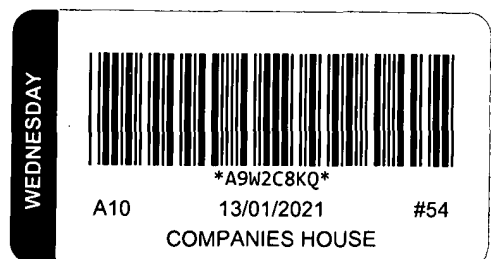


**REGISTERED NUMBER: 07703538 (England and Wales)**

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020  
FOR  
AFFIRMED NETWORKS UK LIMITED**



---

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Income Statement</b>	<b>8</b>
<b>Other Comprehensive Income</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Cash Flow Statement</b>	<b>12</b>
<b>Notes to the Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14</b>

---

**AFFIRMED NETWORKS UK LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 JANUARY 2020**

**DIRECTORS:**

K R Dolliver  
B O Orndorff

**SECRETARY:**

Reed Smith Corporate Services Limited

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

07703538 (England and Wales)

**AUDITORS:**

Hayvenhursts Limited  
Fairway House  
Links Business Park  
St Mellons  
Cardiff  
CF3 0LT

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JANUARY 2020**

The directors present their strategic report for the year ended 31 January 2020.

**PRINCIPAL ACTIVITIES**

Affirmed Networks UK Limited markets and deploys wireless network-based solutions for telecommunication service providers and operators.

**REVIEW OF BUSINESS**

**Key performance indicators**

The key financial and other performance indicators during the period, for the company, were as follows:

	2020	2019	Change
	£'000	£'000	%
Turnover	14,926	15,220	(2)
Operating profit	711	725	(2)
Profit after tax	518	530	(2)
Profit and loss reserves	2,014	1,496	35
Current assets as % of current liabilities (quick ratio)	182%	152%	20
Average number of employees	87	78	12

Turnover and average employees are used to track the growth of the business. This is a key area of strategic focus for the Board.

Operating profit and profit after tax are used to track the underlying performance of the business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties the Company faces are broadly grouped as competitive, industry, and financial instrument risk.

**COMPETITIVE RISKS**

The market has competition with substitute products and larger companies.

**INDUSTRY RISKS**

The industry is one that continues to present rapid technological changes.

**FINANCIAL INSTRUMENT RISKS**

The company has established a risk and financial framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives.

*The objectives aim to ensure sufficient working capital exists and monitor the management of risk for the company.*

**POST BALANCE SHEET EVENTS**

The COVID-19 outbreak is a non-adjusting event with no impact on the company.

**GOING CONCERN**

Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JANUARY 2020**

**FUTURE DEVELOPMENTS**

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further significant growth in sales from continuing operations.

In March 2020, Microsoft Corporation (Microsoft) signed a definitive agreement to acquire Affirmed Networks, Inc. (Affirmed), the parent company of Affirmed Networks UK Limited. The acquisition was completed in April 2020, whereby Affirmed became a wholly-owned subsidiary of Microsoft. The acquisition enables Microsoft to evolve and expand its work within the telecommunications industry, building on its secure and trusted platform for operators. The acquisition also enables Affirmed to offer new and innovative solutions tailored to the unique needs of operators, including managing their networks in the cloud.

**ON BEHALF OF THE BOARD:**

  
.....  
K R Doherty - Director

Date: 7 January 2021

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JANUARY 2020**

The directors present their report with the financial statements of the company for the year ended 31 January 2020.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 January 2020.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors who have held office during the period from 1 February 2019 to the date of this report are as follows:

Dr. H M Ahmed - resigned 20 September 2019  
A Krishnamurthy - appointed 20 September 2019

K R Dolliver and B O Omdorff were appointed as directors after 31 January 2020 but prior to the date of this report.

G W Hale and A Krishnamurthy ceased to be directors after 31 January 2020 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**AUDITORS**

The auditors, Hayvenhursts Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
K R Dolliver Director

Date: 7 January 2021

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AFFIRMED NETWORKS UK LIMITED**

### **Opinion**

We have audited the financial statements of Affirmed Networks UK Limited (the 'company') for the year ended 31 January 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 31 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.

### **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 12 months from the date of approval of these financial statements.

