

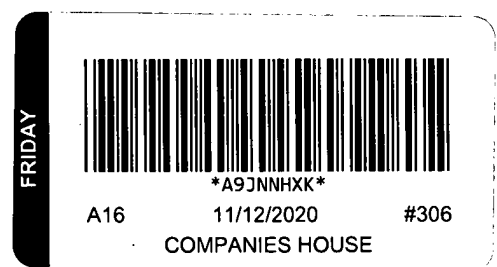
Disguise Technologies Limited

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 07937973



Disguise Technologies Limited

Company Information

| | |
|----------------------------|---|
| Directors | A Nehru F M Kufer P N Hunt |
| Registered number | 07937973 |
| Registered office | Hermes House 88-89 Blackfriars Rd London United Kingdom SE1 8HA |
| Independent auditor | BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL |

Disguise Technologies Limited

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Disguise Technologies Limited

Strategic Report For the Year Ended 31 December 2019

Principal activity

The principal activity of the Company is to support the wider Group as a leading global provider of live event visualisation solutions, specialising in the provision of the software, hardware and support services that allow creative production teams to pre-visualise, simulate and deliver their 3D shows in real-time. The Company carries out research and development activities and recharges costs to the Group undertakings by way of management fees.

Business review

The directors are delighted with the result for the year to 31 December 2019, which has been a very successful trading period. The Company has strengthened its position in each of its trading operations and is well placed for growth in future years.

Sales in the period of £8.0m demonstrated strong growth on the previous year's £5.2m. Administrative expenses were higher than last year due to a significant investment in selling, research and development and support headcount, to help underpin the wider group expansion and strategic objectives.

Disguise Technologies Limited

Strategic Report (continued) For the Year Ended 31 December 2019

Key performance indicators

The Company monitors its performance primarily through the following financial key performance indicators:

Turnover growth and earnings before interest, tax, depreciation and amortisation ("EBITDA") against forecast and prior year.

| | 2019 | 2018 |
|---------------------------------|------------------|------------------|
| Turnover growth % | 55.4 | 74.7 |
| EBITDA £ | 640,841 | 239,546 |
| Adjusted EBITDA £ | 2,223,161 | 1,854,079 |
| | 2019 | 2018 |
| | £ | £ |
| Operating profit/(loss) | 2,063,751 | (8,794) |
| R&D Capitalisation | (1,519,567) | - |
| Depreciation and Amortisation | 109,456 | 19,820 |
| EMI Option (Credit)/Charge | (37,799) | 228,520 |
| Legal Fees Refinancing | 25,000 | - |
| EBITDA | 640,841 | 239,546 |
| Professional Fees Office Move | 53,603 | - |
| External Advisors | - | 10,151 |
| Deal Fees (Professional Legal) | - | 5,151 |
| Exec Team Headhunter Fee | - | 153,762 |
| NewCo (Investor Costs) | 9,150 | 19,930 |
| 'Research and development costs | 1,519,567 | 1,435,690 |
| Adjusted EBITDA | 2,223,161 | 1,864,230 |

Turnover growth is calculated as the percentage increase on turnover year-on-year. EBITDA (earnings before interest, tax, depreciation and amortisation) is calculated as the operating profit of the Company with depreciation, amortisation, share-based payments, and exceptional items added back.

Adjusted EBITDA is calculated as the EBITDA of the Company with other exceptional one-off items together with costs incurred as a direct result of the Livingbridge investment (i.e. Chairman fees, Directors & Officers & Keyman insurance) added back. Note this reflects the change in accounting policy implemented in 2019 for the capitalisation of qualifying R&D costs.

The directors also monitor sales, volume mix and the margin achieved in total and by product as well as sales to-cash conversion and working capital management against forecast.

Future developments

The Company plans to expand into new geographical locations and continue its investment in research and development of new products and technologies to enhance existing and enter new business verticals.

Disguise Technologies Limited

Strategic Report (continued)
For the Year Ended 31 December 2019

Financial risk management objectives and policies

The Company has budgetary, forecasting and financial reporting procedures to manage credit, liquidity and other financial risks.

