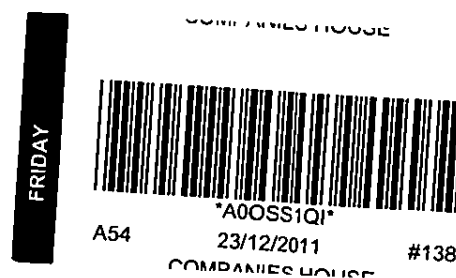


Dainippon Screen (UK) Limited

**Directors' report and financial
statements**

Registered number 1171592

31 March 2011



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditors' report to the members of Dainippon Screen (UK) Limited	4
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes	9

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

Principal activities

The company is wholly owned by Dainippon Screen Manufacturing Company Limited of Japan. The principal activities of the company comprise the buying, selling, assembling and servicing of graphical, photographic, optical and electronic machinery for use in the printing, textile and electronic industries, the main components of which are manufactured by the immediate parent company.

Business review

The business environment in which Dainippon Screen UK (The Company) operates remains extremely cautious, and the general economic climate continues to be uncertain.

Against this backdrop, the Directors are pleased to report that both turnover and gross profit rose significantly during the year to £14,532,416 (2010 £10,364,327) and £4,660,200 (2010 £3,586,000) respectively.

The operating loss increased, however, to £428,829 (2010 £418,018), largely as a result of an exceptional item totalling £765,000 relating to contractual retirement benefits.

The parent company (Dainippon Screen Manufacturing Company Limited of Japan) maintains the company's corporate, social and environmental responsibility as well as quality standards, and all of the manufacturing sites in Japan are both ISO 9001 and ISO 14001 accredited. The Company is registered under the WEEE Directive and continues to meet all requirements in this respect.

The primary risks to the Company are technology change, reputation and market maturity. These are dealt with in conjunction with the parent company (Dainippon Screen Manufacturing Company Limited of Japan).

The Company's reputation is maintained by providing high quality products and service.

Technology change and market maturity risk is countered by providing new and enhanced products and services to our customers, to give them additional value and increased competitiveness along with new business opportunities.

The three main key performance indicators for the company are turnover, gross profit, and operating profit as detailed with the company figures.

Within the industry, measures of market share in major products are also key measures that are monitored and maintained by independent actuaries to ensure the contributors understand trends and their own market position, whilst maintaining confidentiality.

Employees

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. The Group is committed to the principle of equal opportunity in employment and accordingly, management will ensure that recruitment, selection, training, development and promotion procedures result in no job applicant or employee receiving less favourable treatment on the grounds of race, colour, nationality, ethnic or national origin, disability, trade union membership or non-membership, sex, sexual orientation or marital status, or being a part time worker or fixed-term worker. The Company's objective is to ensure that individuals are selected, promoted and otherwise treated solely on the basis of their relevant aptitudes, skills and abilities. Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged.

Future developments

Dainippon Screen Manufacturing Company Limited (the parent company of the group) is recognised as being one of the leading research and development companies in Japan. That commitment continues to reap benefits for its overseas subsidiaries, both in their traditional product areas and in newly developing product ranges and markets, such as print on demand and inkjet based printing.

Directors' report *(continued)*

Financial Instruments

The Company is a subsidiary of a large multinational group. Certain financial risks are managed utilising the capacity of the larger group.

At the present time, the Company does not hedge its foreign currency exposure or use derivative financial instruments that are designed to reduce its long-term exposure to foreign currency exchange risk.

Results and dividends

The directors do not recommend the payment of a dividend (2010 £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

BR Forsdike	(Resigned 1 April 2011)
BJ Filler	
Y Usui	(Resigned 1 April 2011)
K Hashimoto	(Resigned 1 April 2011)
M Hashimoto	
K Fujisawa	(Resigned 1 April 2011)
K Aoki	(Appointed 1 April 2011)
Y Tanaka	(Appointed 1 April 2011)
DM Marciniak	(Appointed 1 April 2011)
CJM Mulder	(Appointed 1 April 2011)

None of the directors who held office at the end of the financial year had any disclosable interest in the share capital of the company during the year.