### **Emphasis of matter**

We draw attention to note 14 of the financial statements which describe the economic disruption the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AFFIRMED NETWORKS UK LIMITED**

### **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 Strategic Report or 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.

### **Responsibilities of directors**

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

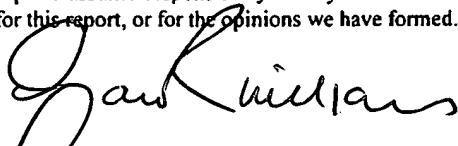
### **Auditors' responsibilities for the audit of the financial statements**

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](http://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.



Gareth B. Williams (Senior Statutory Auditor)  
for and on behalf of Hayvenhursts Limited  
Fairway House  
Links Business Park  
St Mellons  
Cardiff  
CF3 0LT

Date: 11<sup>th</sup> January 2020

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>		14,926,238	15,219,551
Administrative expenses		(14,215,464)	(14,494,811)
<b>OPERATING PROFIT</b>	4	710,774	724,740
Interest receivable and similar income		2,788	2,003
<b>PROFIT BEFORE TAXATION</b>		713,562	726,743
Tax on profit	5	(195,113)	(196,562)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		518,449	530,181

The notes form part of these financial statements

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2020**

	Notes	2020 £	2019 £
<b>PROFIT FOR THE YEAR</b>		518,449	530,181
<b>OTHER COMPREHENSIVE INCOME</b>			
Fixed asset investment revaluation		(799)	(736)
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>(799)</u>	<u>(736)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>517,650</u></u>	<u><u>529,445</u></u>

The notes form part of these financial statements

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**BALANCE SHEET  
31 JANUARY 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	6	53,859	67,700
Investments	7	27,705	28,504
		<u>81,564</u>	<u>96,204</u>
<b>CURRENT ASSETS</b>			
Debtors	8	4,160,307	3,855,870
Cash at bank		124,789	239,798
		<u>4,285,096</u>	<u>4,095,668</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(2,352,435)	(2,696,096)
<b>NET CURRENT ASSETS</b>		<u>1,932,661</u>	<u>1,399,572</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,014,225</u>	<u>1,495,776</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Retained earnings	11	2,014,125	1,495,676
<b>SHAREHOLDERS' FUNDS</b>		<u>2,014,225</u>	<u>1,495,776</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 January 2021 and were signed on its behalf by:

  
K-R Dolliver - Director

The notes form part of these financial statements

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 February 2018</b>	100	965,495	965,595
<b>Changes in equity</b>			
Total comprehensive income	-	530,181	530,181
<b>Balance at 31 January 2019</b>	<u>100</u>	<u>1,495,676</u>	<u>1,495,776</u>
<b>Changes in equity</b>			
Total comprehensive income	-	518,449	518,449
<b>Balance at 31 January 2020</b>	<u><u>100</u></u>	<u><u>2,014,125</u></u>	<u><u>2,014,225</u></u>

The notes form part of these financial statements

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(32,001)	41,211
Tax paid		(35,975)	(117,617)
<b>Net cash from operating activities</b>		<u>(67,976)</u>	<u>(76,406)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(50,620)	(65,224)
Interest received		2,788	2,003
<b>Net cash from investing activities</b>		<u>(47,832)</u>	<u>(63,221)</u>
<b>Cash flows from financing activities</b>			
Revaluation of investment		799	736
<b>Net cash from financing activities</b>		<u>799</u>	<u>736</u>
<b>Decrease in cash and cash equivalents</b>		<u>(115,009)</u>	<u>(138,891)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	239,798	378,689
<b>Cash and cash equivalents at end of year</b>	2	<u>124,789</u>	<u>239,798</u>

The notes form part of these financial statements

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2020**

<b>1 RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS</b>			
	<b>2020</b>	<b>2019</b>	
	<b>£</b>	<b>£</b>	
Profit before taxation	713,562	726,743	
Depreciation charges	64,461	65,220	
Finance income	(2,788)	(2,003)	
	<u>775,235</u>	<u>789,960</u>	
Increase in trade and other debtors	(304,438)	(1,948,558)	
(Decrease)/increase in trade and other creditors	(502,798)	1,199,809	
	<u>(32,001)</u>	<u>41,211</u>	
<b>Cash generated from operations</b>			