No transactions of a speculative nature are undertaken and policies are in place to ensure that appropriate levels of sign-off are undertaken and reviewed regularly by the directors.

Credit Risk:

The Company's main financial assets are cash trade and intercompany debtors. There is risk associated with the trade debtors and limits are set by the directors based on their historic payment profile. All limits are reviewed regularly to minimise exposure.

Liquidity Risk:

The Company had net cash balances at the year-end and was sufficiently able to meet its working capital requirements throughout the year.

The Company's policy is to ensure appropriate levels of liquidity are available to invest safely and profitably.

Currency Risk:

The Company has no exposure to currency risk as all transactions are in GBP.

Disguise Technologies Limited

Strategic Report (continued)
For the Year Ended 31 December 2019

Principal risks and uncertainties

As for many businesses the Company faces risks and uncertainties. Strategies are in place to reduce the impact of these risks where possible and Company policies are regularly reviewed.

The directors of the Company consider the principal risks and uncertainties faced by the business as:

Economic Risk:

A significant change in the global economy could affect performance. For example, the USA and China trade wars, the uncertainty around Brexit, a global pandemic, a fall in customer confidence and currency headwinds may all be negative factors.

The company's response to COVID-19 has been led by the advice from the relevant government and medical authorities around the world. This will continue to be monitored in the near future.

The business rapidly moved to deploy our home working options, which are fully tested and have the relevant cyber-security certifications to ensure the business can deliver its full range of product and service offerings.

The government enforced lock-downs and banning of large gatherings has affected the business directly due to many key customers operating in the live event industry and their orders and projects being delayed or cancelled.

The directors have implemented extensive plans, including making use of governmental aid, to reduce our costs to maintain profitability through any short-term period of revenue loss and expect a positive EBITDA performance for the 2020 fiscal year.

Key measures taken include negotiating payment plans with clients owing for past receivables and, where this has not been possible due to cancellation of the end customers' shows, recovering stock from them to resell, and reaching out to our key vendors to optimise deliveries based on the latest forecasts.

The directors have prepared financial projections for the period of twelve months from the date of issue of these financial statements. These projections include sensitivity modelling with various scenarios tested based on different assumed levels of revenue and assessed against the available cash headroom.

The directors have considered realistic assumptions in their review and assessment. With the global economic outlook uncertain, these assumptions and decisions will continue to evolve; however, it is too early to assess potential impacts beyond those currently considered.

Supply Risk:

The company works closely with its research and development partners to ensure robust measures are taken to protect the intellectual property of the Company and ownership across our geographies.

Any shared intellectual property is held in escrow to ensure recoverability if either party could not fulfill commitments due to unforeseen circumstances.

This report was approved by the board on June 17, 2020 and signed on its behalf.



P N Hunt
Director

Disguise Technologies Limited

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Results and dividends

The profit for the year, after taxation, amounted to £2,027,244 (2018 - £198,475).

There were no dividends paid during the year (2018 - £Nil). The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

A Nehru
F M Kufer
P N Hunt

Disguise Technologies Limited

Directors' Report (continued) For the Year Ended 31 December 2019

Going concern and Covid-19

The company performs research and development activities on behalf of the wider New Leaf Topco Limited group. The Directors consider the going concern status of the Company to be intrinsically linked to the going concern status of the group. As a result, the below disclosures which are in respect of the wider group, are considered relevant to the Company.

The directors acted swiftly and decisively in reaction to the Covid-19 crisis by deploying home working options to ensure the business can continue largely uninterrupted in delivering its full range of product and service offerings to our customer base.

The crisis has already adversely affected first quarter revenues and cash collections from fourth quarter 2019 sales. As a result the Group has booked an exceptional expense of £0.8 million equal to the gross margin on hardware sales to bona fide clients who had purchased hardware for projects that have now been cancelled or deferred, entirely due to the coronavirus crisis, as they no longer have the financial propensity to settle their outstanding debts. Hence we have recalled the units to stock to sell to other customers who can pay more expeditiously and with limited credit risk.

