adjustments for:</i>			
Tax payable	8	(25,575)	-
		109,030	149,756
Increase in trade and other receivables		(231,002)	(13,549)
Increase/(decrease) in trade and other payables		25,887	(15,454)
<b>Net cash (used in) / from operating activities</b>		<b>(96,085)</b>	<b>120,753</b>
Net (decrease) / increase in cash and cash equivalents		(96,085)	120,753
Cash and cash equivalents at beginning of year		125,729	4,976
<b>Cash and cash equivalents at end of year</b>	10	<b>29,644</b>	<b>125,729</b>

The notes on pages 15 to 25 form part of these financial statements.

## Notes

(Forming part of the financial statements)

### 1 General Information

The Company's principal activity is the licensing of its patent portfolio relating to polymer, dendrimer and hybrid OLED materials.

The Company is a limited liability company limited by shares incorporated and domiciled in the UK. The address of its registered office is Unit 12, Cardinal Way, Godmanchester, Cambridgeshire PE29 2XG.

### 2 Summary of Significant Accounting Policies

The Accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 2.1 Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006.

#### 2.2 Measurement Convention

These financial statements have been prepared under the historical cost convention. No critical accounting judgements were made in applying the Company's accounting policies described.

#### 2.3 Foreign currency translation

##### *Functional and presentational currency*

The financial statements are presented in GBP, which is the Company's functional and presentational currency.

##### *Transactions and balances*

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the start of the reporting month. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the start of the reporting month.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

## Notes (continued)

### 2.4 Financial Instruments

#### *Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### *Classification and subsequent measurement*

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow. This has been applied on a modified retrospective basis.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset at amortised cost is subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and bank balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.



## Notes (continued)

### 2.5 Impairment

#### *Expected credit losses*

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets (as defined in IFRS 15).

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### *Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### *Write-offs*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

#### *Financial assets (including receivables)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime Expected credit losses (ECLs) are the ECLs that result from all possible default events over the expected life of a financial instrument.

## Notes (continued)

### 2.5 Impairment (continued)

#### *Financial assets (including receivables) (continued)*

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### 2.6 Revenue recognition

Revenue is measured based on the considerations specified in a contract with a customer. All revenue is recognised at the point in time when the performance obligation is met.

#### *Performance obligations*

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

#### *Transaction price*

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by the parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices where appropriate. Given the bespoke nature of many of the company's research and development projects, which are performed under contract to the parent company, there are typically no observable stand-alone selling prices. As such transaction prices are typically estimated based on expected costs plus contract margin consistent with the company's pricing principles.

## Notes (continued)

### 2.6 Revenue recognition (continued)

#### *Revenue and profit recognition*

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the company determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the company's performance as it performs;
- the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the company's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

Using the framework above the Company has reviewed its own revenue streams as below:

#### *Royalties and license fees*

Non-refundable licence fees are recognised when they fall due and when the licence has been delivered and where the Company has no ongoing obligations under that licence. Once a license has been delivered, royalties are recorded as revenue when they become receivable and collection is reasonably assured. Where an extended obligation does exist, upfront license fees are amortised rateably as that obligation is delivered.

### 2.7 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## Notes (continued)

### 2.8 Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for the period up to 31 August 2024, which show that the Company has adequate cash resources to meet its day to day needs over this period. The Company receives royalty income from agreements with the ultimate parent company Sumitomo Chemical Co., Limited and the Directors expect to receive royalty income for at least the next 12 months from these agreements. Notwithstanding the above, the operational costs of the Company are minimal and the cash position is of an appropriate level such that the Company is able to withstand a period of reduced or no royalty income for a period of over 12 months.

Therefore, based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Thus, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

### 3 New standards, amendments and Interpretations

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective date 1 January 2021).

### 4 Revenue from contracts with customers

#### *Disaggregation of revenue*

In the following table, revenue is disaggregated by primary geographical market, major service lines and timing of revenue recognition.

Major service lines	Royalties & Licenses	
	2022	2021
	£	£
<b>Primary geographical markets</b>		
Asia	135,618	135,898
Europe	287	576
<b>Total</b>	<b>135,905</b>	<b>136,474</b>
<b>Timing of transfer of services</b>		
Services transferred at a point in time	135,905	136,474
<b>Total</b>	<b>135,905</b>	<b>136,474</b>

## Notes (continued)

### 4 Revenue from contracts with customers (continued)

#### *Contract balances*

The following table provides information about opening and closing receivables from contracts with customers.

	Note	2022 £	2021 £
Receivables	14	15,130	32,807

### 5 Auditor remuneration

The full amount of £3,000 (2021: £3,000) for auditor's remuneration has been borne by the parent company.

There were no fees paid to the Auditor for non-audit work.

### 6 Staff numbers and operating costs

#### *Staff numbers*

The company had no employees, and incurred no employee expenses, in either the current or prior periods.

