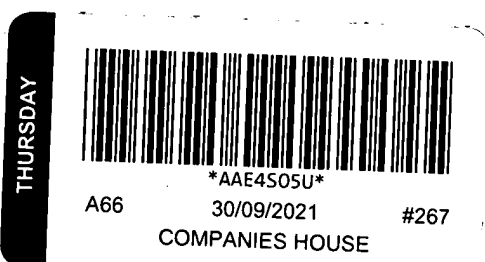


Company registration number: 09958334

DUALITAS LTD.

Directors' Report and Financial Statements

For the Year Ended 31 December 2020



DUALITAS LTD.
Financial Statements for the Year Ended 31 December 2020

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DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Directors and other information

Directors	Nationality	Date of Appointment
Jamieson Christmas	(British)	19 January 2016
Gautam Jivan Patel	(American)	1 January 2018
Rishi Nath Reddy	(American)	1 January 2018

Registered Office

Apollo House, 6 Bramley Road, Mount Farm, Milton Keynes, MK1 1PT, UK

Registered Number of Incorporation

09958334

Solicitors

K&L Gates LLP
One New Change, London, EC4M 9AF, United Kingdom

Bankers

JPMorgan Chase Bank,
25 Bank Street, Canary Wharf, London, E14 5JP, UK

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Directors' report

The directors present herewith their report and financial statements for the year ended 31 December 2020. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The company's registered number of incorporation is 09958334.

PRINCIPAL ACTIVITIES

Dualitas Ltd ('the company') is a wholly owned subsidiary of Dualitas Holdings Ltd, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is Lightfield Holdings, LP (the 'Dualitas group'), a company formed in the United States of America. The principal activity of the company is to carry on the business of developing technology to deliver holographic/augmented reality products and services, with a focus on the non-automotive industry.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The company incurred a loss of £3,092,101 (2019: £3,033,138) during the year ended 31 December 2020. The directors consider the financial position as indicated on the company statement of financial position to be satisfactory.

RESULTS FOR THE PERIOD AND DIVIDENDS

During the year, the Company incurred a loss before tax of £3,092,101 (2019: £3,033,138). After charging taxation of £nil (2019: £nil), an amount of £3,092,101 (2019: £3,033,138) was debited to reserves. Equity as at 31 December 2020 amounted to £1,597,961 (2019: £4,226,893).

No dividends were declared or paid by the company during the year ended 31 December 2020 (2019: £nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risk facing the company that could materially and adversely affect the company's future profit or financial position is the risk that the company's services will no longer be required by the Dualitas group. The commercial success of the Dualitas Group is dependent on the growth in customer adoption of new augmented reality technology related products and services. Other risks include, technology being superseded and loss of key staff.

HEALTH AND SAFETY OF EMPLOYEES

The wellbeing of the company's employees is safeguarded through strict adherence to health and safety standards. Health and safety legislation imposes certain requirements on employers and the company has taken the necessary action to ensure that it complies with the legislation, including the adoption of a Safety Statement.

ENVIRONMENTAL MATTERS

The company will seek to minimise adverse impacts on the environment from its activities, while continuing to address health, safety and economic issues. The company has complied with all legislation and regulations.

FUTURE DEVELOPMENTS

No significant future developments are planned by the company.

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Directors' report (continued)

IMPORTANT EVENTS SINCE THE BALANCE SHEET DATE

Since the balance sheet date, there have been no significant events affecting the Company.

DIRECTORS, COMPANY SECRETARY AND THEIR INTERESTS

The present directors are as listed on page 1.

The directors and secretary held no interest in the company requiring disclosure.

DIRECTORS' LIABILITIES

No liabilities subsisted to directors of the company throughout the year, and no indemnity provisions have been granted to any director during the year. No such indemnity provisions are in force as at the signing of the Director's report.

GOING CONCERN

Having made appropriate enquiries and reviewed the company's forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date of signing these financial statements. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

POLITICAL DONATIONS

No political donations were made by the company during the year (2019: £nil).