Political and charitable contributions

The company made no charitable contributions during the year (2010 £nil). The company made no political contributions during the year (2010 £nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each 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.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



BJ Filler
Director

Michigan Drive,
Tongwell,
Milton Keynes,
MK15 8HT

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 judgments and accounting 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,
- 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. 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.



KPMG LLP

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
United Kingdom

Independent auditor's report to the members of Dainippon Screen (UK) Limited

We have audited the financial statements of Dainippon Screen (UK) Limited for the year ended 31 March 2011 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

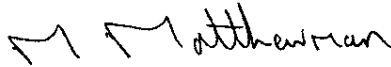
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Dainippon Screen (UK) Limited
(continued)

Matters on which we are required to report by exception

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



M Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

22 December 2011

Profit and loss account
for the year ended 31 March 2011

	<i>Note</i>	2011 £	2010 £
Turnover	2	14,532,416	10,364,327
Cost of sales		(9,872,216)	(6,778,327)
Gross profit		4,660,200	3,586,000
Selling and distribution costs		(2,802,870)	(1,848,099)
Administrative expenses		(2,286,159)	(2,155,919)
Operating Loss		(428,829)	(418,018)
Other interest receivable and similar income	6	115,185	45,329
Interest payable and similar charges	7	(78)	(36,051)
Loss on ordinary activities before taxation	3-5	(313,722)	(408,740)
Tax on Loss on ordinary activities	8	(50,363)	81,315
Loss on ordinary activities after taxation		(364,085)	(327,425)

The operations of the company continued throughout both periods and no operations were acquired or discontinued

Statement of total recognised gains and losses
for the year ended 31 March 2011

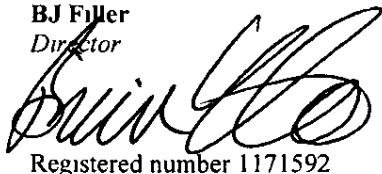
	2011 £	2010 £
Loss for the financial year as reported	(364,085)	(327,425)
Actuarial (loss)/gain recognised in the pension scheme	(37,000)	60,000
Deferred tax arising on loss/gain in the pension scheme	9,620	(16,800)
	<hr/>	<hr/>
Total (losses)/gains relating to the financial year	(27,380)	43,200
	<hr/>	<hr/>
Total recognised gains and losses since the last annual report	(391,465)	(284,225)
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet
at 31 March 2011

	<i>Note</i>	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	9		1,496,693		1,614,929
			<hr/>		<hr/>
			1,496,693		1,614,929
Current assets					
Stocks	10	2,885,297		2,588,854	
Debtors	11	12,350,384		9,579,891	
Cash at bank and in hand		838,615		1,527,972	
		<hr/>		<hr/>	
		16,074,296		13,696,717	
Creditors amounts falling due within one year	12	(6,198,218)		(3,532,930)	
		<hr/>		<hr/>	
Net current assets			9,876,078		10,163,787
			<hr/>		<hr/>
Total assets less current liabilities			11,372,771		11,778,716
Pension liabilities	21		(50,320)		(64,800)
			<hr/>		<hr/>
Net assets			11,322,451		11,713,916
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15		10,250,000		10,250,000
Profit and loss account	16		1,072,451		1,463,916
			<hr/>		<hr/>
Equity shareholders' funds	14		11,322,451		11,713,916
			<hr/>		<hr/>

These financial statements were approved by the board of directors on **21 DEC 2011** and were signed on its behalf by

BJ Filler
Director



Registered number 1171592

Notes

(forming part of the financial statements)

1 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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards. The principal accounting policies adopted are described below