This negative impact on revenue is expected to continue into the second and third quarters. However, decisive action was taken at the end of the first quarter to cut the monthly overhead run rate significantly through staff redundancies, contractor terminations, temporary salary reductions and other interim cost curtailment measures including making use of the government furlough scheme, and the board believe that, as a result, the combined second and third quarters are forecast to see a positive EBITDA performance. As a result of the crisis the group's balance outstanding with its main manufacturer was in excess of the agreed US\$2.5m credit limit. In April 2020, the Group agreed a payment plan with the manufacturer to pay down the outstanding balance and reduce it to below the credit limit as soon as possible.

In the early stages of the Covid-19 crisis, the directors carried out a re-evaluation of the financial forecasts to right-size the business for the expected impact of the pandemic on revenues and hence agree the necessary actions required to reduce the overhead base to operate at a sustainably profitable level. Prior to the pandemic, the directors had been seeking to extend the existing £5m Revolving Credit Facility with HSBC by an additional £2m in order to provide additional headroom for another year of expected high growth. The quantum did not change but the focus for the extended facility changed to ensure adequate financial resources were secured to sustain the lower economic activity through the Covid-19 crisis. The revised forecast for the business, reflecting all the cost reduction measures was presented to HSBC on 3 April 2020 and the additional funding was secured by 4 May 2020 for a period of 12 months. There is a new liquidity covenant requiring the business to maintain £1m of unused facility each month end whereas the obligation to clear down the facility for 5 days was deferred from 2020 so that it is only required to be satisfied at some point during 2021. The directors have reassessed the going concern status of the business following the additional funding and potential impact of Covid-19 with various factors considered as set out below.

In particular, the directors have considered the main markets served by the business. Despite the live events market having been directly and severely affected by the pandemic from the early stages of the crisis, the Group serves other industry verticals that have not been so hard hit by the crisis so far, including the highly diverse fixed installations markets (e.g. theme parks, houses of worship, theatres, cruise ships, casinos) and virtual production (e.g. TV & broadcast, universities), hence the customer base is relatively widely spread, and allied to this, the business is not overly dependent on any single client. With different geographic regions at different phases of recovery from the crisis, we are also seeing China and other Asian economies' customers increasing demand for our products and services and we expect this region to drive a recovery in our revenues. The business also benefits from a robust supply chain with manufacturing spread across three main partners together with a global logistics partner, and second source manufacturers identified for several of the key components used in the Group's hardware. These factors and early trading patterns since the government announced the lockdown give the directors continued confidence in the business.

Disguise Technologies Limited

Directors' Report (continued) For the Year Ended 31 December 2019

Going concern and Covid-19 (continued)

There are many material factors assisting the business to meet cash flow requirements. Factors which are applicable and executed as at the date of issue of these financial statements include that the Group has little corporation tax liability to HMRC, it has secured an additional £2m of headroom with HSBC (on top of the original £5m Revolving Credit Facility), and in addition it made use of the governments furlough schemes and concessions to defer payroll taxes, and retained the ability to put further facilities in place with HSBC if required.

Overall the board are positive about the future EBITDA trajectory of the Group and continue to manage the cash position of the Group carefully. Cash headroom is considered adequate compared to the re-forecasts and current trading activity, as is the liquidity covenant headroom, albeit this is lower as noted above. Headroom is forecast to improve as the business recovers in the second half of the year. This gives the directors confidence in relation to going concern.

In undertaking their review, the directors have prepared financial projections for the period of twelve months from the date of issue of these financial statements. These projections have been sensitised based on various levels of revenue and assessed against the available cash headroom. The main uncertainty is linked to the reliability of future orders forecasts and their timing. The business has a strong pipeline of sales opportunities for the remainder of 2020; however, delays to decision making at clients or projects moving back may lead to shortfalls in cash collections and require further financing beyond that currently available. Contingency plans for various scenarios have been considered to preserve financial resources, including further cost cutting initiatives. If further financing is required, this is expected to be achieved either through further bank facilities or a cash injection via equity from existing or external investors. It is this current uncertainty in both the level and timing of future demand that leads to a risk the company could require additional funding which has not currently been secured. The directors conclude that these conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Further information is included in note 2.4 to the financial statements.