On behalf of the board of directors



Jamieson Christmas
29th September 2021

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year, and of the profit or loss of the company for the financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK' and UK 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 year. 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 and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- 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.

DUALITAS LTD.**Financial Statements for the Year Ended 31 December 2020**

Income statement and Statement of comprehensive income

For the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	2	14,043	124,598
Cost of sales		(5,732)	-
Gross profit / (loss)		8,311	124,598
Research and development expenses		-	-
Administrative expenses		(3,042,431)	(2,944,124)
Operating loss	3	(3,034,120)	(2,819,526)
Impairment of financial asset	8	(57,981)	(213,612)
(Loss) on disposal of financial asset	8	-	-
Loss on ordinary activities before taxation		(3,092,101)	(3,033,138)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation		(3,092,101)	(3,033,138)
Other comprehensive income		-	-
Total comprehensive loss for the year		(3,092,101)	(3,033,138)

The results for the year shown above are derived entirely from continuing activities.

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

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Statement of changes in equity

For the year ended 31 December 2020

	Called-up share capital presented as equity £	Capital contribution £	Profit and loss account £	Total shareholder's equity £
At 31 December 2018	100	26,769,212	(20,286,132)	6,483,180
Loss for the year	-	-	(3,033,138)	(3,033,138)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(3,033,138)	(3,033,138)
Capital contributions	-	776,851	-	776,851
At 31 December 2019	100	27,546,063	(23,319,270)	4,226,893
Loss for the year	-	-	(3,092,101)	(3,092,101)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(3,092,101)	(3,090,101)
Capital contributions	-	463,169	-	463,169
At 31 December 2020	100	28,009,232	(26,411,371)	1,597,961

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

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Statement of financial position

At 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	7	1,070,503	2,988,374
Tangible assets	6	197,528	344,590
Financial assets	8	-	-
		<u>1,268,031</u>	<u>3,332,964</u>
Current assets			
Debtors	9	338,787	795,859
Cash at bank and in hand	13 (b)	26,671	270,620
		<u>365,458</u>	<u>1,066,479</u>
Creditors (amounts falling due within one year)	10	(35,528)	(172,550)
Net current assets		<u>329,930</u>	<u>893,929</u>
Net assets		<u>1,597,961</u>	<u>4,226,893</u>
Capital and reserves			
Called up share capital presented as equity	11	100	100
Capital contributions	11	28,009,232	27,546,063
Profit and loss account		(26,411,371)	(23,319,270)
Total shareholder's deficit		<u>1,597,961</u>	<u>4,226,893</u>

For the year ending 31 December 2020, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on 29th September 2021 and signed on its behalf by:



Jamieson Christmas - Director

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

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Statement of cash flows

For the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash used in operations	13 (a)	(116,618)	(255,406)
Tax paid		-	(72,049)
Net cash outflow from operating activities		(116,618)	(327,455)
Investing activities			
Acquisition of investments		(57,981)	(76,112)
Purchase of intangible assets		(537,880)	(283,514)
Purchase of tangible fixed assets		(2,089)	-
Disposal of tangible fixed assets		7,450	-
Net cash outflow from investing activities		(590,500)	(359,626)
Financing activities			
Capital contributions		463,169	766,851
Net cash flow from financing activities		463,169	766,851
Increase / (decrease) in cash and cash equivalents		(243,949)	89,770
Cash and cash equivalents at the beginning of the year		270,620	180,850
Cash and cash equivalents at the end of the year	13 (b)	26,671	270,620

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements

1. Accounting policies

Statement of compliance

Dualitas Ltd. is a limited liability company incorporated in UK. The Registered Office is Apollo House, 6 Bramley Road, Mount Farm, Milton Keynes, Buckinghamshire, United Kingdom, MK1 1PT. The registered number of the company is 09958334 and it is domiciled in the United Kingdom.

The financial statements have been prepared in accordance with applicable accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in England and Wales, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in UK)".

