

**Oxford Instruments Industrial Products Holdings
Limited**

Annual report and financial statements

Registered number 04068014

31 March 2019



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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 2019 shows that Oxford Instruments Industrial Products Holdings Limited has net assets of £5,353,000 (2018: £5,353,000).

For the year ended 31 March 2019 the Company reported a result before tax of £nil (2018: loss of £3,848,000).

Principal risks and uncertainties

Principal risks and uncertainties facing the business are similar to those of the Oxford Instruments group as a whole, being:

Specific risk 1: Routes to market			
Context: In some instances, the Company’s products are components of higher-level systems sold by OEMs, and thus the Company does not control its route to market.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Vertical integration by OEMs. 	<ul style="list-style-type: none"> Loss of key customers/route to market. Reduction in sales volumes or pricing and lower profitability. 	<ul style="list-style-type: none"> Customer intimacy to match product performance to customer needs. <ul style="list-style-type: none"> Positioning of Oxford Instruments brand and marketing directly to end users. 	<ul style="list-style-type: none"> Strategic relationships with OEMs to sell performance of the combined system. Product differentiation to promote advantages of Oxford Instruments equipment and solutions. Direct marketing to end users.
Specific risk 2: Technical risk			
Context: The Company provides high technology equipment, systems and services to its customers.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Failure of the advanced technologies applied by the Company to produce commercially viable products. 	<ul style="list-style-type: none"> Loss of market share or negative pricing pressure resulting in lower turnover and reduced profitability. Additional NPI expenditure. Adverse impact on the Group’s brand and reputation. 	<ul style="list-style-type: none"> “Voice of the Customer” approach and market intimacy to direct product development activities. Formal NPI processes to prioritise investment and to manage R&D expenditure. Product lifecycle management. 	<ul style="list-style-type: none"> Understanding customer needs/expectations and targeted new product development programme to maintain and strengthen product positioning. Stage gate process in product development to challenge commercial business case and mitigate technical risks. Operational practices around sales-production matching and inventory management to mitigate stock obsolescence risks.

Strategic report (continued)

Principal risks and uncertainties (continued)

Specific risk 3: Economic environment			
Context: Government expenditure may become constrained in key markets.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Reduction in research funding in key markets such as the US, China and the EU (including the UK). 	<ul style="list-style-type: none"> Lower sales and profitability. 	<ul style="list-style-type: none"> Market intimacy and commercial market diversification. 	<ul style="list-style-type: none"> Increased focus on customers that are not reliant on Government funding.
Specific risk 4: Political risk			
Context: The Company operates in global markets and can be required to secure export licences from Governments.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Changes in the geopolitical landscape or a global trade war resulting in a complete embargo on trade with specific nations, barriers to trade with individual customers, or significant increases in tariffs. 	<ul style="list-style-type: none"> Lower export volumes or net pricing to key markets adversely affecting turnover. Increases to input costs and lower gross margins. Limitations on ability to provide after-sales service to existing customers. 	<ul style="list-style-type: none"> Contract review and protection against breach should export licences be withheld. 	<ul style="list-style-type: none"> Broad global customer base; contractual protection.
Specific risk 5: Legal/compliance risk			
Context: The Company operates in a complex regulatory and technological environment. The Company may at times experience unintentional non-conformance with regulations and competitors may seek to protect their position through intellectual property rights.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Infringement of a third party's intellectual property. Regulatory breach. 	<ul style="list-style-type: none"> Potential loss of future revenue. Future royalty payments. Payment of damages. Fines and non-financial sanctions such as restrictions on trade, disbarment from public procurement contracts. Reputational damage. 	<ul style="list-style-type: none"> Formal 'Freedom to Operate' assessment to identify potential IP issues during product development. Internal control framework including policies, procedures and training in risk areas such as bribery and corruption, sanctions and export controls. 	<ul style="list-style-type: none"> Confirmation of 'Freedom to Operate' during new product development stage gate process. Compliance monitoring programmes.