Under FRS1 the company is exempt from the requirement to prepare a cashflow statement on the grounds that its parent undertaking, which is incorporated in Japan, includes the company in its own published consolidated financial statements and these consolidated accounts are publicly available

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows

Computer equipment and software	-	20-50%
Plant and machinery and demonstration equipment	-	20-50%
Furniture, office equipment, fixtures and fittings	-	7.5-20%
Freehold buildings	-	4% of the original cost to the group

Interest costs incurred in bringing assets to a state where they are ready to be used are capitalised as part of the costs of the asset

Demonstration equipment is capitalised when it becomes apparent that it will be used primarily for that purpose

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

Financial income and expenses

Financial income comprises interest receivable on cash and intercompany balances. Interest income is recognised as it accrues, using the effective interest method

Financial expenses comprise interest on overdrafts. Interest is recognised in the profit and loss as it accrues

Notes (continued)

1 Accounting policies (continued)

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated 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.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The company also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

Turnover

Turnover represents amounts receivable in respect of goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Dividends on shares presented within shareholders funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 Analysis of turnover by destination

	2011 £	2010 £
United Kingdom	6,742,909	5,065,348
Europe	2,208,822	1,662,346
Middle East and Africa	5,476,541	3,564,538
Far East	5,077	-
Australasia	99,067	72,095
	<u>14,532,416</u>	<u>10,364,327</u>

The total turnover for the company for the current and preceding year is derived from its principal activity and is wholly derived from the United Kingdom

3 Loss on ordinary activities before taxation

	2011 £	2010 £
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Auditors' remuneration		
- audit	66,970	65,930
- other services relating to taxation	9,600	28,328
- other services	41,126	-
Loss/(profit) on disposal of fixed assets	2,220	(83)
Hire of plant and machinery	65,257	65,037
Depreciation and amounts written off tangible assets	120,623	136,912
Net exchange (gains)/losses	(26,838)	16,715
	<u></u>	<u></u>

4 Directors remuneration

	2011 £	2010 £
Aggregate emoluments (excluding pension contributions)	249,132	315,109
Pension contributions to money purchase scheme	69,932	70,632
	<u>319,064</u>	<u>385,741</u>

The emoluments of the highest paid director were 133,545 (2010 £192,600) and pension contributions of £44,357 (2010 £44,357) The highest paid director is not a member of any of the defined benefit schemes

	No of Directors 2011	2010
Retirement benefits are accruing to the following number of directors under Money purchase scheme	<u>2</u>	<u>2</u>

Notes (continued)

5 Staff numbers and costs

The average number of people employed by the group in the United Kingdom during the year was

	No of employees	
	2011	2010
Selling and distribution	35	35
Administration	6	9
	<hr/>	<hr/>
	41	44
	<hr/>	<hr/>

The aggregate remuneration (including directors) comprised

	2011	2010
	£	£
Wages and salaries	2,152,128	2,172,355
Social security costs	266,358	282,776
Other pension costs (see note 21)	1,056,401	308,640
	<hr/>	<hr/>
	3,474,887	2,763,771
	<hr/>	<hr/>

6 Other interest receivable and similar income

	2011	2010
	£	£
Bank interest received	2,527	4,177
Interest income on pension scheme liabilities (see note 21)	-	-
Net exchange gain/(loss) on foreign currency balances	26,838	(16,715)
Other interest	85,820	57,867
	<hr/>	<hr/>
	115,185	45,329
	<hr/>	<hr/>

7 Interest payable and similar charges

	2011	2010
	£	£
Bank loans and overdrafts	78	51
Interest expense on pension (see note 21)	-	36,000
	<hr/>	<hr/>
	78	36,051
	<hr/>	<hr/>

Notes (continued)

