

**Oxford Instruments Industrial Products Holdings
Limited**

**Directors' report and financial
statements**

Registered number 4068014

31 March 2014

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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 Industrial Products Holdings Limited has net assets of £25,001,001 (2013:£25,001,001). 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 £nil (2013: £8,000,000). This analysis is detailed on the profit and loss account (see page 6).

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 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 Company 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 Company 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 has a multi-employer UK defined benefit pension plan, which is currently in deficit. The funding level of this pension plan is subject to adverse change resulting from movements in the actuarial assumptions underlying the calculation of plan liabilities, including decreasing discount rates and increasing longevity of plan members, as well as declines in the market value of plan investments. The UK pension plan is closed to new members and deficit-reduction contributions in addition to the normal cash contributions due are being made under the terms of a repayment schedule agreed with the plan Trustee. Significant adverse changes in the actuarial assumptions underlying the UK plan valuation and the Company's share of any deficit-reduction contributions made into the plan could materially impact the Company's trading results.

In August 2010, OI plc closed the scheme to future accrual and in doing so OI plc sought to mitigate the risk of pension fund liabilities rising. The alternative pension arrangements offered to the employees were cash neutral to OI plc and its subsidiaries.

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. The business review on page 1 forms part of this Directors' report.

Dividend

The directors do not recommend payment of a dividend (2013: £8,000,000).

Directors and directors' interests

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

KJ Boyd
CJA Holroyd
DJ Flint

Disclosure of information to auditor

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 auditor 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 Directors' Report, the Strategic Report and the Financial Statements

The directors are responsible for preparing the Directors' Report, the Strategic 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 judgements 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 Industrial Products Holdings Limited

We have audited the financial statements of Oxford Instruments Industrial Products Holdings Limited for the year ended 31 March 2014 set out on pages 6 to 11. 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 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.

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 result 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 Industrial Products 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 £	2013 £
Operating profit		-	-
Income from shares in group undertakings	9	-	8,000,000
Profit on ordinary activities before taxation	2	-	8,000,000
Tax on profit on ordinary activities		-	-
Profit for the financial year		-	8,000,000

All figures relate to continuing operations. 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 8 to 11 form an integral part of these financial statements.

Balance sheet
at 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	5	25,000,001	25,000,001
		25,000,001	25,000,001
Current assets			
Debtors	6	1,000	1,000
Net assets		25,001,001	25,001,001
Capital and reserves			
Called up share capital	7	2	2
Share premium reserve	8	21,300,412	21,300,412
Capital contribution reserve	8	3,700,587	3,700,587
Shareholder's funds - equity		25,001,001	25,001,001

These accounts have been prepared in accordance with the special provision of Part 16 of the Companies Act 2006 relating to small companies.

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

	2014 £	2013 £
Opening shareholder's funds	25,001,001	25,001,001
Profit for the financial period	-	8,000,000
Dividends paid	-	(8,000,000)
Closing shareholder's funds	25,001,001	25,001,001

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 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 by virtue of s400 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 10.

Going concern

The Financial Statements have been prepared on a going concern basis, based on the Directors' opinion, after making reasonable enquiries, that the Company has adequate resources to continue in operational existence for the foreseeable future.

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.

Dividends on shares presented within shareholder's 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.

2 Profit on ordinary activities before taxation

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

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 by other entities within the Oxford Instruments plc group, being Oxford Instruments Analytical Limited and Oxford Instruments plc, the ultimate parent company.

4 Staff numbers and costs

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

Notes (continued)

5 Investments

	Investments £
<i>Cost</i>	
At 1 April 2013 and 31 March 2014	25,000,001
<i>Net book value</i>	
At 31 March 2013 and 31 March 2014	25,000,001

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

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Oxford Instruments Industrial Products Limited	England and Wales	Advanced instrumentation	100% Ordinary
Oxford Instruments NanoAnalysis Limited*	England and Wales	Dormant	100% Ordinary
RMG Technology*	England and Wales	Advanced instrumentation	100% Ordinary

* investment held by Oxford Instruments Industrial Products Limited

6 Debtors falling due within one year

	2014 £	2013 £
Amount owed by group undertakings	1,000	1,000

7 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
2 ordinary £1 shares	2	2

8 Share premium and capital contribution reserve

	Share Premium £	Capital Contribution £
At the start and the end of the year	21,300,412	3,700,587

Notes *(continued)*

9 Profit and loss account

	2014 £	2013 £
At the beginning of year	-	-
Profit for the year	-	8,000,000
Dividends paid	-	(8,000,000)
At the end of year	-	-

10 Ultimate parent company

The 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.