Strategic report (continued)

Principal risks and uncertainties (continued)

Specific risk 6: Brexit related risks Context: The UK has triggered Article 50 to leave the EU.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Supply chain disruption. Lower participation in EU-funded research projects post-Brexit. Potential short-term hiatus in UK research funding. Barriers to existing free movement of goods and services in the EU. Tariffs on exports to EU countries from the UK and vice versa. UK becomes less attractive to EU nationals as a place to work. 	<ul style="list-style-type: none"> Delays to shipments. Lower sales and profitability. Salary inflation. Loss of key skills, and/or increased recruitment, and/or salary costs. Supply chain disruption. Lower net pricing on UK exports to EU and cost increases on products sourced from the EU. 	<ul style="list-style-type: none"> Sales production matching and resource planning. Customer intimacy and monitoring of funded projects. Strategic sourcing programme. Product pricing reviews. Skills and capabilities reviews. International Trade Committee. 	<ul style="list-style-type: none"> Existing stock of raw materials and work in progress. Market diversification. Long-term pricing agreements for key suppliers and strategic sourcing. Pricing strategy. Renewal of UK work permit scheme to facilitate employment of non-UK/EU nationals. Application for Authorised Economic Operator status to facilitate movement of goods with remaining EU 27.
Specific risk 7: Adverse movements in long-term foreign currency rates Context: A high proportion of the Company's revenue is in foreign currencies, notably US dollars while the majority of the cost base is denominated in sterling.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Long-term strengthening of Sterling against key currencies such as the US Dollar, Japanese Yen and the Euro. (Short-term exposure to volatility is managed by hedging programme). 	<ul style="list-style-type: none"> Reduced profitability. 	<ul style="list-style-type: none"> Procurement "make or buy" strategy. Treasury management. 	<ul style="list-style-type: none"> Strategic procurement in US Dollars, Euros and Yen. Active review of exposure in key currencies.
Specific risk 8: Supply chain risk Context: The Company operates a strategic "make or buy" policy which places reliance on key partners, notably single source suppliers, in terms of pricing and on-time delivery.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Supply chain disruption, in particular for single source components, leading to production delays and potentially lost revenue. 	<ul style="list-style-type: none"> Disruption to customers. Lower sales and profitability. Higher input costs. Negative impact on the Group's reputation. 	<ul style="list-style-type: none"> Procurement strategy to manage stock availability. 	<ul style="list-style-type: none"> Buffer stocks of key components. Where possible, dual source supply is sought.

Strategic report (continued)

Principal risks and uncertainties (continued)

Specific risk 9: People Context: A number of the Company's employees have business-critical skills.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Key employees leave and effective replacements are not recruited on a timely basis. 	<ul style="list-style-type: none"> Adverse impact on NPI. Operational disruption. Lower sales and profitability. 	<ul style="list-style-type: none"> HR people strategy for retention and recruitment of staff with key skills. 	<ul style="list-style-type: none"> Succession management plans. Technical career paths. UK work permit scheme to facilitate employment of non-UK/EU nationals in place.
Specific risk 10: IT risk Context: Elements of production, financial and other systems rely on IT availability.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Cyber attack on the Group's IT infrastructure. Spread of viruses or malware through "Zero-day" incidents or phishing attacks. Insider threat. 	<ul style="list-style-type: none"> Disruption to business as usual operations. Loss of business-critical data. Financial and reputational damage. 	<ul style="list-style-type: none"> IT security policy and associated standards and protection systems. Internal IT governance to maintain those protection systems and our incident response. Employee awareness training. 	<ul style="list-style-type: none"> Regular review, monitoring and testing of key security measures to assess adequacy of protection against known threats. Citadel approach to protect key data. User education.
Specific risk 11: Operational risk Context: The Company's production facilities are typically located at a single site.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Sustained disruption to production arising from a major incident at a site. 	<ul style="list-style-type: none"> Inability to fulfil orders in the short term, resulting in a reduction in sales and profitability. Additional, non-recurring overhead costs 	<ul style="list-style-type: none"> Business Continuity Plans (BCPs) exist for all manufacturing sites. Contractual clauses to limit financial consequences of delayed delivery. 	<ul style="list-style-type: none"> Detailed response in plans in BCPs can reduce downtime arising from incidents and facilitate the restoration or relocation of production. Standard sales contracts include clauses for limitation of liability, liquidated damages and the exclusion of consequential losses.
Specific risk 12: Pensions Context: The Company's calculated pension deficit is sensitive to changes in actuarial assumptions.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> The reported pension deficit is sensitive to movements in actuarial assumptions and returns on investments. 	<ul style="list-style-type: none"> Increase in net debt as additional Group contributions become payable to fund the deficit. Increase in the annual levy paid to the Pension Protection Fund. Reduction in net assets. 	<ul style="list-style-type: none"> Regular review of pension strategy. Liability hedging programme to mitigate exposure to movements in interest rates and inflation. 	<ul style="list-style-type: none"> The Oxford Instruments Group has closed its defined benefit pension schemes in the UK and US to future accrual. The Oxford Instruments Group has a funding plan in place to reduce the pension deficit over the short to medium term.