Matters covered in the strategic report

Disclosures required under 416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the Company.

This covers a review of the business, future developments and indicator of exposure to financial risks.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

Since 31 December 2019, the COVID-19 pandemic has affected the company and the wider group. Additional disclosure of these post year events is included in note 22.

Disguise Technologies Limited

Directors' Report (continued)
For the Year Ended 31 December 2019

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on June 17, 2020 and signed on its behalf.



P N Hunt
Director

Disguise Technologies Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2019

The directors are responsible for preparing the Strategic Report, 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 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; 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 to 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.

Disguise Technologies Limited

Independent Auditor's Report to the Members of Disguise Technologies Limited

Opinion

We have audited the financial statements of Disguise Technologies Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of the 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 Auditor's 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.

Material uncertainty related to going concern

We draw attention to note 2.4 to the financial statements, which indicates the directors' considerations over going concern, and in particular the potential requirement to secure additional funding. As stated in note 2.4, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. 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 included in the annual report, other than the financial statements and our auditor's report 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.

Disguise Technologies Limited

Independent Auditor's Report to the Members of Disguise Technologies Limited (continued)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement, 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 is 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.

Disguise Technologies Limited

Independent Auditor's Report to the Members of Disguise Technologies Limited (continued)

Auditor's 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 an auditor's report 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.

BDO LLP

Mark Langford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom

18 June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Disguise Technologies Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|--------------------------------------|------|------------------|------------------|
| Turnover | 4 | 8,003,265 | 5,150,271 |
| Gross profit | | 8,003,265 | 5,150,271 |
| Administrative expenses | | (5,977,313) | (4,930,545) |
| Share-based payment credit/(charge) | | 37,799 | (228,520) |
| Operating profit/(loss) | 5 | 2,063,751 | (8,794) |
| Interest payable and similar charges | | (4,004) | (3,466) |
| Profit/(loss) before taxation | | 2,059,747 | (12,260) |
| Tax on profit | 8 | (32,503) | 210,735 |
| Profit for the financial year | | 2,027,244 | 198,475 |

There was no other comprehensive income for 2019 (2018- £Nil).

The notes on pages 16 to 32 form part of these financial statements.

Disguise Technologies Limited

Registered number: 07937973

Statement of Financial Position As at 31 December 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 9 | 1,457,372 | - |
| Tangible assets | 10 | 284,722 | 36,553 |
| Investments | 11 | 1,650 | 1,650 |
| | | <u>1,743,744</u> | <u>38,203</u> |
| Current assets | | | |
| Stocks | 12 | 81,200 | - |
| Debtors: amounts falling due within one year | 13 | 3,248,956 | 3,319,682 |
| Cash at bank and in hand | 14 | 132,301 | 12,821 |
| | | <u>3,462,457</u> | <u>3,332,503</u> |
| Creditors: amounts falling due within one year | 15 | (1,554,628) | (1,900,453) |
| Net current assets | | <u>1,907,829</u> | <u>1,432,050</u> |
| Total assets less current liabilities | | <u>3,651,573</u> | <u>1,470,253</u> |
| Provisions for liabilities | | | |
| Deferred tax | 16 | (214,400) | (4,704) |
| Net assets | | <u><u>3,437,173</u></u> | <u><u>1,465,549</u></u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 1,935 | 1,935 |
| Profit and loss account | 18 | 3,435,238 | 1,463,614 |
| Total equity | | <u><u>3,437,173</u></u> | <u><u>1,465,549</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
June 17, 2020



P N Hunt
Director

The notes on pages 16 to 32 form part of these financial statements.