#### *Operating Costs*

Operating costs are comprised up as follows:

	2022 £	2021 £
Bank charges	(242)	(144)
Reversal of provision no longer required	-	14,000
Total expenses	(242)	13,856

### 7 Directors' remuneration

The directors during the period were all directors of Cambridge Display Technology Limited and their remuneration was borne by that company. Although they do receive remuneration from that company in respect of services to this Company, it is not practicable to allocate this remuneration. Therefore, their remuneration has been disclosed in the financial statements of Cambridge Display Technology Limited.

## Notes (continued)

### 8 Taxation

#### *Analysis of charge for the current period*

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the United Kingdom (UK). The differences are explained below.

	2022 £	2021 £
Current tax reconciliation		
Profit on ordinary activities before tax	134,605	149,756
Current tax @ 19% (2021: 19%)	25,575	28,454
Effects of:		
Utilisation of tax losses previously unrecognised	-	(28,454)
Total tax charge	25,575	-
Tax losses remaining	-	-

#### *Factors affecting future tax charges*

In the March 3, 2021 Budget, it was announced that the U.K. tax rate will increase to 25% from April 1, 2023. This will have a consequential effect on the Company's future tax charge.

### 9 Trade and other receivables

	2022 £	2021 £
Amounts due from group undertakings	278,144	46,565
Other trade receivables	-	577
	278,144	47,142

## Notes (continued)

### 10 Cash and equivalents

	2022	2021
	£	£
Cash and cash equivalents per statement of financial position	<u>29,644</u>	<u>125,729</u>

### 11 Trade and other payables

	2022	2021
	£	£
Tax payable	25,575	-
Accrued expenses	<u>700</u>	<u>388</u>
	<u>26,275</u>	<u>388</u>

### 12 Share capital

	2022	2021
	£	£
<b>Authorised</b>		
1,000 Ordinary shares of £1 each (2021: 1,000)	<u>1,000</u>	<u>1,000</u>
	£	£
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each (2021: 1,000)	<u>960</u>	<u>960</u>
	<u>960</u>	<u>960</u>

The Ordinary shares were issued before 1 January 2010 when the functional currency of the entity was USD. The amounts shown for ordinary share capital therefore reflect the prevailing exchange rates at the date of issue. These were then translated on the change of functional currency to GBP on 1 January 2010.

## Notes (continued)

### 13 Financial instrument by category

The table below shows the carrying amounts and fair values of financial assets and liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Carrying amount
	2022	2021
	£	£
<b>Financial assets measured at amortised cost</b>		
Trade and other receivables (note 9)	278,144	47,142
Cash and cash equivalents (note 10)	29,644	125,729
Total loans and receivables	307,788	172,871
<b>Total financial assets</b>	<b>307,788</b>	<b>172,871</b>

### 14 Related parties

The Company is controlled by Cambridge Display Technology Limited (incorporated in UK), which owns 100% of the Company's shares and is the immediate parent company.

The Company is part of the CDT Holdings Limited Group which is a subsidiary undertaking of Sumitomo Chemical Co., Limited (incorporated in Japan) which is the ultimate parent company and controlling party.

The Company receives royalties from Sumitomo Chemical Co., Limited under a licence agreement.

The following transactions were carried out with related parties:

#### *Revenue generating transactions*

	2022	2021
	£	£
<b>Royalties</b>		
Sumitomo Chemical Co., Limited	135,618	135,898

Revenue is derived from a royalty agreement with the ultimate parent company and is recognised at the point in time when the royalty becomes due to the Company.

#### *Period-end balances arising from transactions with related parties*

	2022	2021
	£	£
<b>Receivables outstanding</b>		
Sumitomo Chemical Co., Limited (note 4)	15,130	32,807
Cambridge Display Technology Limited (note 9)	263,014	13,759
	<b>278,144</b>	<b>46,566</b>



## Notes (continued)

### 14 Related parties (continued)

#### *Period-end balances arising from transactions with related parties (continued)*

The receivables from Sumitomo Chemical Co., Limited are from sale transactions and are due one month after the date of sale. The receivables due from Cambridge Display Technology Limited relate to an intercompany balance. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties (2021: nil).

### 15 Ultimate controlling party

The Company is a subsidiary undertaking of CDT Holdings Limited, a company incorporated in the United Kingdom with its registered office at Unit 12 Cardinal Park, Cardinal Way, Godmanchester, Cambridgeshire, PE29 2XG.

The largest and smallest group in which the results of the Company are consolidated is that headed by CDT Holdings Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company's ultimate parent undertaking is Sumitomo Chemical Co., Limited, a company incorporated in Japan and listed on the first section of the Tokyo Stock Exchange.

The registered address of Sumitomo Chemical Co., Limited is 2-7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6020, Japan.