8 Taxation

Analysis of charge in period

	2011 £	2011 £	2010 £	2010 £
<i>UK corporation tax</i>				
Current tax on income for the period	-		2,450	
Adjustments in respect of prior periods	118,189		(2,614)	
	<hr/>		<hr/>	
Total current tax		118,189		(164)
<i>Deferred tax</i>				
Origination/reversal of timing differences	(56,530)		(81,151)	
Adjustment in respect of prior periods	(24,371)		-	
Effect of tax rate change on opening balance	13,075		-	
	<hr/>		<hr/>	
Total deferred tax		(67,826)		(81,151)
		<hr/>		<hr/>
Tax credit on profit/loss on ordinary activities		(50,363)		(81,315)
		<hr/>		<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2010 lower) than the standard rate of corporation tax in the UK 28% (2010 28%). The difference is explained below

	2011 £	2010 £
Current tax reconciliation		
Loss on ordinary activities before tax	(313,722)	(408,740)
	<hr/>	<hr/>
Corporation tax @ 28% (2010 28%)	(87,842)	(114,447)
<i>Effects of</i>		
Expenses not deductible for tax purposes	26,963	39,106
Capital allowances for the period in excess of depreciation	(16,250)	(83,516)
Other timing differences	(21,578)	67,483
Adjustments in respect of prior periods	118,189	(2,614)
Impact of rate change	4,348	-
Tax losses carried forward	94,359	93,824
	<hr/>	<hr/>
Total current tax charge	118,189	(164)
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate reduction creates a reduction in the deferred tax liability which has been included in the figures above. See note 13 for impact of expected future tax rate charges.

Notes (continued)

9 Tangible fixed assets

	Plant and machinery & demonstration equipment £	Furniture, office equipment, fixtures & fittings £	Freehold land and buildings £	Total £
Cost				
At 1 April 2010	516,404	1,099,555	2,500,000	4,115,959
Additions	-	30,036	-	30,036
Disposals	(54,300)	(5,099)	-	(59,399)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	462,104	1,124,492	2,500,000	4,086,596
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2010	472,468	1,046,101	982,461	2,501,030
Charged in year	15,306	19,623	85,694	120,623
Disposals	(28,900)	(2,850)	-	(31,750)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	458,874	1,062,874	1,068,155	2,589,903
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2011	3,230	61,618	1,431,845	1,496,693
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	43,936	53,454	1,517,539	1,614,929
	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land, amounting to £1,214,590 (2010 £1,214,590) for the company, has not been depreciated. The land was valued on the basis of open market value by the directors on 1 October 1998. If the historical cost basis had been used this would have been shown as follows for the company:

	2011 £	2010 £
Cost and net book amount	758,800	758,800
	<hr/>	<hr/>

Notes (continued)

10 Stocks

	2011 £	2010 £
Raw materials	211,615	190,856
Goods for resale	2,673,682	2,397,998
	<u>2,885,297</u>	<u>2,588,854</u>

11 Debtors

	2011 £	2010 £
Trade debtors	2,449,521	2,206,060
Amounts owed by group undertakings	9,357,716	6,371,186
Other debtors	190,187	316,912
Deferred tax (see note 13)	218,233	150,407
Corporation tax debtor	-	174,675
Prepayments and accrued income	134,727	360,651
	<u>12,350,384</u>	<u>9,579,891</u>

12 Creditors amounts falling due within one year

	2011 £	2010 £
Trade creditors	153,265	336,763
Amounts owed to group undertakings	4,451,758	2,778,557
Other taxation and social security	105,791	88,480
Other creditors	129,980	29,413
Accruals and deferred income	1,357,424	299,717
	<u>6,198,218</u>	<u>3,532,930</u>

Notes (continued)

13 Deferred taxation

The amounts provided for deferred taxation are set out below

	Deferred taxation £
At the beginning of the year	150,407
Credited to the profit and loss account	67,826
	<hr/>
Asset at the end of the year (see note 11)	218,233
	<hr/>

In addition, £9,620 relating to the deferred tax on pension payments and net finance cost was charged to the profit and loss account. The elements of deferred taxation are set out below

	2011 £	2010 £
Difference between accumulated depreciation and capital allowances	9,885	(12,385)
Other timing differences	16,787	68,968
Losses carried forward	191,562	93,824
	<hr/>	<hr/>
	218,233	150,407
	<hr/>	<hr/>

A deferred tax asset of £218,233 (2010 £150,407) in respect of timing differences and losses carried forward has been recognised reflecting the extent to which the directors consider there is a reasonable expectation that there will be suitable taxable profits from which the future reversal of the underlying timing differences and tax losses can be deducted.

