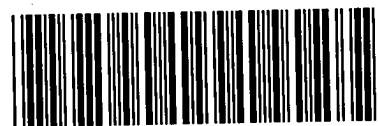


Digital Projection Holdings Limited
Annual report and financial statements
for the year ended 31 December 2013

Registered Number 03280170

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Digital Projection Holdings Limited

Annual report and financial statements for the year ended 31 December 2013

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Digital Projection Holdings Limited

Officers and professional advisors

Directors

B R Critchley

T J Cronin (resigned 30th September 2014)

J Chang (appointed 30th September 2014)

M Hao (appointed 30th September 2014)

Secretary

T J Cronin (resigned 30th September 2014)

Auditor

Deloitte LLP

Chartered Accountants and Statutory Auditor

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

Citibank, N.A.

Citi Group Centre

Canada Square

Canary Wharf

London

E14 5LB

Registered Office

Greenside Way

Middleton

Manchester

M24 1XX

Digital Projection Holdings Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2013. The directors' report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies. The company is exempt from preparing a strategic report.

Principal Activity

The principal activity of the company is that of an intermediate holding company whose subsidiaries continue to carry out research, design, manufacture and sale of electronic video projectors based upon DLP™ technology jointly developed with Texas Instruments. The group's sales are made world-wide, with the largest volume being in the USA through its subsidiary Digital Projection Inc.

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 are unable to recommend the payment of a dividend (2012: same). The balance sheet shows net current liabilities of £2,074,000 (2012: £2,074,000).

Directors

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

B R Critchley
T J Cronin (resigned 30th September 2014)
J Chang (appointed 30th September 2014)
M Hao (appointed 30th September 2014)

Directors' responsibilities statement

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). 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 judgments and 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

Digital Projection Holdings Limited

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information given to auditor

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

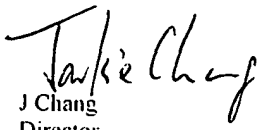
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor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


This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the annual general meeting.

By order of the Board


J Chang
Director
30.09.2014


M Hao
Director
30.09 2014

Digital Projection Holdings Limited

Independent auditor's 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 2013 which comprise the Balance Sheet, the Accounting Policies and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement within the Directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify any material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, of the state of the company's affairs as at 31 December 2013 and of its result 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.

Opinion on other matters prescribe by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

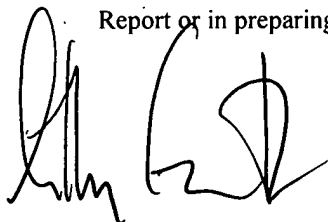
Digital Projection Holdings Limited

Independent auditor's report to the members of Digital Projection Limited (continued)

Matters on which we are required to report by exemption

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report



A J Farnworth BA ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Manchester, United Kingdom


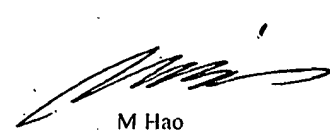
30th September 2014

Digital Projection Holdings Limited

Balance sheet as at 31 December 2013

	Note	As at 31 December 2013 £000	As at 31 December 2012 £000
Fixed assets			
Investments	3	-	-
Creditors: amounts falling due within one year	4	(2,074)	(2,074)
Net current liabilities		(2,074)	(2,074)
Total assets less current liabilities and total net liabilities		(2,074)	(2,074)
<hr/>			
Financed by:			
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 or prior period and made neither profit nor loss. Accordingly a profit and loss account has not been prepared, nor a statement of recognised gains and losses. The financial statements of Digital Projection Holdings Limited, registered number 03280170, were approved by the board of directors on 2014 and signed on its behalf by:

J Chang

M Hao

Director

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 the current year and preceding year 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.

Profit and loss account

A profit and loss account is not presented with these financial statements because the company has not received income, incurred expenditure, or recognised any gains or losses during either the year under review or the preceding financial year. There have been no movements in shareholder's deficit during the year under review or preceding financial year.

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, and the company has received confirmation that Digital Projection International Limited will continue to provide financial support to this company.

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 2013:

In carrying out their duties in respect of going concern, the directors have carried out a review of the group's and the company's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. The forecasts have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the uncertainties brought about by the current economic environment.

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. The group meets its day to day working capital requirements through a short term borrowing facility which is due for renewal in April 2014. The directors have made enquiries of the lenders and expect that the short term borrowing facility will be extended for a further 12 months during the course of the current financial period.

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; and
5. Foreign exchange rates.

These forecasts identified a requirement for additional funding within the group. As a result, the shareholders have subscribed for an additional \$7,000,000 of share capital in the parent company, digital Projection International Limited, for consideration of cash of the same amount.

Having taken all of the above factors into consideration, including the post year end capital injection, and any reasonably possible changes, the directors have reached a conclusion that the company and the group are able to manage their business risks and operate within existing and future funding facilities for a period of at least twelve

Digital Projection Holdings Limited

months from the date of approval of the financial statements, despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Accounting policies (continued)

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.

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.

Financial liabilities and equity

Financial liability and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Digital Projection Holdings Limited

Notes to the financial statements for the year ended 31 December 2013

1 Information regarding directors and employees

Other than the directors, the company did not have any employees during the year or prior period. The directors did not receive any remuneration from the company (2012: same).

2 Operating result

Auditor's remuneration for the current year and prior period has been borne by the parent company and has not been recharged. The directors estimate that out of the group audit fee, £1,000 (2012: £1,000) related to the audit of this company. There are no non-audit fees payable to the auditor (2012: same).

3 Investments held as fixed assets

	Long term loans to subsidiaries £000
Cost	
At 1 January 2013 and 31 December 2013	<u>22,830</u>
Provisions	
At 1 January 2013 and 31 December 2013	<u>22,830</u>
Net book value 31 December 2012 and 31 December 2013	<u><u>-</u></u>

Interests in subsidiaries

The investment in subsidiaries shares amounts 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 Limited 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 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.

Digital Projection Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Creditors: amounts falling due within one year

	As at 31 December 2013 £000	As at 31 December 2012 £000
Amounts due to group undertakings	2,074	2,074

5 Creditors: amounts falling due after more than one year

	As at 31 December 2013 £000	As at 31 December 2012 £000
Amounts repayable after 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 asset in the company, due to the uncertainty of timing of future taxable profits. The unprovided deferred tax asset at 31 December 2013 was as follows:

	As at 31 December 2013 £000	As at 31 December 2012 £000
Tax losses	2,392	2,392
Total unprovided asset at 20% (2012: 23%) of tax losses	550	550

The amount of trading tax losses has been agreed with HM Revenue & Customs up to the period ending 31 December 2013.

Digital Projection Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Called up share capital

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

	As at 31 December 2013 £000	As at 31 December 2012 £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 9% B cumulative preference shares of 1p each	177	177
	392	392
Called up, allotted and fully paid		
18,474,446 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 5) 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. The current and prior period dividends have been waived by the preference shareholder.

8 Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2013 and at 31 December 2013	19,455	(21,891)

Digital Projection Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

9 Reconciliation in movements in shareholder's deficit

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £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 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 wholly-owned companies within the group.

There were no other related party transactions.

11 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.