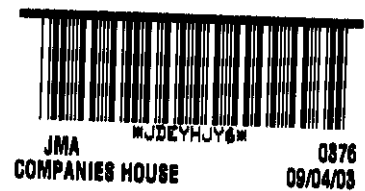


**OXLEY DEVELOPMENTS COMPANY LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 30 SEPTEMBER 2002**

**PKF**



# OXLEY DEVELOPMENTS COMPANY LIMITED

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# **OXLEY DEVELOPMENTS COMPANY LIMITED**

## **DIRECTORS' REPORT YEAR ENDED 30 SEPTEMBER 2002**

The directors submit their report and the financial statements for the year ended 30 September 2002.

### **Results and dividends**

The loss for the year, after taxation, amounted to **£820,319** (2001 - £399,332 profit).

### **Principal activity and review of the business**

The company's principal activity is the design and development and manufacture of components, systems and technologies for the electronics and avionics industry.

The poor prospects anticipated last year due to the downturn in the UK and international markets have been realised in that there has been a substantial operating loss.

Additionally, the Group Board decided for economic reasons to amalgamate a subsidiary Beck Electronics Limited at Great Yarmouth, with Oxley Developments Company Limited which involved the transfer of technology and production from Great Yarmouth to Oxley at Barrow-in-Furness and the eventual closure of Great Yarmouth. The overall cost to the company of the reorganisation including management time charged to the profit and loss account is approximately £500,000 of which £266,000 has been identified as exceptional items.

### **Research and development activities**

The company continues to undertake substantial research and development to develop its existing product range and to design new products in order to compete in an increasingly competitive international market.

### **Directors**

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

Mrs A S Oxley  
G S Edwards  
M N Atkinson  
T Armistead  
D R Norrie  
T G Bushell  
R L Brook  
W Henderson

The directors' interests in the ordinary share capital of £1 each of Oxley Group plc are disclosed in the annual report of that company.

# **OXLEY DEVELOPMENTS COMPANY LIMITED**

## **DIRECTORS' REPORT (continued) YEAR ENDED 30 SEPTEMBER 2002**

### **Employee involvement and employment of disabled persons**

The importance of employee communication and participation is recognised by the company, subject to the constraints of commercial confidentiality. Because the premises occupied by the company are in close proximity and of modest size, this policy is achieved by the frequent presence of members of senior management in the company's offices and production areas, which provides a direct contact with all employees.

It is the company's policy to offer equal opportunities to disabled persons applying for vacancies, having regard to the aptitudes and abilities in relation to the jobs for which they apply.

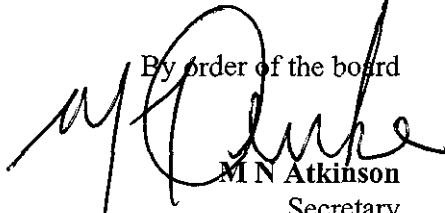
As far as possible, arrangements are made to continue the employment of those employees who have become disabled persons during the course of their employment with the company. In all instances consideration will be given to arranging appropriate training facilities or providing special aids where necessary. It is the company's policy to provide disabled persons with the same opportunities for training, career development and promotion that are available to all employees within the limitation of their aptitude and abilities.

### **Environmental Management Standard**

The company has successfully achieved full accreditation to ISO 14001, the Environmental Management Standard.

### **Auditors**

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board  
  
M N Atkinson  
Secretary

# **OXLEY DEVELOPMENTS COMPANY LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 those 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 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 proper accounting records which 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 1985. 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
OXLEY DEVELOPMENTS COMPANY LIMITED**

We have audited the financial statements of Oxley Developments Company Limited for the year ended 30 September 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 in the Companies Act 1985. 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 auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**OXLEY DEVELOPMENTS COMPANY LIMITED (Continued)**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PKF**

