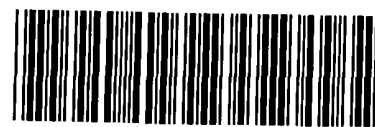


Digital Projection Holdings Limited
Annual report and financial statements
for the year ended 31 December 2016

Registered Number 03280170

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Digital Projection Holdings Limited

Annual report and financial statements for the year ended 31 December 2016

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Digital Projection Holdings Limited

Officers and professional advisors

Directors

J Chang

M Hao

K Ka

Secretary

St Pauls Secretaries Limited

1 St. Pauls Square

Liverpool

L3 9SJ

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Solicitors

Hill Dickinson LLP

50 Fountain Street

Manchester

M2 2AS

Bankers

Citibank, N.A.

Citi Group Centre

Canada Square

Canary Wharf

London

E14 5LB

Registered Office

Greenside Way

Middleton

Manchester

M24 1X

Digital Projection Holdings Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2016. 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 (2015: same). The balance sheet shows net current assets of £2,229,000 (2015: £2,229,000).

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

J Chang

M Hào

S Chao – resigned 7 November 2016

K Ka – appointed 1 September 2016

Going concern basis

The Company's ability to continue as a going concern depends on the ability of Digital Projection Limited ("DPL") to negotiate extended payment terms with related parties. While this extension has been obtained in the past, the related parties have not offered any commitment as to their willingness to extend payment terms. If the extension is not granted, and DPL is unable to meet its obligations as they fall due, the Company would not be a going concern. The directors have a reasonable expectation that negotiations will be successful and these related parties will accept the extended payment terms necessary for DPL to be able to continue to trade and meet obligations as they fall due, and therefore for the Company to continue as a going concern. Accordingly they have prepared the financial statements on a going concern basis.

Nevertheless, the fact that these negotiations are not yet complete as at the date of approval of these financial statements indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Digital Projection Holdings Limited

Directors' report (continued)

Statement of directors' responsibilities in respect of financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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 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 s418 of the Companies Act 2006.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



M Hao
Director

14 November 2017

Digital Projection Holdings Limited

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

Report on the financial statements

Our opinion

In our opinion, Digital Projection Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016;
 - 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.
-

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the summary of significant accounting policies concerning the Company's ability to continue as a going concern. The Company's ability to continue as a going concern depends on the ability of Digital Projection Limited to negotiate extended payment terms with related parties. These negotiations are not yet complete as at the date of approval of the financial statements. These conditions, along with the other matters explained in the summary of significant accounting policies, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of changes in equity for the year then ended;
- the Summary of significant accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Digital Projection Holdings Limited

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

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify 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. With respect to the Directors' report, we consider whether this report includes the disclosures required by applicable legal requirements.


Philip Storer (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, Manchester
14 November 2017

Digital Projection Holdings Limited

Statement of financial position as at 31 December 2016

	Note	31 December 2016 £000	31 December 2015 £000
Assets			
Non-current assets			
Investments	3	-	-
Current assets			
Trade and other receivables	4	4,302	4,302
Total assets		<u>4,302</u>	<u>4,302</u>
Equity and liabilities			
Equity			
Called up share capital	5	228	228
Share premium account		23,715	23,715
Accumulated losses		(21,891)	(21,891)
Total equity		<u>2,052</u>	<u>2,052</u>
Liabilities			
Non-current liabilities			
Trade and other payables	6	177	177
Current liabilities			
Trade and other payables	6	2,073	2,073
Total liabilities		<u>2,250</u>	<u>2,250</u>
Total equity and liabilities		<u>4,302</u>	<u>4,302</u>

The company has not traded during the year or prior period and made neither profit nor loss. Accordingly an Income Statement has not been prepared, nor a statement of comprehensive income. The financial statements of Digital Projection Holdings Limited, registered number 03280170, were approved by the board of directors on 14 November 2017 and signed on its behalf by:


M Hao

Director

The accompanying notes on pages 11 to 13 are an integral part of this financial position.

Digital Projection Holdings Limited

Statement of changes in equity for the year ended 31 December 2016

	Note	Called up share capital £000	Share premium account £000	Accumulated losses £000	Total equity £000
Balance as at 1 January 2015		185	19,455	(21,891)	(2,251)
Result for the financial year		-	-	-	-
Other comprehensive income for the year:		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Proceeds from shares issued		43	4,260	-	4,303
Dividends		-	-	-	-
Total transactions with owners, recognized directly in equity		43	4,260	-	4,303
Balance as at 31 December 2015		228	23,715	(21,891)	2,052
Result for the financial year		-	-	-	-
Other comprehensive income for the year:		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Proceeds from shares issued		-	-	-	-
Dividends		-	-	-	-
Total transactions with owners, recognized directly in equity		-	-	-	-
Balance as at 31 December 2016		228	23,715	(21,891)	2,052

Digital Projection Holdings Limited

Summary of significant accounting policies

General information

Digital Protection Holdings Limited ('the Company') is a private Company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Greenside Way, Middleton, Manchester, M24 1XX. Registered number of the company is 03287264.

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.

Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The following accounting policies have been applied consistently in the current and prior year in dealing with items which are considered material in relation to the Company's financial statements. The financial statements have been prepared, using United Kingdom accounting standards.

a. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in paragraph i.

b. Going concern

The Company's ability to continue as a going concern depends on the ability of Digital Projection Limited ("DPL"), a Group company, to negotiate extended payment terms with related parties. While this extension has been obtained in the past, the related parties have not offered any commitment as to their willingness to extend payment terms. If negotiations were unsuccessful and the extension were not to be granted, and DPL is therefore unable to meet its obligations as they fall due, the Company would not be a going concern. The directors have a reasonable expectation that negotiations will be successful and these related parties will accept the extended payment terms necessary for DPL to be able to continue to trade and meet obligations as they fall due, and therefore for the Company to continue as a going concern. Accordingly, they have prepared the financial statements on a going concern basis.

Nevertheless, the fact that these negotiations are not yet complete as at the date of approval of these financial statements indicates the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The Company financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

Digital Projection Holdings Limited

Summary of significant accounting policies (continued)

As a qualifying entity, the Company has taken advantage of the following exemptions in its standalone financial statements:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d. Foreign currencies

(i) *Functional and presentation currency*

The Financial statements are presented in pound sterling and rounded to thousands.

The Company's functional and presentation currency is the pound sterling.

(ii) *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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 Income statement.

e. Investments

Investments in subsidiaries and other investments are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

f. Financial instruments

The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) *Financial assets*

Basic financial assets, including trade and other trade receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income statement.

Digital Projection Holdings Limited

Summary of significant accounting policies (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other trade payables and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

g. **Financial instruments (continued)**

(ii) *Financial liabilities (continued)*

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivatives financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

h. **Related party transaction**

The Company has taken advantage of the exemption under the terms of paragraph 33.1A of FRS 102 in not disclosing transactions with other wholly-owned companies within the Group.

i. **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. No estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year have been identified.

j **Future amendments to FRS 102**

There are no future amendments to FRS 102 that are expected to have significant impact on the Company's financial statements.

Digital Projection Holdings Limited

Notes to the financial statements for the year end 31 December 2016

1 Information regarding directors and employees

Other than the directors, the company did not have any employees during the year (2015: none). The directors did not receive any remuneration from the company (2015: same).

2 Operating result

Auditors' remuneration for the current year has been borne by the subsidiary company, Digital Projection Ltd, and has not been recharged (2015: same). There are no non-audit fees payable to the auditors (2015: same).

3 Investments

	Long term loans to subsidiaries £000
Cost	
At 1 January 2016 and 31 December 2016	-
Accumulated impairment	
At 1 January 2016 and 31 December 2016	-
Net book value 31 December 2015 and 31 December 2016	-

Interests in subsidiaries

The investment in subsidiaries' shares amounts to £102 and represents 100% of the issued ordinary share capital of Digital Projection Limited, a company registered in England and Wales. The principal activity of Digital Projection Limited is the design, manufacture and sale of electronic projectors. Its registered office is Greenside Way, Middleton, Manchester, M24 1XX.

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 video projectors. Its registered office is 55 Chastain Road, Suite 115, Kennesaw, Georgia, GA 30144, USA

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.

4 Trade and other receivables

	As at 31 December 2016 £000	As at 31 December 2015 £000
Amounts owed by group undertakings	4,302	4,302

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

Digital Projection Holdings Limited

Notes to the financial statements for the year end 31 December 2016 (continued)

5 Called up share capital

The company had the following ordinary shares:

	As at 31 December 2016 £000	As at 31 December 2015 £000
Called-up, allotted and fully paid		
22,776,264 (2015: 18,474,446) A ordinary shares of 1p each	228	228

The 9% cumulative preference shares are presented as a liability (see note 6) and accordingly are excluded from equity 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 year dividends have been waived by the preference shareholder.

6 Trade and other payables

	As at 31 December 2016 £000	As at 31 December 2015 £000
Non-current liabilities		
9% cumulative B preference shares	177	177
The holder of the 9% cumulative B preference shares has waived the right to receive dividends		
Current liabilities		
Amounts owed to group undertakings	2,073	2,073

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

7 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 was as follows:

	As at 31 December 2016 £000	As at 31 December 2015 £000
Tax losses	2,392	2,392
Total unprovided asset at 17% (2015: 18%) of tax losses	406	430

The amount of trading tax losses has been agreed with HM Revenue & Customs up to the year ended 31 December 2015.

Digital Projection Holdings Limited

Notes to the financial statements for the year end 31 December 2016 (continued)

8 Related party transactions

As a subsidiary undertaking of Digital Projection International Limited, the company has taken advantage of the exemption in not disclosing transactions with other wholly-owned companies within the group.

There were no other related party transactions.

9 Controlling party

The immediate parent company is Digital Projection International Limited.

In the opinion of the directors, the company's ultimate parent company and controlling party is Luxeon International Holding Limited, a company incorporated in British Virgin Islands. The parent undertaking of the largest and smallest group, which includes the company for which group financial statements are prepared is Digital Projection International Limited. Copies of the group financial statements of Digital Projection International Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.