Strategic report *(continued)*

Future prospects

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

By order of the board



Susan Johnson-Brett
Secretary

Tubney Woods
Abingdon
Oxon
OX13 5QX

5 December 2019

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2019. The business review on page 1 forms part of this Directors' report.

Company information

Oxford Instruments Industrial Products Holdings Limited is a company limited by shares, incorporated in England and Wales. Its registered office is Tubney Woods, Abingdon, Oxon, OX13 5QX, England.

Dividend

The directors do not recommend the payment of a dividend (2018: no dividend).

Directors and directors' interests

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

I R Barkshire
T Curtis
G F Hill

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

Tubney Woods
Abingdon
Oxon
OX13 5QX

5 December 2019

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, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

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Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Oxford Instruments Industrial Products Holdings Limited

Opinion

We have audited the financial statements of Oxford Instruments Industrial Products Holdings Limited ("the company") for the year ended 31 March 2019 which comprise the Profit and Loss Account and Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as carrying value of investments in subsidiaries and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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


Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Andrew Cawthray (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

5 December 2019

Profit and loss account and statement of total comprehensive income
for the year ended 31 March 2019

	Notes	2019 £000	2018 £000
Operating result		-	-
Impairment of investment in subsidiaries	6	-	(3,848)
Result/(loss) before tax	2	-	(3,848)
Tax on result/(loss)	5	-	-
Result/(loss) for the financial year, being total comprehensive income		-	(3,848)

All figures relate to continuing operations.

There is no difference between the reported result/(loss) and the total comprehensive income in either the current or preceding financial year.

The accompanying notes form part of the financial statements.

Balance sheet
at 31 March 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Investments	6	5,352	5,352
		5,352	5,352
Current assets			
Debtors (including £1,000 (2018: £1,000) due after more than one year)	7	1	1
Net assets		5,353	5,353
Capital and reserves			
Called up share capital	8	-	-
Share premium reserve		21,300	21,300
Capital contribution reserve		3,701	3,701
Profit and loss account		(19,648)	(19,648)
Shareholder's funds		5,353	5,353

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 5 December 2019 and were signed on its behalf by:



G F Hill
Director

Statement of changes in equity
for the year ended 31 March 2019

	Share Capital £000	Share premium £000	Capital contribution reserve £000	Profit & loss account £000	Total £000
At 1 April 2017	-	21,300	3,701	(15,800)	9,201
Loss for the year, being total comprehensive income	-	-	-	(3,848)	(3,848)
At 31 March 2018	-	21,300	3,701	(19,648)	5,353
Result for the year, being total comprehensive income	-	-	-	-	-
At 31 March 2019	-	21,300	3,701	(19,648)	5,353

The accompanying notes form part of the financial statements.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101: *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), making amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Oxford Instruments plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Oxford Instruments plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). They are available to the public and may be obtained from Oxford Instruments plc's head office at Tubney Woods, Abingdon, Oxon, OX13 5QX, England.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- related party transactions between wholly owned group members; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Oxford Instruments plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

Significant judgements and estimates

The preparation of financial statements in conformity with FRS 101 requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgements and estimates made in applying the Company accounting policies relate to:

Carrying value of investments in subsidiaries

Investments in subsidiaries are held at cost less provision for impairment and are tested for impairment where there are indications of impairment. These impairment tests require the Company to make an estimate of the expected cash flows and to select suitable discount rates. These require an estimation of the value in use of these assets.