Going concern

Having made appropriate enquiries and reviewed the company's forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date of signing these financial statements. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Basis of preparation and change in accounting policy

The financial statements are prepared in Great Britain Pounds Sterling ('£') which is the functional and presentational currency of the company.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements in accounting policies listed below:

a) Impairment of non-financial assets

The company's research results in knowhow that is protected with patents. Judgement is required of the revenue that can be generated from these patents. Management have determined that there is no impairment.

b) Taxation

Deferred tax on losses have not been recognised as management do not expect to be able to offset these against profits in the foreseeable future.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

1. Accounting policies (continued)

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	Over 10 years
Furniture and fixtures	Over 7 years
Plant and machinery	Over 3 years
Computer and other equipment	Over 3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised. Amortisation is provided on all intangible assets, at rates calculated to write off the cost of each asset on a systematic basis over its expected useful life as follows:

Goodwill	Over 5 years
Intellectual property	Over 5 years
Software	Over 3 years
Patents	Over 5 years

Financial assets

Investments in subsidiary undertakings are shown at cost in the financial statements unless they are impaired in which case they are recorded at their recoverable amount. The recoverable amount is measured as the higher of fair value less costs of disposal or value in use. If either the fair value less cost of disposal or the value in use is above the carrying amount of the investment, no impairment has occurred. If the fair value less cost of disposal cannot be determined, then the recoverable amount is the value in use. Determining the value in use of an investment requires estimates of future cash flows, timing of those future cash flows, interest rates, and cost of capital.

Impairment of financial assets

The company assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognised in the Income Statement.

Debtors

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

Research and development

Research and development expenditure is written off to the profit and loss account in the period in which it is incurred.

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

1. Accounting policies (continued)

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the statement of financial position date, dividends have been accrued as receivable.
- Where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Tax provisions

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates.

The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities

Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

1. Accounting policies (continued)

Business combinations

Business combinations deemed as being under common control are accounted for using the merger accounting method under FRS 102. A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Transfers of assets and liabilities to another acquiring group entity are treated as a continuation of the business previously carried out by the purchased entity in the acquiring entity's books and records, and as such are recognised at the carrying value.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

The company derived its revenue from royalties with a smaller number of customers last year, and from inter company management charges this year.

3. Operating loss

This is stated after charging/(crediting):

	2020 £	2019 £
Depreciation charge	141,701	152,405
Amortisation of intangible assets	2,455,751	2,449,180
Foreign exchange differences	2,773	3,411
Auditor's remuneration	-	28,500

4. Staff costs

The average number of employees during the year was 2 (2019: 1) and is analysed into the following categories:

(a) Staff costs

	2020 No.	2019 No.
Research and development	-	-
Administration	2	1
	<u>2</u>	<u>1</u>

	2020 £	2019 £
Wages and salaries	243,925	249,959
Pensions	11,588	11,475
Social welfare costs	31,147	33,008
	<u>286,659</u>	<u>294,442</u>

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

4. Staff costs (continued)

(b) Directors' remuneration

	2020 £	2019 £
Aggregate emoluments in respect of qualifying services	10,173	20,833

There was no director in the company that accrued any benefit under the defined contribution pension scheme during the current period.

5. Tax

(a) Tax charged in the income statement:

The tax charge is made up as follows:

	2020 £	2019 £
Current tax		
Overseas taxation	-	-
Total current tax (charge)	-	-
Total tax per income statement	-	-

(b) Reconciliation of the total tax charge

The tax charge in the income statement for the year differs from the standard rate of corporation tax in the UK of 19%. The differences are reconciled below:

	2020 £	2019 £
Loss before income tax	(3,034,120)	(2,819,526)
Tax calculated at UK standard rate of corporation tax of 19.0% (2019: 19.0%)	(576,483)	(535,710)
Expenses not deductible for tax purposes	(268)	62,135
Adjustment in respect of previous periods	-	-
Overseas taxation	-	-
Deferred tax not recognised	576,751	473,575
Tax (charge)/credit on loss on ordinary activities	-	-

(c) Factors that may affect future tax charges

The Finance Act 2016 included a reduction in the main rate of UK corporation tax from 19% to 17% from 1 April 2020. However, in the UK budget on 11 March 2020, it was announced that the cut in the tax rate to 17% will now not occur and the UK Corporation Tax Rate will instead remain at 19%. As this was substantially enacted by the balance sheet date, deferred tax balances as at 31 December 2020 is to be measured at 19%. Also, in the March 2021 Budget it was announced that legislation will be introduced in the Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2020 continue to be measured at a rate of 19%. There is no significant impact expected as a result of this change.