Disguise Technologies Limited

Statement of Changes in Equity For the Year Ended 31 December 2019

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|---|---------------------------------|---------------------------------|-------------------|
| At 1 January 2019 | 1,935 | 1,463,614 | 1,465,549 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 2,027,244 | 2,027,244 |
| Total comprehensive income for the year | - | 2,027,244 | 2,027,244 |
| Contributions by and distributions to owners | | | |
| Share based payment | - | (55,620) | (55,620) |
| Total transactions with owners | - | (55,620) | (55,620) |
| At 31 December 2019 | 1,935 | 3,435,238 | 3,437,173 |

Statement of Changes in Equity For the Year Ended 31 December 2018

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|---|---------------------------------|---------------------------------|-------------------|
| At 1 January 2018 | 1,935 | 1,036,619 | 1,038,554 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 198,475 | 198,475 |
| Total comprehensive income for the year | - | 198,475 | 198,475 |
| Contributions by and distributions to owners | | | |
| Share based payments | - | 228,520 | 228,520 |
| Total transactions with owners | - | 228,520 | 228,520 |
| At 31 December 2018 | 1,935 | 1,463,614 | 1,465,549 |

The notes on pages 16 to 32 form part of these financial statements.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Disguise Technologies Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in GBP and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of New Leaf Topco Limited as at 31 December 2019 and these financial statements may be obtained from Hermes House 88-89 Blackfriars Rd, South Bank, London, SE1 8HA.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.4 Going concern

At 31 December 2019, the company had net current assets of £1,907,829 (2018: £1,432,050) of which £2,653,876 (2018: £2,677,963) related to amounts due from other group companies. The ability of the entity to meet its liabilities as they fall due is therefore linked to the going concern status of the wider group. In making their assessment of the going concern status of the company, the Directors have therefore considered the going concern status of the wider group. Further detail in respect of this is given below.

The directors have carried out a review of the ultimate parent company's ability to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements. They have done so in the context of the Covid-19 pandemic and its current and potential future impact on the operational and financial performance of the business. Further detail around the risks of Covid-19 and its potential impact on going concern are addressed extensively in the directors' report.

In undertaking their review, the directors have prepared financial projections for the period of twelve months from the date of issue of these financial statements and into the following financial year. These projections have been sensitised based on various levels of revenue and assessed against the available cash headroom. Contingency plans for various scenarios have been considered to preserve financial resources.

Based on this review and the sensitivity analyses performed, the directors have concluded that adequate financial resources are available to ensure that the ultimate parent company can meet its obligations as they fall due for the foreseeable future and have therefore adopted the going concern basis in preparing the financial statements. The directors draw attention to the extensive disclosure in the directors' report around the risks created by Covid-19, and specifically the resulting uncertainty in both the level of timing of future demand. Should such uncertainties materialise, there is a risk the ultimate parent company would be reliant on additional funding which has not currently been secured. The directors expect that such additional funding would be available from existing investors. The directors conclude that these conditions indicate that a material uncertainty exists that may cast significant doubt on the ultimate parent company's ability to continue as a going concern.

On the basis that there is a material uncertainty in respect of the going concern status of the ultimate parent company, and that the Company is dependent on the recoverability of amounts owed by group undertakings, the Directors conclude that these conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include any adjustments should the going concern basis of preparation assumption be inappropriate.

2.5 Revenue

Revenue relates to management fees charged to group undertakings. Revenue is recognised over the period to which the management fees relate.

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of consideration receivable, after discounts, but excluding VAT.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|------------------------|---|-------------------|
| Leasehold improvements | - | 20% straight line |
| Plant and machinery | - | 33% straight line |
| Fixtures and fittings | - | 20% straight line |
| Computer equipment | - | 33% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

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

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans to and from related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.16 Share based payments

Equity-settled

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where options are issued by one group entity for settlement in its own shares, and these options are granted to employees of a subsidiary entity, the issuing entity recognises the charge as an increase in cost of investment, while the subsidiary recognised this as a capital contribution in the Statement of Changes in Equity.

