

**Oxford Instruments Overseas Holdings Limited**

**Directors' report and financial  
statements**

**Registered number 3302442**

**31 March 2014**

TUESDAY



\*A3LVTMSQ\*

A20

02/12/2014

#230

COMPANIES HOUSE

## Contents

|   |   |
|---|---|
| Directors' report   | 1 |
| Statement of directors' responsibilities in respect of the Directors' Report and the financial statements | 3 |
| Independent auditor's report to the members of Oxford Instruments Overseas Holdings Limited               | 4 |
| Profit and loss account   | 6 |
| Balance sheet   | 7 |
| Reconciliation of movement in shareholder's funds   | 8 |
| Notes   | 9 |

## Strategic report

### Principal activity and business review

The Company acts as an intermediary holding company within the Oxford Instruments plc (OI plc) group structure. Oxford Instruments plc is a leading manufacturer of high technology tools and systems for research and industry.

### Business review

The financial performance and position of the Company are in line with the directors' expectations. The balance sheet at 31 March 2014 shows that Oxford Instruments Overseas Holdings Limited has net assets of £130,459,000 (2013: £107,201,000). This analysis is detailed on the balance sheet (see page 7). Correspondingly, for the year ended 31 March 2014 the Company reported a profit before taxation of £23,258,000 (2013: £8,102,000). This analysis is detailed on the profit and loss account (see page 6).

During the year the company liquidated one of its subsidiary undertakings, HKL Technology A/S, resulting in an impairment of the carrying value of its investment of £2,695,000 and a gain on transfer of loan receivable of £583,000.

Another subsidiary, Oxford Instruments Analytical Oy, reduced its share capital during the year, resulting in a gain of £4,162,000 in Oxford Instruments Overseas Holdings Limited.

### Principal risks and uncertainties

The Company is reliant on the on-going trading of the Oxford Instruments plc group to enable it to meet its liabilities and obligations and therefore the principal risks and uncertainties facing the business are similar to those of the group as a whole, being:

The Group utilises Helium<sup>3</sup> to achieve ultra low temperatures in its cryofree product ranges. A worldwide risk to the availability of Helium<sup>3</sup> has led to greater volatility in helium prices. The Group has taken steps to mitigate this risk through purchasing strategies to secure the product and sales strategies to protect profitability.

The Group faces increasing competitive pressures from new competitors entering the market place and from new types of X-ray detectors becoming widely available; these could result in it losing sales to its key competitors. To manage this risk, the Group strives to develop new high quality added-value products and services to its customers; prompt response times in the supply of products and services and in the handling of customer queries; and through the maintenance of strong relationships with customers.

The Group sells products into international markets and it is therefore exposed to currency movements on such sales. Where appropriate, the Group manages this risk with forward foreign exchange contracts in line with OI plc's treasury policies.

The Group's businesses may be affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks.

The Group risks to which the Company is exposed are discussed in OI plc's Annual Report, which does not form part of this Report.

### Future prospects

No significant changes or developments in the company's business are anticipated in the foreseeable future.

By order of the board

5 November 2014



Susan Johnson-Brett  
Secretary

Tubney Woods  
Abingdon  
Oxon  
OX13 5QX

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

### Dividend

The directors do not recommend payment of a dividend (2013: £7,980,000). The retained profit for the year of £23,258,000 (2013: £122,000) has been transferred to reserves.

### Directors

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

KJ Boyd  
DJ Flint  
CJA Holroyd

### Disclosure of information to auditors

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

### Auditor

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

By order of the board



Susan Johnson-Brett  
Secretary

5 November 2014

Tubney Woods  
Abingdon  
Oxon  
OX13 5QX

## **Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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;
- 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.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## KPMG LLP

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

### **Independent auditor's report to the members of Oxford Instruments Overseas Holdings Limited**

We have audited the financial statements of Oxford Instruments Overseas Holdings Limited for the year ended 31 March 2014 set out on pages 6 to 13. 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 2, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 2014 and of its profit 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.

