

DUALITAS HOLDINGS LTD

Directors' Report and Financial Statements

For the year ended 31 December 2021

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DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

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DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Directors and other information

Directors	Nationality	Date of Appointment
Jamieson Leigh Christmas	(British)	19 March 2018
Gautam Jivan Patel	(American)	19 March 2018
Rishi Nath Reddy	(American)	19 March 2018

Registered Office

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

Registered Number of Incorporation

11263057

Solicitors

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

Bankers

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

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Directors' report

The directors present herewith their report and financial statements for the year ended 31 December 2021. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITIES

Dualitas Holdings Ltd. ("The company") was incorporated on 19 March 2018 as a holding company. For the period ended and as of 31 December 2021, the company was a wholly owned subsidiary of Dualitas Technologies LLC, a company incorporated in the United States of America. The ultimate parent undertaking and controlling party is Light Field Holdings, LP a company formed in the United States of America.

BUSINESS REVIEW

The company did not trade during 2021.

The directors consider the financial position as indicated on the statement of financial position to be satisfactory.

RESULTS FOR THE YEAR AND DIVIDENDS

During the period, the Company incurred a loss before tax of £nil (2020: £28,694). After charging taxation of £nil (2020: £nil), an amount of £nil (2020: £28,694) was debited to reserves. Shareholders' equity as at 31 December 2021 amounted to £5,447,830 (2020: £4,646,058).

No dividends were declared or paid by the company during the period ended 31 December 2021 (2020: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the main risk that could materially and adversely affect the company's future profit or financial position is the recoverability of its investments. The company reviews the carrying value of investments on a regular basis and has concluded, given the support of the shareholders of the parent company regarding recovery of the same, there is no impairment risk as of the date of signing these financial statements.

HEALTH AND SAFETY OF EMPLOYEES

The company did not have any employees during the period ended 31 December 2021.

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.

RESEARCH AND DEVELOPMENT

The company has not incurred any research and development expenses during the period

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 or other group subsidiary companies requiring disclosure.

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Directors' report (continued)

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

The company is not a trading company and has not been impacted significantly by the effects of the COVID-19 pandemic.

Having made appropriate enquiries and reviewed the company's forecasts, the directors have a reasonable expectation that the company has adequate resources to continue to meet liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

POLITICAL DONATIONS

No political donations were made by the company during the year (2020: £nil)

On behalf of the board of directors:

A handwritten signature in black ink, appearing to be 'J Christmas', with a long horizontal flourish extending to the right.

Jamieson Christmas
28th September 2022

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Directors' responsibilities statement

The directors are responsible for preparing the Director's 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 which enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Income Statement and Statement of Comprehensive income

For the year ended 31 December 2021

	Notes	2021 £	2020 £
Administrative expenses		-	(28,694)
Operating loss	2	-	(28,694)
Loss before taxation		-	(28,694)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation		-	(28,694)

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

The notes on pages 9 to 14 form part of these financial statements.

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Statement of changes in equity

For the year ended 31 December 2021

	Called-up share capital presented as equity £	Capital contributions £	Profit and loss account £	Total shareholder's equity £
At 31 December 2019	100	7,048,059	(2,795,353)	4,252,806
Loss for the year	-	-	(28,694)	(28,694)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(28,694)	(28,694)
Capital contributions from Dualitas Technologies LLC (note 9)	-	421,946	-	421,946
At 31 December 2020	100	7,470,005	(2,824,047)	4,646,058
Loss for the year	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
Capital contributions from Dualitas Technologies LLC (note 9)	-	801,772	-	801,772
At 31 December 2021	100	8,271,777	(2,824,047)	5,447,830

The notes on pages 9 to 14 form part of these financial statements.

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Statement of financial position

At 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Financial assets	4	5,447,575	4,645,803
Current assets			
Cash at bank and in hand		255	255
		<u>255</u>	<u>255</u>
Net current assets / (liabilities)		<u>255</u>	<u>255</u>
Net assets		<u>5,447,830</u>	<u>4,646,058</u>
Capital and reserves			
Called up share capital presented as equity	6	100	100
Profit and loss account		(2,824,047)	(2,824,047)
Capital contributions	6	8,271,777	7,470,005
Total shareholder's equity		<u>5,447,830</u>	<u>4,646,058</u>

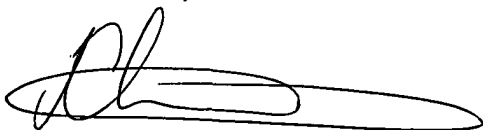
For the year ending 31 December 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 28th September 2022 and signed on its behalf by:



Jamieson Christmas – Director

The notes on pages 9 to 14 form part of these financial statements.

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Statement of cash flows

For the year ended 31 December 2021

	Notes	2021 £	2020 £
Net cash inflow from operating activities	7(a)	-	(36,362)
Investing activities			
Investments in a subsidiary undertaking		(801,772)	(418,910)
Net cash outflow from investing activities		(801,772)	(418,910)
Financing activities			
Issue of share capital		-	-
Capital contributions received		801,772	421,946
Net cash inflow from financing activities		801,772	421,946
Increase in cash and cash equivalents		-	(33,326)
Cash and cash equivalents at the beginning of the period		255	33,581
Cash and cash equivalents at the end of the period	7(b)	255	255

The notes on pages 9 to 14 form part of these financial statements.