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

5. Tax (continued)

(d) Deferred tax

2020	2019
£	£

The deferred tax included in the balance sheet is as follows:

Deferred tax liability	-	-
------------------------	---	---

The deferred tax assets not recognised in the balance sheet as at 31 December 2020 amounted to £3,844,231 (2019: £3,267,480) and pertains to deferred taxes on timing difference in respect of capital allowances and losses carried forward. Management do not expect this amount to be realised against taxable profits in the foreseeable future.

6. Tangible assets

	Computer and other equipment £	Plant and machinery £	Furniture and fixtures £	Leasehold improvements £	Total £
<i>Cost</i>					
At 1 January 2020	103,451	206,827	62,935	404,933	778,146
Additions	2,089	-	-	-	2,089
Disposals	(7,326)	(124)	-	-	(7,450)
At 31 December 2020	98,214	206,703	62,935	404,933	772,785
<i>Depreciation</i>					
At 1 January 2020	102,730	185,702	27,187	117,937	433,556
Charge for the period	4,402	21,105	8,991	118,256	143,401
Disposals	(10,949)	(104)	-	-	(1,700)
At 31 December 2020	96,183	206,703	36,178	236,193	575,257
<i>Net book value</i>					
At 31 December 2020	2,031	-	26,757	168,740	197,528
<i>Net book value</i>					
At 31 December 2019	721	21,125	35,748	286,996	344,590

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

7. Intangible assets

	Goodwill	Intellectual property	Software	Patents	Total
	£	£	£	£	£
<i>Cost</i>					
At 1 January 2020	1,587,283	9,938,754	129,488	765,151	12,420,676
Additions	-	-	-	537,880	537,880
At 31 December 2020	1,587,283	9,938,754	129,488	1,303,031	12,958,556
<i>Amortisation</i>					
At 1 January 2020	1,276,767	7,801,473	124,282	229,780	9,432,302
Provided during the year	310,516	1,987,751	5,206	152,278	2,455,750
At 31 December 2020	1,587,283	9,789,224	129,488	382,058	11,888,052
<i>Net book value</i>					
At 31 December 2020	-	149,530	-	920,973	1,070,503
<i>Net book value</i>					
At 31 December 2019	310,516	2,137,281	5,206	535,371	2,988,374

8. Financial assets

	2020 Shares in group undertakings £
<i>Cost</i>	
At 1 January 2020	213,612
Additions	57,981
Disposals	-
At 31 December 2020	271,593
<i>Impairment</i>	£
At 1 January 2020	213,612
Impairment	57,981
At 31 December 2020	271,593
<i>Net Book Value</i>	
At 31 December 2020	-
At 31 December 2019	-

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

8. Financial assets (continued)

The company reviewed the carrying value of investments as of year-end and concluded there is full impairment during the year.

The investments consist of the ownership of the following:

Name of subsidiary	Country	Holdings at 31 December 2020	Holdings at 31 December 2019
Two Trees Photonics Ltd.	United Kingdom	100%	100%

Two Trees Photonics Ltd

The registered office of Two Trees Photonics Ltd is Apollo House, 6 Bramley Road, Mount Farm, Milton Keynes, Buckinghamshire, United Kingdom, MK1 1PT. Two Trees Photonics Ltd is a licensing entity and patent holder for the cross license patents with Alps Electric & Cambridge Enterprises.