#### **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:

**Independent auditor's report to the members of Oxford Instruments Overseas Holdings Limited** *(continued)*

- 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.



**Simon Haydn-Jones (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

**7** November 2014

**Profit and loss account**  
*for the year ended 31 March 2014*

|  | Notes | 2014<br>£000 | 2013<br>£000 |
|--|-------|--------------|--------------|
| Other operating income   |       | -            | 122          |
| <b>Operating profit</b>  |       | -            | 122          |
| Impairment of investment in subsidiary                               | 2     | (2,695)      | -            |
| Gain arising on transfer of loan receivable from fellow group entity | 2     | 583          | -            |
| Gain arising from capital reduction in subsidiary                    | 2     | 4,162        | -            |
| Income from shares in group undertakings                             |       | 21,208       | 7,980        |
| <b>Profit on ordinary activities before taxation</b>                 | 2     | 23,258       | 8,102        |
| Tax on profit on ordinary activities                                 | 5     | -            | -            |
| <b>Profit for the financial year</b>                                 |       | 23,258       | 8,102        |

The Company has no recognised gains and losses other than the profit for the year and therefore no separate statement of recognised gains and losses has been presented.


The notes on pages 9 to 13 form an integral part of these financial statements.



**Balance sheet**  
 at 31 March 2014

|   | Notes | £000     | 2014<br>£000 | £000     | 2013<br>£000 |
|---|-------|----------|--------------|----------|--------------|
| <b>Fixed assets</b>                                   |       |          |              |          |              |
| Investments   | 6     |          | 169,101      |          | 150,621      |
| <b>Creditors: amounts falling due within one year</b> | 7     | (38,642) |              | (43,420) |              |
| <b>Net current liabilities</b>                        |       |          | (38,642)     |          | (43,420)     |
| <b>Net assets</b>                                     |       |          | 130,459      |          | 107,201      |
| <b>Capital and reserves</b>                           |       |          |              |          |              |
| Called up share capital                               | 8     |          | -            |          | -            |
| Share premium reserve                                 | 9     |          | 54,523       |          | 54,523       |
| Other reserves  | 9     |          | 30,293       |          | 30,293       |
| Profit and loss account                               | 10    |          | 45,643       |          | 22,385       |
| <b>Shareholder's funds - equity</b>                   |       |          | 130,459      |          | 107,201      |

These financial statements were approved by the board of directors on 5 November 2014 and were signed on its behalf by:

  
 K Boyd  
 Director

**Reconciliation of movement in shareholder's funds**  
*for the year ended 31 March 2014*

|   | <b>2014</b><br><b>£000</b> | <b>2013</b><br><b>£000</b> |
|---|----------------------------|----------------------------|
| Profit for the financial year                         | <b>23,258</b>              | 8,102                      |
| Movement in reserves arising from group restructuring | -                          | 30,293                     |
| New share issue                                       | -                          | 28,242                     |
| Dividends paid  | -                          | (7,980)                    |
| Increase in shareholder's funds                       | <b>23,258</b>              | 58,657                     |
| Opening shareholder's funds                           | <b>107,201</b>             | 48,544                     |
| <b>Closing shareholder's funds</b>                    | <b>130,459</b>             | 107,201                    |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following principal 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 and under the historical cost accounting rules. Under Financial Reporting Standard (FRS) 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of Oxford Instruments plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Oxford Instruments plc, within which this Company is included, can be obtained from the address given in note 11.

#### ***Going concern***

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report.

The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the Company's ultimate parent Oxford Instruments plc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Oxford Instruments group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Oxford Instruments plc, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### ***Foreign currency***

Transactions in foreign currencies are converted into sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. Exchange profits and losses arising from the above are dealt with in the profit and loss account.

#### ***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.

#### ***Investments in subsidiary undertakings***

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision, if necessary, for impairment. Any impairment in value against original cost is charged to the profit and loss account.

## Notes (continued)

### 2 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the ultimate parent company, Oxford Instruments plc.

During the year the company liquidated one of its subsidiary undertakings, HKL Technology A/S, resulting in an impairment of the carrying value of its investment of £2,695,000 and a gain on transfer of loan receivable of £583,000.