**2 CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 January 2020**

	<b>31.1.20</b>	<b>1.2.19</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<u>124,789</u>	<u>239,798</u>

**Year ended 31 January 2019**

	<b>31.1.19</b>	<b>1.2.18</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<u>239,798</u>	<u>378,689</u>

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1.2.19</b>	<b>Cash flow</b>	<b>At 31.1.20</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Net cash			
Cash at bank	<u>239,798</u>	<u>(115,009)</u>	<u>124,789</u>
	<u>239,798</u>	<u>(115,009)</u>	<u>124,789</u>
<b>Total</b>	<u>239,798</u>	<u>(115,009)</u>	<u>124,789</u>

The notes form part of these financial statements

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**1. STATUTORY INFORMATION**

Affirmed Networks UK 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.

The presentation currency of the financial statements is the Pound Sterling (£).

**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 as modified by the revaluation of certain assets.

The directors have prepared the accounts on a going concern basis, which assumes that the company will achieve sufficient financial resources, in order to meet its short and medium term liability requirements. The company relies on the support of its parent company, Affirmed Networks, Inc. who have confirmed that they will continue to provide this for the foreseeable future.

**Turnover**

The company is contracted by its ultimate parent, Affirmed Networks, Inc, to provide marketing services within specific contractual regions. The company is remunerated by its parent for these services.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - Straight line over 2 years

Fixtures and Fittings - Straight line over 3 years

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.



**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2020**

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. All difference are taken to the Profit and loss Accounts.

**Pension costs and other post-retirement benefits**

The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 87 ( 2019 - 78).

	2020 £	2019 £
Directors' remuneration	<u>-</u>	<u>-</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	64,461	65,220
Auditors' remuneration	7,150	6,850
Foreign exchange differences	<u>214,016</u>	<u>460,822</u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	<u>195,113</u>	<u>196,562</u>
Tax on profit	<u>195,113</u>	<u>196,562</u>

**Tax effects relating to effects of other comprehensive income**

	2020 Gross £	Tax £	Net £
Fixed asset investment revaluation	<u>(799)</u>	<u>-</u>	<u>(799)</u>

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2020**

**5. TAXATION - continued**

	Gross £	2019 Tax £	Net £
Fixed asset investment revaluation	(736)	-	(736)

**6. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>Cost</b>			
At 1 February 2019	22,068	194,690	216,758
Additions	-	50,620	50,620
At 31 January 2020	22,068	245,310	267,378
<b>Depreciation</b>			
At 1 February 2019	10,074	138,984	149,058
Charge for year	7,356	57,105	64,461
At 31 January 2020	17,430	196,089	213,519
<b>Net book value</b>			
At 31 January 2020	4,638	49,221	53,859
At 31 January 2019	11,994	55,706	67,700

**7. FIXED ASSET INVESTMENTS**

	Shares in group undertaking £
<b>Cost or valuation</b>	
At 1 February 2019	28,504
Revaluations	(799)
At 31 January 2020	27,705
<b>Net book value</b>	
At 31 January 2020	27,705
At 31 January 2019	28,504

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2020**

**7 FIXED ASSET INVESTMENTS - continued**

Cost or valuation at 31 January 2020 is represented by:

	Shares in group undertaking £
Valuation in 2015	244
Valuation in 2016	1,179
Valuation in 2017	726
Valuation in 2018	(736)
Valuation in 2019	(799)
Cost	27,091
	<u>27,705</u>

If fixed asset investments had not been revalued they would have been included at the following historical cost:

	2020 £	2019 £
Cost	28,504	29,240
	<u>28,504</u>	<u>29,240</u>

Fixed asset investments were valued on an open market value basis on 31 January 2020 by the directors.