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate reduction creates a reduction in the deferred tax asset which has been included in the figures above. The Chancellor also proposed changes to further reduce the main rate of corporation tax by 1% per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the further reductions from 26% to 23%, if these applied to the deferred tax balance at 31 March 2011, would be to further reduce the deferred tax asset above by £25,181.

14 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Loss for the financial year	(364,085)	(327,425)
Other recognised (losses)/gains for the year	(27,380)	43,200
	<hr/>	<hr/>
Net reduction to shareholders' funds	(391,465)	(284,225)
Opening equity shareholders' funds	11,713,916	11,998,141
	<hr/>	<hr/>
Closing equity shareholders' funds	11,322,451	11,713,916
	<hr/>	<hr/>

Notes (continued)

15 Called up share capital

	2011 £	2010 £
<i>Authorised</i>		
20,000,000 ordinary shares of £1 each	20,000,000	20,000,000
	<u> </u>	<u> </u>
<i>Allotted called up and fully paid</i>		
10,250,000 ordinary shares of £1 each	10,250,000	10,250,000
	<u> </u>	<u> </u>

16 Reserves

	Profit and loss Account £
At 1 April 2010	1,463,916
Retained loss for the year	(364,085)
Actuarial loss recognised, net of deferred tax	(27,380)
	<u> </u>
At 31 March 2011	1,072,451
	<u> </u>

17 Commitments

The company had no capital commitments at the year end for which no provision had been made
(2010 none)

Annual commitments under non-cancellable operating leases are as follows

	2011 Other £	2010 Other £
Operating leases which expire		
- within one year	17,787	26,032
- in the second to fifth years inclusive	45,938	44,867
	<u> </u>	<u> </u>
	63,725	70,899
	<u> </u>	<u> </u>

Notes (continued)

18 Related party transactions

The company has taken advantage of the exemption in FRS 8 'Related party disclosures' not to disclose transactions with members of the Dainippon Screen Manufacturing Company group

19 Ultimate parent company

The company is a subsidiary undertaking of Dainippon Screen Manufacturing Company Limited, a company incorporated in Japan. The largest and smallest group in which the results of the company are consolidated is that headed by Dainippon Screen Manufacturing Company Limited. The consolidated accounts of this group are available to the public and may be obtained from Dainippon Screen Manufacturing Company Limited, 1-1, Teranouchi agaru 4 chome, Horikawa-dori, Kamikyo-ku, Kyoto 602, Japan

20 Ultimate controlling party

The controlling and ultimate controlling party is considered to be Dainippon Screen Manufacturing Company Limited by virtue of its shareholding

21 Pensions

The group operates the following pension schemes for its employees

- A Group Personal Pension scheme for contributions since April 1997, currently operated by Friends Provident,
- A Personal Pension Scheme with St James Place for four employees, and
- Funded Defined Benefit Schemes

The group normally contributes between 5% and 15% of the pensionable salaries to the group personal pension scheme. During the year, pension contributions amounted to £1,056,401 (2010 £308,640). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Dainippon Screen (UK) Ltd Pension and Life Assurance Scheme – defined benefit schemes

The Dainippon Screen (UK) Ltd Pension and Life Assurance Scheme is operated by BDO Stoy Hayward. The scheme contains the benefits of thirty three members, of which thirty one have deferred benefits and two members are taking benefits. The latest actuarial valuation was on 1 April 2008 using the attained age method. The defined benefit scheme is assessed in accordance with the advice of the scheme actuary from BDO Stoy Hayward, independent consulting actuaries. At the date of the latest actuarial valuation the market value of the assets of the scheme was £2,268,000 and the actuarial value of the assets was sufficient to cover 93% of the liabilities of the scheme.