Another subsidiary, Oxford Instruments Analytical Oy, reduced its share capital during the year, resulting in a gain of £4,162,000 in Oxford Instruments Overseas Holdings Limited.

### 3 Remuneration of directors

The directors receive no remuneration for their roles as directors of the Company. The aggregate emoluments of the directors are borne and are also disclosed by Oxford Instruments plc, the holding company. Details of share options exercised are shown in the directors' report of Oxford Instruments plc.

### 4 Staff numbers and costs

With the exception of the directors, the Company has no employees.

### 5 Taxation

|   | 2014<br>£000 | 2013<br>£000 |
|---|--------------|--------------|
| <i>Foreign tax</i>                          |              |              |
| Foreign tax on income for the year          | -            | -            |
| <b>Tax on profit on ordinary activities</b> | -            | -            |

#### Factors affecting the tax charge for the year

The current tax charge is lower (2013: *lower*) than the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

|  | 2014<br>£000 | 2013<br>£000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax   | 23,258       | 8,102        |
| Profit on ordinary activities before tax at standard tax rate of 23% (2013: 24%) | 5,349        | 1,944        |
| Effects of:  |              |              |
| Expenses not deductible for tax purposes   | 620          |              |
| Non-taxable income   | (5,969)      | (1,944)      |
|  | -            | -            |

#### Factors that may affect future, current and total tax charges

On 20 March 2013 the Chancellor announced that the UK corporation tax rate will reduce to 20% by 1 April 2015.

A reduction in the rate from 25% to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012 and a further reduction to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

**Notes (continued)**

**6 Investments**

|   | 2014<br>£000 | 2013<br>£000 |
|---|--------------|--------------|
| <b>Cost</b>   |              |              |
| At the beginning of year                                    | 150,621      | 87,644       |
| <b>Additions</b>  |              |              |
| Investment in Oxford Instruments Holdings 2008 Inc          | -            | 3,955        |
| Investment in Oxford Instruments Holdings GmbH              | -            | -            |
| Investment in Oxford Instruments Holdings 2013 Inc          | -            | 19,762       |
| Investment in Oxford Instruments Private Ltd                | -            | 487          |
| Investment in Oxford Instruments Holdings Europe Ltd        | 21,138       | 28,242       |
| Investment in Oxford Instruments Overseas Holdings 2008 Ltd | -            | 30,293       |
| Investment in Oxford Instruments Nordiska AB                | 37           | -            |
| <b>Disposals</b>  |              |              |
| Investment in Oxford Instruments Holdings 2008 Inc          | -            | (19,762)     |
| Investment in HKL Technology A/S                            | (2,695)      | -            |
| At the end of year  | 169,101      | 150,621      |

In the prior year the investment in Oxford Instruments Holdings 2008 Inc was transferred to another subsidiary entity. The Company therefore no longer holds the direct investment in Oxford Instruments Holdings 2008 Inc, however retains ultimate ownership.

The principal undertakings in which the Company has an interest at the year end are as follows:

|   | Country of<br>incorporation | Principal activity | Holding  | Class and percentage<br>of shares held |          |
|---|-----------------------------|--------------------|----------|--|----------|
| <i>Subsidiary undertakings</i>                |                             |                    |          |  |          |
| Oxford Instruments Holdings 2013 Inc          | USA                         | Holding company    | Direct   | 100%                                   | Ordinary |
| Oxford Instruments Holdings 2008 Inc          | USA                         | Holding company    | Indirect | 100%                                   | Ordinary |
| Oxford Instruments Holdings Inc               | USA                         | Holding company    | Indirect | 100%                                   | Ordinary |
| Oxford Instruments (Tennessee) Inc            | USA                         | Holding company    | Indirect | 100%                                   | Ordinary |
| Oxford Instruments X-Ray Technology Inc       | USA                         | Manufacture        | Indirect | 100%                                   | Ordinary |
| Oxford Instruments America Inc                | USA                         | Distribution       | Indirect | 100%                                   | Ordinary |
| Oxford Superconducting Technology             | USA                         | Manufacture        | Indirect | 100%                                   | Ordinary |
| Austin Scientific Company                     | USA                         | Manufacture        | Indirect | 100%                                   | Ordinary |
| Oxford Instruments OST Holdings LLC           | USA                         | Holding            | Indirect | 100%                                   | Ordinary |
| Oxford Instruments KK                         | Japan                       | Distribution       | Indirect | 100%                                   | Ordinary |
| Oxford Instruments Overseas Marketing Limited | UK                          | Marketing          | Indirect | 100%                                   | Ordinary |
| Oxford Instruments SAS                        | France                      | Distribution       | Direct   | 100%                                   | Ordinary |
| Oxford Instruments Private Limited            | Singapore                   | Distribution       | Direct   | 100%                                   | Ordinary |