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Notes to the financial statements

1. Accounting policies

Statement of compliance

Dualitas Holdings Ltd is a limited liability company incorporated in UK. The registered office is Apollo House, 6 Bramley Road, Mount Farm, Milton Keynes, United Kingdom, MK1 1PT. The registration number of the company is 11263057 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

The company is not a trading company and has not been impacted significantly by the effects of the COVID-19 pandemic.

Having made appropriate enquiries and reviewed the company's forecasts, the directors have a reasonable expectation that the company has adequate resources to continue to meet liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Basis of preparation

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 investment in subsidiary**
The company's subsidiary owns knowhow that is protected with patents. Judgement is required of the revenue that can be generated from these patents.
- 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.

Investments

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.

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Notes to the financial statements (continued)

1. Accounting policies (continued)

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.

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.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

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.

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.

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Notes to the financial statements (continued)

2. Operating loss

This is stated after charging / (crediting):	2021 £	2020 £
Bank fees and other similar charges	-	2,777
Foreign exchange differences	-	1,362

3. Staff costs

The Company did not employ any staff during the year ended 31 December 2021. The Company did not incur any staff costs.

The Company did not pay any remuneration to the directors and there was no director in the Company that accrued any benefit under the defined contribution pension scheme during the current period.

4. Financial assets

Investments in subsidiary undertakings

	2021 £	2020 £
Cost		
At 1 January	7,300,318	6,811,408
Additions	801,772	418,910
As at 31 December	<u>8,102,090</u>	<u>7,300,318</u>
	£	£
Impairment		
At 1 January	2,654,515	2,654,515
Additions	-	-
As at 31 December	<u>2,654,515</u>	<u>2,654,515</u>
Net Book Value		
At 31 December 2021	<u>5,447,575</u>	<u>4,645,803</u>
At 31 December 2020	<u>4,645,803</u>	<u>4,226,893</u>

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Notes to the financial statements (continued)

4. Financial assets (continued)

In the opinion of the directors, the market value of the above investment is not less than the cost. The company reviewed the carrying value of investments as of year-end and concluded, given the support of the shareholders of the parent company regarding recovery of the same, there is no impairment recorded during the year (2020: £4,645,803).

The investments consist of the ownership of the following:

Name of subsidiary	Country	Holdings at 31 December 2021	Holdings at 31 December 2020
Dualitas Ltd	United Kingdom	100%	100%

Dualitas Ltd

During the year, the Company made capital contributions amounting to £801,772 (2020: £418,910) to finance the operation of Dualitas Ltd.

The registered office of Dualitas Ltd is Apollo House, 6 Bramley Road, Mount Farm, Milton Keynes, United Kingdom, MK1 1PT. Dualitas Ltd is engaged in the business of developing technology to deliver holographic/augmented reality products and services.

5. Taxation

(a) Tax charged in the income statement:

The tax charge is made up as follows:

	2021 £	2020 £
Current tax		
Tax per income statement	-	-

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Notes to the financial statements (continued)

5. Taxation (continued)

(b) Reconciliation of the total tax charge

The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2021 £	2020 £
Loss before income tax	-	(29,694)
Tax on loss calculated at UK standard rate of corporation tax of 19%	-	(5,452)
Expenses not deductible for tax	-	274
Deferred tax not recognised	-	5,178
Tax charge for the period	-	-

(c) Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

(d) Deferred tax

The deferred tax assets not recognised in the balance sheet as at 31 December 2021 amounted to £29,120 (2020: £29,120) and pertains to deferred taxes on timing differences in respect of losses carried forward. Management do not expect this amount to be realised against taxable profits in the foreseeable future.

6. Allotted and issued share capital

<i>Allotted, called up and fully paid share capital</i>	2021 £	2020 £
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.

Capital contributions

During 2021, the Company received capital contributions amounting to £801,772 (2020: £421,946) from its parent company Dualitas Technologies, LLC. This amount was used to purchase investments and to fund the working capital obligations of the company's subsidiary Dualitas Ltd. The capital contributions balance at 31 December 2021 was £8,271,777 (2020: £7,470,005)

DUALITAS HOLDINGS LTD

Financial Statements for the year ended 31 December 2021

Notes to the financial statements (continued)

7. Notes to the statement of cash flows

(a) Reconciliation of profit to net cash flow from operating activities

	2021 £	2020 £
Loss for the year	-	(28,694)
Impairment of financial assets	-	-
Working capital movements:		
Increase / (decrease) in debtors	-	30,496
(Decrease) / increase in creditors	-	(38,164)
Net cash (outflow) / inflow from operating activities	-	(36,362)

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following;

	2021 £	2020 £
Cash at bank and in hand	255	255
Cash and cash equivalents	255	255

8. Related party transactions

Balances at 31 December 2021

As at 31 December 2021 amounts due to/from group undertakings amounted to £nil (2020 : £nil).

Transactions entered during the financial period ended 31 December 2021

There were no related party transactions involving the directors of the company.

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

9. Parent undertaking and controlling party

The immediate parent undertaking was Dualitas Technologies LLC, a company registered in the United States of America.

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

10. Events after the reporting period

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