9. Debtors

	2020 £	2019 £
Amounts owed by group undertakings (note 15)	150,000	586,028
VAT recoverable	4,269	-
Overseas tax	-	25,213
Other debtors	184,518	184,618
	<u>338,787</u>	<u>795,859</u>

Amounts due from group undertakings are non-interest bearing and are repayable on demand.

10. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	21,374	46,156
Accruals	2,011	2,865
Amounts owed to group undertakings (note 15)	-	74,512
Other taxes and social security costs	12,143	23,831
VAT payable	-	24,775
Other creditors	-	411
	<u>35,528</u>	<u>172,550</u>

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

11. Allotted and issued share capital

<i>Allotted, called up and fully paid</i>	2020	2019
	£	£
100 ordinary shares of £1 each	100	100

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

A description of each reserve within equity is outlined below:

Capital contributions

This reserve represents the financing received by the company from Dualitas Holdings Ltd. During 2020 the company received total capital contributions amounting to £463,169 (2019: £776,821) which were used to fund the working capital. The capital contribution balance at 31 December 2020 was £28,009,232 (2019: £27,546,063)

12. Commitments under operating leases

At 31 December 2020, the company has future minimum lease payments on office buildings due under non-cancellable operating leases as follows:

	2020	2019
	£	£
Payment due		
Not later than 1 year	55,608	153,765
Later than 1 year and not later than 5 years	-	55,608
Greater than 5 years	-	-
	<u>55,608</u>	<u>209,373</u>

13. Notes to the statement of cash flows

(a) Reconciliation of loss to net cash outflow from operating activities

	2020	2019
	£	£
Loss for the period	<u>(3,092,101)</u>	<u>(3,033,138)</u>
Adjustments to reconcile loss for the year to net cash outflow from operating activities		
Depreciation tangible fixed assets	141,701	152,405
Profit on disposal of investments	-	-
Impairment of financial asset	57,981	213,612
	<u>2,655,433</u>	<u>2,815,197</u>
Working capital movements		
Decrease in debtors	457,072	54,473
Decrease in creditors	(137,022)	(91,938)
	<u>320,050</u>	<u>(37,465)</u>
Net cash outflow from operating activities	<u>(116,618)</u>	<u>(255,406)</u>

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

13. Notes to the statement of cash flows (continued)

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following;

	2020 £	2019 £
Cash at bank and in hand	26,671	270,620
Cash and cash equivalents	<u>26,671</u>	<u>270,620</u>

14. Related party transactions

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices which are equivalent to those that prevail in arm's length transactions. The company has not provided or benefited from any guarantees for any related party receivables or payables. For the year ended 31 December 2020, the company has not recorded any impairment of receivables relating to amounts owed to related parties. This assessment was undertaken through examining the financial position of the related party and the market in which the related party operates.

Balances at 31 December 2020

As at 31 December 2020 amounts due to group undertakings amounted to £nil (2019: £74,512).

	2020 £	2019 £
Dualitas Holdings Ltd (immediate parent undertaking)	-	29,450
Envisics Ltd (fellow group undertaking)	-	45,062
	<u>-</u>	<u>74,512</u>

Balances at 31 December 2020

As at 31 December 2020 amounts due from group undertakings amounted to £150,000 (2019: £586,028).

	2020 £	2019 £
Two Trees Photonics Ltd (subsidiary undertaking)	150,000	296,523
Envisics LLC (fellow group undertaking)	-	289,505
	<u>150,000</u>	<u>586,028</u>

The company has availed itself of the exemption contained in FRS 102 in respect of subsidiary undertakings 100% or more of those voting rights are controlled within the group.

DUALITAS LTD.

Financial Statements for the Year Ended 31 December 2020

Notes to the financial statements (continued)

15. Parent undertaking and controlling party

The immediate parent undertaking is Dualitas Holdings Ltd a company registered in United Kingdom.

The ultimate parent undertaking and controlling party of the company is Lightfield Holdings, LP, a company formed in the United States of America.

16. Events after the reporting period

Since the balance sheet date, there have been no significant events affecting the Company.