Cash-settled

Where cash-settled instruments are awarded to employees, the fair value of the instrument is measured at the date of grant date, and subsequently remeasured at each reporting date. The fair value is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest. Market vesting conditions are factored into the fair value of the instruments granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

2.17 Pensions

Defined contribution pension plan

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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- **Intangible assets**

Determine the point from which it is appropriate to recognise an intangible asset for development costs incurred in respect of new products. In doing so, the Directors have considered whether the various recognition criteria required by FRS 102 have been met, in particular the reliable measurement of costs directly attributable to the development, the technical feasibility of the project, the availability of the necessary resources to complete the product development, and the existence of a suitable market to buy the finished product.

- **Share-based payments charge**

Equity-settled

The company has legacy share options, and has granted additional share options in the year. These are fair valued at the grant date, and the resultant SBP charge spread over the expected vesting period of the instruments.

The options issued in the year were valued using the Black-Scholes model. This model requires a number of assumptions to be made including the share price at the date of the grant of the options, the volatility of the share price, expected dividend yield and the expected period to exercise.

The options were issued with an exercise price of £0.01 per share. This is significantly lower than the share price of the Company at the date of grant. Therefore the key judgement in the calculation was the share price. All other factors had no bearing on the option price.

Management calculated a share price of £0.15 per share at the date of grant with input from an expert. The directors are satisfied that the share price is reasonable, taking into consideration the EBITDA performance and the resultant expected enterprise value of the Company, based on benchmarking of the earnings ratio to comparable companies in the sector.

Cash-settled

The company has granted cash-settled share-based payments in the year. These are fair-valued at each period end, and the resultant expected SBP charge spread over the expected vesting period of the instruments.

The value of each instrument is intrinsically linked to the residual enterprise value of an E share upon an exit event. Management calculated a fair value of £3.90 per instrument, using the same method as described above for calculating the expected enterprise value of the entity.

Vesting period

In addition, for both types of share-based payment, the total anticipated share based payment charge is spread over the vesting period of the instruments. For those instruments that had not vested at the year end, management has made an assessment of the expected timing of the vesting date. The vesting date is the point at which there is an exit event (i.e. a sale or listing of the Company). The directors have assessed the relevant vesting period, based on the typical life cycle of private equity investors, this being assumed to be 4 years.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom in the current and prior year.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

| | 2019 | 2018 |
|---|--------------|--------------|
| | £ | £ |
| Research & development charged as an expense | 632,742 | 704,795 |
| Depreciation of tangible fixed assets | 47,261 | 19,820 |
| Amortisation of intangible assets | 62,195 | - |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 2,200 | 2,000 |
| Exchange differences | 1,611 | 6,566 |
| | <u>2,200</u> | <u>2,000</u> |

6. Employees

| | 2019 | 2018 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,147,458 | 1,548,798 |
| Social security costs | 376,891 | 176,667 |
| Cost of defined contribution scheme | 71,781 | 23,221 |
| | <u>3,596,130</u> | <u>1,748,686</u> |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2019 | 2018 |
|-----------|-----------|-----------|
| | No. | No. |
| Employees | <u>58</u> | <u>32</u> |

7. Directors' remuneration

Directors were remunerated by another group company in the current and prior year.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Taxation

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Corporation tax | | |
| Current tax on profits for the year | (183,001) | (245,987) |
| Adjustments in respect of previous periods | 5,808 | 31,546 |
| Total current tax | <u>(177,193)</u> | <u>(214,441)</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 270,497 | 3,706 |
| Adjustments in respect of previous periods | (60,801) | - |
| Total deferred tax | <u>209,696</u> | <u>3,706</u> |
| Taxation on profit/(loss) | <u>32,503</u> | <u>(210,735)</u> |

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%). The differences are explained below:

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Profit/(loss) before tax | <u>2,059,747</u> | <u>(12,260)</u> |
| Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%) | 391,352 | (2,329) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 10,879 | 44,974 |
| Adjustments to tax charge in respect of prior periods | 5,808 | 31,546 |
| Adjustments to deferred tax charge in respect of previous periods | (60,801) | (436) |
| Adjustment in research and development tax credit leading to a decrease in the tax charge | (339,706) | (360,831) |
| Surrender of tax losses for R&D tax credit | 56,793 | 76,341 |
| Change in tax rates | (31,822) | - |
| Total tax credit for the year | <u>32,503</u> | <u>(210,735)</u> |

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Taxation (continued)

Factors that may affect future tax charges

As at the Statement of Financial Position date, reductions in the UK tax rate from 19% to 17%, effective from 1 April 2020, had been substantively enacted. The deferred tax liability has been calculated based on the rate substantively enacted at the reporting date.

Under legislation substantively enacted on 17 March 2020, after the reporting date, the UK tax rate will remain to be 19% from 1 April 2020 onwards. This will affect the calculation of future deferred tax charges. Deferred taxes as at Statement of Financial Position date have been measured using these enacted tax rates and reflected in these financial statements.

9. Intangible assets

| | Development expenditure £ |
|-----------------------|---------------------------------|
| Cost | |
| Additions | 1,519,567 |
| At 31 December 2019 | <u>1,519,567</u> |
| Amortisation | |
| Charge for the year | 62,195 |
| At 31 December 2019 | <u>62,195</u> |
| Net book value | |
| At 31 December 2019 | <u><u>1,457,372</u></u> |
| At 31 December 2018 | <u><u>-</u></u> |

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Tangible fixed assets

| | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-------------------------------------|-----------------------------|-------------------------------|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 60,907 | 7,378 | 68,638 | 136,923 |
| Additions | - | 690 | 294,743 | 295,433 |
| Disposals | (60,907) | - | (991) | (61,898) |
| At 31 December 2019 | - | 8,068 | 362,390 | 370,458 |
| Depreciation | | | | |
| At 1 January 2019 | 60,907 | 3,140 | 36,323 | 100,370 |
| Charge for the year on owned assets | - | 1,586 | 45,675 | 47,261 |
| Disposals | (60,907) | - | (988) | (61,895) |
| At 31 December 2019 | - | 4,726 | 81,010 | 85,736 |
| Net book value | | | | |
| At 31 December 2019 | - | 3,342 | 281,380 | 284,722 |
| At 31 December 2018 | - | 4,238 | 32,315 | 36,553 |

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

11. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------------|--|
| Cost and net book value | |
| At 1 January 2019 | 1,650 |
| At 31 December 2019 | <u>1,650</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Class of shares | Holding |
|----------------------------------|---|-----------------|---------|
| Disguise Systems Limited | Hermes House, 88-89 Blackfriars Rd, South Bank, London, SE1 8HA | Ordinary | 100% |
| Disguise Systems (APAC) Limited | Workshop D2, 26th Floor, TML Tower, No. 3 Hoi Shing Road. Tsuen Wan, New Territories, Hong Kong | Ordinary | 100% |
| Disguise Systems Inc | 343 Grand Street, Brooklyn, New York, 1211, USA | Ordinary | 100% |
| Disguise Systems (China) Limited | Room 103, 6/F WeWork, The Konnect, 118 South Yunnan Road, Huangpu District, Shanghai, China | Ordinary | 100% |
| Disguise EMEA Limited | Hermes House, 88-89 Blackfriars Rd, South Bank, London, SE1 8HA | Ordinary | 100% |

Disguise Systems Limited is the only subsidiary undertaking held directly.

12. Stocks

| | 2019 £ | 2018 £ |
|-------------------------------------|---------------|-----------|
| Finished goods and goods for resale | <u>81,200</u> | <u>-</u> |

There is no material difference between the replacement cost of stocks and the amounts stated above.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

13. Debtors

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | 2,653,876 | 2,677,963 |
| Other debtors | 80,433 | 38,801 |
| Prepayments and accrued income | 77,372 | 90,260 |
| Tax recoverable | 437,275 | 512,658 |
| | <u>3,248,956</u> | <u>3,319,682</u> |

All amounts shown under debtors fall due for payment within one year.