Notes (continued)

1 Accounting policies (continued)

Measurement convention

The financial statements are prepared on the historical cost basis.

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 Strategic Report.

On the basis of their assessment of the Company's financial position, 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.

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 profit or loss.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

2 Result/(loss) before taxation

Auditor's remuneration is borne by the ultimate parent company, Oxford Instruments plc. The amount of auditor's remuneration relating directly to the company was £3,000 (2018: £2,000).

3 Staff numbers and costs

With the exception of the directors, the Company has no employees (2018: none).

4 Remuneration of directors

The payment of directors' remuneration is borne by another group company. Directors' remuneration in respect of qualifying services is apportioned to group companies based on estimated time spent on the governance of the Company and its subsidiaries. Directors' remuneration in respect of qualifying services was as follows:

	2019 £000	2018 £000
Directors' remuneration	20	19
Company contributions to money purchase pension plans	1	1

The directors were also directors or officers of other group companies within the Oxford Instruments plc group.

Notes (continued)

5 Taxation

	£000	2019 £000	£000	2018 £000
<i>Current tax:</i>				
Current tax on income for the period	-		-	
Total current tax		-		-
Tax on result/(loss)		-		-

Factors affecting the tax charge for the period

The current tax charge is the same as (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £000	2018 £000
Result/(loss) before tax	-	(3,848)
Result/(loss) before tax at standard tax rate of 19% (2018: 19%)	-	(731)
Non-deductible expenses	-	731
Total tax charge	-	-

Factors that may affect future, current and total tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

Notes (continued)

6 Investments

	Investments £000
Cost	
At 1 April 2018 and 31 March 2019	25,000
Provision for impairment	
At 1 April 2018 and 31 March 2019	19,648
Net book value	
At 1 April 2018	5,352
At 31 March 2019	5,352

During the prior year, the Company recognised an impairment charge of £3,848,000 relating to its investment in its subsidiary undertaking, Oxford Instruments Industrial Products Limited. The impairment charge reflects the reduction in the estimated net present value of OI IP following the sale of its Industrial Analysis business during July 2017.

As at 31 March 2018, the estimate of the recoverable amount of Oxford Instruments Industrial Products Limited, being its value in use, was calculated as £5,352,000. The discount rate used in arriving at this estimate was 14.9%.

At 31 March 2019, the carrying value of investments on the Company's balance sheet was assessed for indicators of impairment in line with the requirements of IAS 36 *Impairment of Assets*. No indicators were identified and therefore no impairment charge was recognised during the year.

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

	Country of incorporation and registered address	Principal activity	Class and percentage of shares held	
<i>Subsidiary undertakings</i>				
Oxford Instruments Industrial Products Limited	Tubney Wood, Abingdon, Oxon, OX13 5QX, United Kingdom	Advanced instrumentation	100%	Ordinary
Oxford Instruments Nanoanalysis Limited*	Tubney Wood, Abingdon, Oxon, OX13 5QX, United Kingdom	Dormant	100%	Ordinary
RMG Technology*	Tubney Wood, Abingdon, Oxon, OX13 5QX, United Kingdom	Dormant	100%	Ordinary

* Investment held by Oxford Instruments Industrial Products Limited.

Oxford Instruments Nanoanalysis Limited was dissolved on 2 April 2019.

Notes (continued)

7 Debtors

	2019 £000	2018 £000
Amounts owed by group undertakings	1	1

All amounts owed by group undertakings are repayable on demand and do not attract interest. Included in amounts owed by group undertakings is £1,000 (2018: £1,000) expected to be recovered in more than 12 months.

8 Called up share capital

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
2 ordinary £1 shares	2	2

9 Ultimate parent company

The ultimate and immediate 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.

10 Subsequent events

Oxford Instruments Nanoanalysis Limited, one of the Company's subsidiary undertakings, was dissolved on 2 April 2019.