Notes (continued)

21 Pensions (continued)

The Dainippon Screen (UK) Ltd Pension and Life Assurance Scheme

The Company operates a pension scheme providing benefits based on final pensionable pay. The latest full actuarial valuation was carried out at 1 April 2008 and was updated for FRS 17 purposes to 31 March 2011 by a qualified independent actuary. Investments have been valued, for this purpose, at fair value. The main assumptions used for the actuarial valuation were:

	2011	2010	2009
Rate of increase in deferred pensions	3.3%	3.9%	3.2%
Rate of increase in pensions in payment	3.0%	3.0%	3.0%
Discount rate	5.5%	5.5%	6.7%
Inflation assumption	3.3%	3.9%	4.3%

There are no active members under the scheme as at 31 March 2011 and hence no salary assumption is required.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	2011 £	2010 £	2009 £	2008 £	2007 £
Fixed interest portfolio of a managed fund policy issued by Guardian Pensions Management	2,613,000	2,484,000	1,881,000	2,321,000	2,361,000
Total fair value of assets	2,613,000	2,484,000	1,881,000	2,321,000	2,361,000
Present value of scheme liabilities	(2,681,000)	(2,674,000)	(2,043,000)	(2,124,000)	(2,458,000)
(Deficit)/Surplus in the scheme	(68,000)	(90,000)	(162,000)	197,000	(97,000)
Related deferred tax asset/(liability)	17,680	25,200	45,360	(55,160)	29,100
Net pension (liability)/asset	(50,320)	(64,800)	(116,640)	141,840	(67,900)

Notes (continued)

21 Pensions (continued)

The expected rates of return on the assets in the scheme were

	Long term rate of return 2011	Long term rate of return 2010	Long term rate of return 2009	Long term rate of return 2008	Long term rate of return 2007
Equities	7.2%	7.0%	7.0%	7.5%	7.5%
Bonds	4.2%	4.5%	4.0%	4.8%	4.8%
Other	2.0%	2.0%	2.0%	5.5%	5.5%

The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members of the scheme approach retirement

Movement in (deficit)/surplus during the year

	2011 £	2010 £
Deficit in scheme at beginning of year	(90,000)	(162,000)
Contributions paid	48,000	48,000
Other finance costs/(income)	11,000	(36,000)
Actuarial (loss)/gain	(37,000)	60,000
	<hr/>	<hr/>
Deficit at end of year	(68,000)	(90,000)
	<hr/>	<hr/>

Analysis of other pension costs charged in arriving at operating profit

	2011 £	2010 £
Current service cost	-	-
Past service cost	-	-
Previously unrecognised surplus deducted from past service cost	-	-
Gains/losses on settlements or curtailments	-	-
Previously unrecognised surplus deducted from the settlement or curtailment losses	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Analysis of amounts included in other finance costs

	2011 £	2010 £
Expected return on pension scheme assets	151,000	98,000
Interest on pension scheme liabilities	(140,000)	(134,000)
	<hr/>	<hr/>
Net finance costs/(income)	11,000	(36,000)
	<hr/>	<hr/>

Notes *(continued)*

21 Pensions *(continued)*

Analysis of amount recognised in statement of total recognised gains and losses

	2011 £	2010 £
Difference between assumed and actual return on assets	114,000	(425,000)
Experience gains and losses	(80,000)	7,000
Changes in assumptions underlying the present value of scheme liabilities	(71,000)	478,000
	<hr/>	<hr/>
Total actuarial (loss)/gain recognised in statement of total recognised gains and losses	(37,000)	60,000
	<hr/> <hr/>	<hr/> <hr/>