The amounts owed by group undertakings are interest-free and repayable on demand.

14. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|----------------|---------------|
| Cash at bank and in hand | <u>132,301</u> | <u>12,821</u> |

15. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 360,404 | 323,980 |
| Amounts owed to group undertakings | 809,425 | 1,377,266 |
| Other taxation and social security | 124,293 | 63,546 |
| Other creditors | 18,839 | 5,636 |
| Accruals and deferred income | 241,667 | 130,025 |
| | <u>1,554,628</u> | <u>1,900,453</u> |

The amounts owed to group undertakings are interest-free and repayable on demand.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

16. Deferred taxation

| | 2019 £ | 2018 £ |
|---------------------------|----------------|--------------|
| At beginning of year | 4,704 | 998 |
| Charged to profit or loss | 209,696 | 3,706 |
| At end of year | 214,400 | 4,704 |

The provision for deferred taxation is made up as follows:

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|--------------|
| Accelerated capital allowances | 271,978 | 4,704 |
| Short term timing differences | (57,578) | - |
| | 214,400 | 4,704 |

17. Share capital

| | 2019 £ | 2018 £ |
|--|--------------|--------------|
| Allotted, called up and fully paid | | |
| 1,800 (2018 - 1,800) Ordinary shares of £1.00 each | 1,800 | 1,800 |
| 9,677 (2018 - 9,677) A Ordinary shares of £0.01 each | 97 | 97 |
| 3,840 (2018 - 3,840) B Ordinary shares of £0.01 each | 38 | 38 |
| | 1,935 | 1,935 |

Rights attached to the current shares in issue are as follows:

- All shares confer voting rights.
- All shares enable the holder to participate in dividends.
- All shares enable the holder to participate in capital distribution.
- All shares are non-redeemable.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

18. Reserves

The Company's reserves are as follows:

Share capital

Share capital represents the nominal value of shares issued.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £71,781 (2018 - £23,221). Contributions totalling £18,839 (2018 - £5,636) were payable to the fund at the reporting date and are included in other creditors.

20. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|--------------|--------------|
| Not later than 1 year | 1,490 | 1,660 |
| Later than 1 year and not later than 5 years | 130 | 1,140 |
| | <u>1,620</u> | <u>2,800</u> |

21. Related party transactions

The company is a wholly owned subsidiary of New Leaf Topco Limited and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with wholly owned group members.

Disguise Technologies Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

22. Post balance sheet events

Since 31 December 2019, the Company and group have been affected by the spread of the COVID-19 global pandemic. Extensive disclosure is provided in respect of the impact on the entity, the response of the Directors and their consideration of the going concern status of the Company in the Directors' report and note 2.4 to the financial statements.

In preparing these financial statements, the directors consider COVID-19 to be a non-adjusting post balance sheet event, on the basis that the conditions did not exist at the balance sheet date. Therefore the financial statements do not include any adjustments in respect of the effects of the pandemic.

However, the directors have performed an assessment of the impact of COVID-19 on the carrying value of all assets and liabilities held on the balance sheet at year end, and consider there to be no material impact.

23. Controlling party

The Company's immediate parent company is New Leaf Bidco Limited, a company incorporated in England and Wales, whose registered office is Hermes House, 88-89 Blackfriars Rd, South Bank, London, SE1 8HA. The Company's ultimate parent undertaking is New Leaf Topco Limited, a company incorporated in England and Wales, whose registered office is Hermes House, 88-89 Blackfriars Rd, South Bank, London, SE1 8HA.

The largest and smallest group in which the results of the Company are consolidated is that headed by New Leaf Topco Limited. The consolidated financial statements of New Leaf Topco Limited are available to the public and may be obtained from Hermes House, 88-89 Blackfriars Rd, South Bank, London, SE1 8HA.

There is no ultimate controlling party.