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Affirmed Networks France EN**

Registered office:

Nature of business: Sales and marketing services

Class of shares:	%
Ordinary	holding 100.00

**Affirmed Networks Czech Republic sro**

Registered office:

Nature of business: Sales and marketing services

Class of shares:	%
Ordinary	holding 99.00

**Affirmed Networks Spain, S.L.**

Registered office:

Nature of business: Sales, marketing and support services

Class of shares:	%
Ordinary	holding 100.00

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2020**

**7. FIXED ASSET INVESTMENTS - continued**

**Affirmed Networks Canada Limited**

Registered office:

Nature of business: Sales, marketing and support services

Class of shares:	%
Class A Common	holding 100.00

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Amounts owed by group undertakings	3,745,636	3,570,865
Other debtors	54,576	56,095
VAT	18,402	20,720
Deferred tax asset	227,454	110,964
Prepayments	114,239	97,226
	<u>4,160,307</u>	<u>3,855,870</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	278,667	295,408
Amounts owed to group undertakings	159,100	85,611
Tax	253,807	94,669
Accrued expenses	1,660,861	2,220,408
	<u>2,352,435</u>	<u>2,696,096</u>

**10. CALLED UP SHARE CAPITAL**

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2020	2019
		£ 1	£	£
100	Ordinary		<u>100</u>	<u>100</u>

**11. RESERVES**

	Retained earnings
	£
At 1 February 2019	1,495,676
Profit for the year	518,449
At 31 January 2020	<u>2,014,125</u>

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2020**

**12. CONTINGENT LIABILITIES**

In the opinion of the directors, there were no capital or financial liabilities as at 31 January 2020 (2019: Nil).

**13. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**14. POST BALANCE SHEET EVENTS**

In March 2020, Microsoft Corporation (Microsoft) signed a definitive agreement to acquire Affirmed Networks, Inc. (Affirmed), the parent company of Affirmed Networks UK Limited. The acquisition was completed in April 2020, whereby Affirmed became a wholly-owned subsidiary of Microsoft. The acquisition enables Microsoft to evolve and expand its work within the telecommunications industry, building on its secure and trusted platform for operators. The acquisition also enables Affirmed to offer new and innovative solutions tailored to the unique needs of operators, including managing their networks in the cloud.

In late 2019, a cluster of cases displaying symptoms of a "pneumonia of unknown cause" now known as Coronavirus or Covid -19 were identified in Wuhan, the capital of China's Hubei province. On 30th January 2020, the International Health Regulations Emergency Committee of the World health Organisation (WHO) declared the outbreak a "public Health Emergency of International Concern". Since then more cases have been diagnosed, also in other countries, measures were taken and policies imposed by China and other countries.

The directors are of the opinion that disclosure is necessary due to the material nature but not considered to be an adjusting event. The directors have assessed the risk at a group level but are unable to quantify the financial effect on the entity due to the high degree of uncertainty of the event.

**AFFIRMED NETWORKS UK LIMITED (REGISTERED NUMBER: 07703538)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JANUARY 2020**

**15. SHARE-BASED PAYMENT TRANSACTIONS**

Employees of the company are entitled to participate in the share incentive scheme of the parent company Affirmed Networks, Inc. Details of the scheme are as follows:

Exercise price(\$) stock options	Balance b/f	Granted during the year	Exercised	Cancelled Forfeited/ during the year	Balance as at 31/01/2020
Balance b/f	2,013,621				
\$2.86		729,500			
			88,392		
				134,204	
<b>Total</b>	<b>2,013,621</b>	<b>729,500</b>	<b>88,392</b>	<b>134,204</b>	<b>2,520,525</b>

At 31 January 2020 there were 96 individuals who subscribed to the company's share option scheme.

The shares granted during the year were granted on the following dates:

Date options granted	Number of options	Exercise price (\$ )
19th June 2019	152,500	2.86
4th September 2019	61,500	2.86
5th December 2019	515,500	2.86

All shares vest over 5 years with 20% vesting on the first anniversary of the vesting start date and the remaining unvested shares vest in equal monthly installments thereafter.

Stock refresh grants vest over four years with 25% vesting on the first anniversary of the vesting start date and the remaining unvested shares vest in equal monthly installments thereafter.

Options granted under the Employee Referral program - vest 100% upon completion of the third month of employment for the referred employee.

**16. ULTIMATE PARENT COMPANY**

The company is a subsidiary undertaking of Affirmed Networks, Inc. incorporated in the USA. The largest and smallest group in which the results of the company are consolidated is that headed by Affirmed Networks, Inc., a company incorporated in the USA with its principal place of business at 35 Nagog Park, Acton, Massachusetts 01720, United States of America. No other group accounts include the results of the company.

The company's ultimate parent company Affirmed Networks, Inc. was acquired by Microsoft Corporation, on 22nd April 2020.