

Digital Projection Holdings Limited
Directors' report and financial statements
for the year ended 31 December 2008

Registered Number 03280170



Digital Projection Holdings Limited

Directors' report and financial statements for the year ended 31 December 2008

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Digital Projection Holdings Limited

Officers and professional advisors

Directors

B R Critchley

T J Cronin

Secretary

T J Cronin

Auditors

Deloitte LLP

Chartered Accountants and Registered Auditors

Manchester

United Kingdom

Solicitors

Hill Dickinson LLP

50 Fountain Street

Manchester

M2 2AS

Bankers

The Royal Bank of Scotland plc

1 Spinningfields Square

Manchester

M3 3AP

Registered Office

Greenside Way

Middleton

Manchester

M24 1XX

Digital Projection Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008. The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies act 1985.

Principal activity and enhanced business review

The principal activity of the company is that of an intermediate holding company whose subsidiaries produce and sell high brightness, large screen electronic projectors.

The company's headquarters are in Middleton, Manchester where its subsidiary Digital Projection Limited develops, manufactures and sells products. Another major subsidiary, Digital Projection Inc. based in Atlanta, Georgia, provides full sales, marketing, and product service support to the North American market. The directors consider the business operation to be satisfactory and will continue to place emphasis substantially on the research activities of the group.

As described in the accounting policies note, the financial statements are prepared on a going concern basis.

Results and dividends

The company has not traded during the year and made neither a profit nor a loss. The directors do not recommend the payment of a dividend (2007 - £nil).

Directors

The directors who held office during the year and thereafter are given below:

B R Critchley
T J Cronin

Research and development

The group has devoted substantial resources to research and development during the year. This, together with contracts with outside parties, will enable the company to maintain its leading position in technology and design.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgments 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.

Digital Projection Holdings Limited

Directors' report (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Information given auditors

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

In accordance with s487(2) of the Companies Act 2006 Deloitte LLP the company's auditors will continue in office.

By order of the Board

B R Critchley
Director

23rd July 2009

B. R. Critchley

T J Cronin
Director

2009

23rd July

T J Cronin

Independent auditors' report to the members of Digital Projection Holdings Limited

We have audited the financial statements of Digital Projection Holdings Limited for the year ended 31 December 2008 which comprise the balance sheet, the accounting policies and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Digital Projection Holdings Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors
Manchester, United Kingdom

23/07/09

Digital Projection Holdings Limited

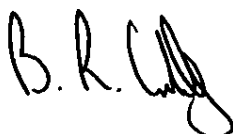
Balance sheet as at 31 December 2008

	Note	2008 £000	2007 £000
Fixed assets			
Investments	3	-	-
Current assets			
Cash at bank and in hand		95	2
		95	2
Creditors: amounts falling due within one year	4	(2,169)	(2,076)
Net current liabilities		(2,074)	(2,074)
Total assets less current liabilities		(2,074)	(2,074)
Creditors: amounts falling due after more than one year	5	177	177
Capital and reserves			
Called up share capital	7	185	185
Share premium account	8	19,455	19,455
Profit and loss account	8	(21,891)	(21,891)
Shareholder's deficit	9	(2,251)	(2,251)
Total long term liabilities and shareholder's deficit		(2,074)	(2,074)

The company has not traded during the year and made neither profit nor loss. Accordingly a profit and loss account has not been prepared. The financial statements on pages 6 to 12 were approved by the board of directors on 23rd July 2009 and signed on its behalf by:

B R Critchley

Director



T J Cronin

Director



The accompanying notes are an integral part of this balance sheet.

Digital Projection Holdings Limited

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going Concern

The company is an intermediate holding company within the Digital Projection International Limited group which manages its working capital on a pooled basis. The company's ability to continue as a going concern is dependant on the trading performance of Digital Projection International Limited.

In considering the trading position of the Digital Projection International Limited group, the directors are cognisant of the following going concern disclosure that appears in the financial statements of Digital Projection International Limited for the year ended 31 December 2008:

To ensure the continuation of the group the Directors regularly review the cash flows of the Company and the Group both in the short and medium term, have a thorough approach to managing the working capital and hold regular reviews with each operating unit in the country of operation, which includes an assessment of any bad debt risk or stock obsolescence concerns. This is supported by regular monitoring of key performance indicators.

Forecasts are prepared and updated on a regular basis. The forecasting process is compiled using key market data, extensive dialogue with customers and suppliers, in depth analysis of all the key input costs and a range of scenario and sensitivity planning. The major uncertainties in preparing these forecasts are:

1. Reliance on key suppliers
2. The activities of competitors
3. The funding requirements needed to maintain the Group's commitment to research and development
4. The need to constantly introduce new products incorporating the latest advances in technology
5. Foreign exchange rates.