## Notes (continued)

### 6 Investments (continued)

|   | Country of incorporation | Principal activity | Holding  | Class and percentage of shares held |          |
|---|--------------------------|--------------------|----------|-------------------------------------|----------|
| Oxford Instruments Analytical Oy              | Finland                  | Manufacture        | Direct   | 100%                                | Ordinary |
| Oxford Instruments GmbH                       | Germany                  | Distribution       | Indirect | 100%                                | Ordinary |
| Omniprobe, Inc.                               | USA                      | Manufacture        | Indirect | 100%                                | Ordinary |
| Oxford Instruments (Shanghai) Co Ltd          | China                    | Manufacture        | Direct   | 100%                                | Ordinary |
| Oxford Instruments Overseas Holdings 2008 Ltd | UK                       | Holding Company    | Direct   | 100%                                | Ordinary |
| Oxford Instruments Holdings GmbH              | Germany                  | Holding company    | Direct   | 100%                                | Ordinary |
| Roentgenanalytik Systeme, GmbH & Co.          | Germany                  | Manufacture        | Indirect | 100%                                | Ordinary |
| Oxford Instruments Asylum Research Inc        | USA                      | Research           | Indirect | 100%                                | Ordinary |
| Oxford Instruments Nordiska AB                | Sweden                   | Distribution       | Direct   | 100%                                | Ordinary |

### 7 Creditors: amounts falling due within one year

|                                    | 2014<br>£000 | 2013<br>£000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 38,642       | 43,420       |
|                                    | 38,642       | 43,420       |

### 8 Called up share capital

|   | 2014<br>£ | 2013<br>£ |
|---|-----------|-----------|
| <i>Allotted, called up and fully paid</i> |           |           |
| Ordinary £1 shares                        | 8         | 7         |
| Ordinary shares issued in the year        | -         | 1         |
|   | 8         | 8         |

### 9 Share premium and other reserves

| Share premium                             | 2014<br>£000 | 2013<br>£000 |
|---|--------------|--------------|
| <i>Allotted, called up and fully paid</i> |              |              |
| Ordinary £1 shares                        | 54,523       | 26,281       |
| Ordinary £1 shares issued in the year     | -            | 28,242       |
|   | 54,523       | 54,523       |

| Other reserves  | 2014<br>£000 | 2013<br>£000 |
|---|--------------|--------------|
| Non-distributable reserves arising on group restructuring | 30,293       | 30,293       |

**Notes** *(continued)*

**10 Profit and loss account**

|                               | <b>2014</b>   | <b>2013</b> |
|-------------------------------|---------------|-------------|
|                               | <b>£000</b>   | <b>£000</b> |
| At the beginning of year      | <b>22,385</b> | 22,263      |
| Profit for the financial year | <b>23,258</b> | 8,102       |
| Dividends paid                | -             | (7,980)     |
| At the end of year            | <b>45,643</b> | 22,385      |

**11 Ultimate parent company**

The Company's ultimate parent company is Oxford Instruments plc, a company registered in England and Wales. This is the only company in the group that prepares consolidated financial statements. These are available to the public and may be obtained from Oxford Instruments plc's head office at Tubney Woods, Abingdon, Oxon, OX13 5QX, England.