Registered Auditors

Manchester, UK

*24<sup>th</sup> March 2003.*

# OXLEY DEVELOPMENTS COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT YEAR ENDED 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
<b>TURNOVER</b>	<b>2</b>	<b>6,811,293</b>	9,881,940
Cost of sales		<u>(4,361,066)</u>	<u>(5,502,656)</u>
<b>GROSS PROFIT</b>		<b>2,450,227</b>	4,379,284
Distribution costs		<u>(782,308)</u>	<u>(866,308)</u>
Administrative expenses		<u>(2,638,566)</u>	<u>(2,876,552)</u>
Other operating income		<u>88,572</u>	<u>32,862</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<b>(882,075)</b>	669,286
Reorganisation and relocation costs	<b>6</b>	<u>(266,116)</u>	<u>-</u>
		<u>(1,148,191)</u>	669,286
Interest receivable and similar income	<b>7</b>	1,110	3,185
Interest payable and similar charges	<b>8</b>	<u>(38,738)</u>	<u>(49,012)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,185,819)</b>	623,459
<b>TAXATION</b>	<b>9</b>	<u>365,500</u>	<u>(224,127)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>(820,319)</u></u>	<u><u>399,332</u></u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

There was no material difference between the reported result and the result calculated on an unmodified historical cost basis.



# OXLEY DEVELOPMENTS COMPANY LIMITED

## BALANCE SHEET 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Intangible	10	1	1
Tangible	11	1,028,281	1,061,759
		<u>1,028,282</u>	<u>1,061,760</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,598,724	1,855,138
Debtors	13	3,247,707	3,875,623
Cash at bank and in hand		140,498	358,829
		<u>5,986,929</u>	<u>6,089,590</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(3,125,469)</u>	<u>(2,634,296)</u>
<b>NET CURRENT ASSETS</b>		<u>2,861,460</u>	<u>3,455,294</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,889,742</u>	<u>4,517,054</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15	(77,079)	(65,572)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	17	<u>(230,000)</u>	<u>(48,500)</u>
<b>NET ASSETS</b>		<u>3,582,663</u>	<u>4,402,982</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	3,100,451	3,100,451
Profit and loss account	19	482,212	1,302,531
<b>SHAREHOLDERS' FUNDS</b>	20	<u>3,582,663</u>	<u>4,402,982</u>

The financial statements were approved by the board on 24 March 2003.

Signed on behalf of the board of directors

Director



# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 1 ACCOUNTING POLICIES

#### (a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards

#### (b) Turnover

Turnover comprises the total amount receivable (excluding value added tax) for goods and services supplied to customers in the ordinary course of business.

#### (c) Intangible fixed assets

Purchased know-how is amortised in equal instalments over a period of up to five years.

#### (d) Tangible fixed assets

Tangible fixed assets, with the exception of motor vehicles, were revalued by the directors at 30 September 1976 at their gross replacement cost, by the use of the price indices published by the Government Statistical Service. Additions since 30 September 1976 are stated at cost. Depreciation, which is provided on a straight line basis, except on motor vehicles, is calculated to write off the gross replacement cost or, in the case of additions since 30 September 1976, the cost of each class over their estimated useful lives which are:-

Plant and machinery	10 years
Fixtures and fittings	5 to 10 years
Motor vehicles	25% reducing balance

#### (e) Finance and operating leases

Fixed assets acquired under finance leases or hire purchase are treated as tangible fixed assets at their equivalent capital value and are depreciated over the useful economic life of the asset. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the primary lease period

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

#### (f) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated net realisable value. Cost includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

#### (g) Foreign currencies

Transactions in foreign currencies during the year are translated into sterling at a fixed rate determined by the board of directors. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating profit.

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 1 ACCOUNTING POLICIES (continued)

#### (h) Deferred taxation

Provision is made for deferred tax using the full provision method in accordance with Financial Reporting Standard 19. The previous policy was to provide for deferred tax using the liability method. This change in accounting policy has not resulted in a revision of prior year figures.

Deferred tax assets are recognised to the extent that they are regarded as recoverable.

#### (i) Pensions

Employees of the company who satisfy age and service related criteria are eligible for membership of a group money purchase pension scheme under which the contributions of the employer and employees are based on a percentage of salary. All employees are eligible to join the company stakeholder pension plan.

#### (j) Research and development

Expenditure on research and development is written off in the year in which it is incurred.