Having taken all of the above factors into consideration, the Directors have reached a conclusion that the company and the group are able to manage their business risks and operate within existing funding facilities despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Cash flow statement

As permitted by FRS 1 (Revised 1996) "Cash flow statements", the company did not prepare a cash flow statement, since it is a wholly owned subsidiary of Digital Projection International Limited which has produced consolidated financial statements which include the results of the company and which include a group cash flow statement.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Digital Projection Holdings Limited

Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Digital Projection Holdings Limited

Notes to the financial statements for the year ended 31 December 2008

1 Information regarding directors and employees

Other than the directors, the company did not have any employees during the year. The directors did not receive any remuneration from the company.

2 Operating result

Auditors' remuneration for the current and prior year has been borne by the parent company and has not been recharged. The directors estimate that out of the group audit fee, £ 3,000 (2007: £3,000) related to the audit of this company.

3 Investments held as fixed assets

	Long term loans to subsidiaries £000
Cost	
At 1 January 2008 and 31 December 2008	<u>22,830</u>
Provisions	
At 1 January 2008 and 31 December 2008	<u>22,830</u>
Net book value 31 December 2007 and 31 December 2008	<u>-</u>

Interests in subsidiaries

The investment in subsidiaries shares amounted to £102 and represents 100% of the issued ordinary share capitals of Digital Projection Limited, Digital Projection Trustee Limited and Digital Projection Pension Plan Trustees Limited. All companies are registered in England and Wales. The principal activity of Digital Projection Limited is the design, manufacture and sale of electronic projectors. Digital Projection Trustee Limited and Digital Projection Pension Plan Trustees are dormant companies and have not traded in the year.

The company also owns, through Digital Projection Limited, 100% of the issued ordinary share capital of Digital Projection Inc., a company registered in the United States of America whose principal activity is the sale of electronic projectors.

Advantage has been taken of the exemption in Section 228 of the Companies Act 1985 not to produce consolidated financial statements as the company is a wholly owned subsidiary of Digital Projection International Limited which itself produces consolidated financial statements.

Long term loans to subsidiaries represent advances with no fixed date of repayment.

Digital Projection Holdings Limited

4 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amounts due to group undertakings	2,169	2,076
	2,169	2,076

5 Creditors: amounts falling due after more than one year

	2008 £000	2007 £000
Amounts repayable within two and five years:		
9% cumulative B preference shares	177	177

The holder of the 9% cumulative B preference shares has waived the right to receive dividends.

6 Deferred Taxation

There is no deferred taxation provision in the company, due to the availability of tax losses. The unprovided deferred tax asset at 31 December 2008 was as follows:

	2008 £000	2007 £000
Tax losses	2,392	2,392
Total unprovided asset at 28% (2007 - 30%) of tax losses	670	670

The asset is recoverable on the generation of future taxable profits in the company.

7 Called up share capital

The company had the following authorised and called up share capital:

	2008 £000	2007 £000
Authorised		
3,025,597 ordinary shares of 1p each	30	30
18,474,446 A ordinary shares of 1p each	185	185
17,749,957 B preference shares of 1p each	177	177
	392	392
Called up, allotted and fully paid		
18,475,446 A ordinary shares of 1p each	185	185
17,749,957 9% B cumulative preference shares of 1p each	177	177

The 9% cumulative preference shares are presented as a liability (see note 8) and accordingly are excluded from called-up share capital in the balance sheet. The B preference shareholders have a right to receive dividends at 9% of the nominal value of the shares, and also have a priority in any distribution on winding up. Otherwise the shares rank pari passu in all other respects. Current year dividends have been waived by the preference shareholder.

Digital Projection Holdings Limited

8 Reserves

	Share premium account	Profit and loss account	Total
	£000	£000	£000
Brought forward at 1 January 2008 and at 31 December 2008	19,455	(21,891)	(2,436)

9 Reconciliation in movements in shareholder's deficit

	2008 £000	2007 £000
Result for the financial year	-	-
Net movement in shareholder's deficit	-	-
Shareholder's deficit brought forward	(2,251)	(2,251)
Shareholder's deficit carried forward	(2,251)	(2,251)

10 Financial commitments

Capital commitments:

At 31 December 2008, the company had no capital commitments contracted but not provided (2007 - same)

Operating lease commitments:

At 31 December 2008, the company had no operating lease commitments (2007 - same).

11 Contingent liabilities

At 31 December 2008, the company had unlimited multilateral guarantees with the company's bank for fellow group undertakings in respect of overdrafts of £3,557 (31 December 2007 - £14,000).

12 Related party transactions

As a subsidiary undertaking of Digital Projection International Limited, the company has taken advantage of the exemption contained in FRS8 "Related Party Disclosures" in not disclosing transactions with other companies within the group.

There were no other related party transactions.

Digital Projection Holdings Limited

13 Ultimate parent and controlling party

The smallest and largest group in which the results of Digital Projection Holdings Limited and its subsidiaries are to be consolidated is that headed by the company's immediate and ultimate parent, Digital Projection International Limited, a company registered in the UK.

In the opinion of the directors, Digital Projection International Limited is the controlling party. Copies of its financial statements are available from Companies House, Cardiff.