#### (k) Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful economic lives of the relevant assets by equal annual instalments. Revenue grants are released to profit over the life of the project to which they relate.

### 2 TURNOVER

Turnover is attributable to one class of business.

Turnover is analysed by geographical market as follows:

	2002 £	2001 £
United Kingdom	3,201,478	4,757,376
European Union	1,142,395	2,763,744
Other	2,467,420	2,360,820
Total	<u>6,811,293</u>	<u>9,881,940</u>

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 3 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2002	2001
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	274,035	304,883
- held under finance lease or hire purchase contracts	39,705	25,427
Audit fees	22,750	22,000
Auditors' remuneration - non-audit services	39,520	1,500
Operating lease rentals:		
- plant, machinery and motor vehicles	100,157	83,821
- property	77,505	79,142
	<u>274,035</u>	<u>304,883</u>

### 4 DIRECTORS' EMOLUMENTS AND BENEFITS

	2002	2001
	£	£
Directors' emoluments	346,804	332,172
Contributions to money purchase pension schemes	23,444	21,154
	<u>346,804</u>	<u>332,172</u>

The number of directors accruing benefits under pension schemes were:

	No	No
	6	6
Money purchase schemes	<u>6</u>	<u>6</u>

The highest paid director received emoluments and benefits as follows:

	2002	2001
	£	£
Emoluments and benefits under long term incentive schemes	75,335	78,727
Contributions to money purchase pension schemes	9,310	8,940
	<u>75,335</u>	<u>78,727</u>

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 5 STAFF COSTS

Staff costs, including directors' emoluments, were as follows:

	2002	2001
	£	£
Wages and salaries	3,200,314	3,210,706
Social security costs	288,345	276,032
Other pension costs	199,827	165,107
	<u>3,688,486</u>	<u>3,651,845</u>

The average monthly number of employees, including executive directors, during the year was:

	No	No
Office and management	84	84
Manufacturing	129	130
	<u>213</u>	<u>214</u>

### 6 REORGANISATION AND RELOCATION COSTS

During the year the decision was taken, and action commenced, to amalgamate two subsidiaries which involves the transfer of technology and production from Great Yarmouth to Barrow-in-Furness. The costs associated with this amalgamation are considered to be in respect of a fundamental reorganisation having a material effect on the nature of the company's operations and have therefore been treated as exceptional as required by Financial Reporting Standard 3 - Reporting Financial Performance.

### 7 INTEREST RECEIVABLE AND SIMILAR INCOME

	2002	2001
	£	£
Other interest receivable	<u>1,110</u>	<u>3,185</u>

### 8 INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank loans and overdrafts	10,793	8,278
Other loans	10,848	27,790
Finance charges under finance lease and hire purchase contracts	17,097	12,944
	<u>38,738</u>	<u>49,012</u>

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 9 TAXATION

(a) Analysis of credit in year	2002 £	2001 £
<b>UK corporation tax</b>		
Current tax on income for the year	(246,406)	221,500
Adjustments in respect of prior periods	24,906	(13,873)
Total UK taxation	<u>(221,500)</u>	<u>207,627</u>
<b>Deferred tax</b>		
Changes in deferred tax balances arising from:		
Origination or reversal of timing differences	(144,000)	16,500
Tax on profit on ordinary activities	<u>(365,500)</u>	<u>224,127</u>

#### (b) Factors affecting the tax credit for the year

The tax assessed for the year is greater than would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 30%. The differences are explained below:

The tax assessed for the year does not reflect a credit equivalent to the loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2002 £	2001 £
(Loss)/profit on ordinary activities before tax	<u>(1,185,819)</u>	<u>623,459</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2001: 30%)	(355,746)	187,038
Effects of:		
Depreciation in excess of capital allowances	12,473	22,046
Expenses not allowed for tax	6,188	38,296
Movement in provisions	(25,349)	(25,880)
Losses carried forward	116,028	-
Adjustments in respect of prior periods	24,906	(13,873)
Current tax (credit)/charge for the year	<u>(221,500)</u>	<u>207,627</u>

#### (c) Factors that may affect future tax charges

The company has tax losses carried forward which will reduce tax payments in future years.

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 10 INTANGIBLE FIXED ASSETS

	Know how £
<b>Cost</b>	
At 1 October 2001 and 30 September 2002	110,000
<b>Amortisation</b>	
At 1 October 2001 and 30 September 2002	<u>109,999</u>
<b>Net book amount</b>	
At 30 September 2002	<u>1</u>
At 30 September 2001	<u><u>1</u></u>

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 11 TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures, fittings, tools & equipment £	Total £
<b>Cost or valuation</b>			
At 1 October 2001	3,666,901	2,478,052	6,144,953
Additions	224,594	66,532	291,126
Disposals	(15,520)	-	(15,520)
At 30 September 2002	<u>3,875,975</u>	<u>2,544,584</u>	<u>6,420,559</u>
<b>Depreciation</b>			
At 1 October 2001	2,988,582	2,094,612	5,083,194
Charge for year	154,672	159,068	313,740
On disposals	(4,656)	-	(4,656)
At 30 September 2002	<u>3,138,598</u>	<u>2,253,680</u>	<u>5,392,278</u>
<b>Net book amount</b>			
At 30 September 2002	<u>737,377</u>	<u>290,904</u>	<u>1,028,281</u>
At 30 September 2001	<u>678,319</u>	<u>383,440</u>	<u>1,061,759</u>

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	2002 £	2001 £
Plant & machinery	207,087	95,222
Fixtures & fittings etc.	52,914	68,334
	<u>260,001</u>	<u>163,556</u>

### 12 STOCKS

	2002 £	2001 £
Raw materials	1,152,112	840,767
Work in progress	912,891	749,088
Finished goods	533,721	265,283
	<u>2,598,724</u>	<u>1,855,138</u>



# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 13 DEBTORS

	2002 £	2001 £
<b>Due within one year</b>		
Trade debtors	1,778,505	2,414,204
Amounts due from group undertakings	681,225	1,240,530
Other debtors	301,530	78,117
Prepayments & accrued income	390,947	142,772
	<u>3,152,207</u>	<u>3,875,623</u>
<b>Due after one year</b>		
Net deferred tax asset	95,500	-
	<u>3,247,707</u>	<u>3,875,623</u>

### 14 CREDITORS

	2002 £	2001 £
<b>Amounts falling due within one year</b>		
Bank loans and overdrafts	863,454	712,846
Payments received on account	300,274	-
Trade creditors	791,332	880,863
Amounts owed to group undertakings	665,862	182,197
Corporation tax	-	221,500
Other tax and social security	81,607	75,191
Net obligations under finance lease and hire purchase contracts(note 16)	89,344	59,355
Other creditors	11,769	-
Accruals and deferred income	321,827	502,344
	<u>3,125,469</u>	<u>2,634,296</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

Included in other creditors is **£NIL** (2001 - £18,000) relating to outstanding contributions payable to the pension scheme.

### 15 CREDITORS

	2002 £	2001 £
<b>Amounts falling due after more than one year</b>		
Net obligations under finance lease and hire purchase contracts(note 16)	77,079	65,572

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 16 FINANCE LEASES

Net obligations under finance lease and hire purchase agreements fall due as follows:

	2002	2001
	£	£
Within one year	89,344	59,355
Between one and five years	77,079	65,572
	<u>166,423</u>	<u>124,927</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

### 17 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Other provisions £	Total £
At 1 October 2001	48,500	-	48,500
Credited to profit and loss	(144,000)	-	(144,000)
Charged in year	-	230,000	230,000
Included in debtors	95,500	-	95,500
At 30 September 2002	<u>-</u>	<u>230,000</u>	<u>230,000</u>

The deferred tax (asset)/liability is analysed as follows:

	2002	2001
	£	£
Capital allowances	25,679	53,365
Other timing differences	(5,162)	(4,865)
Losses	(116,017)	-
	<u>(95,500)</u>	<u>48,500</u>

The net deferred tax asset of £95,500 has been included in debtors due after one year. The recoverability of the deferred tax asset is dependent on future taxable profits. The asset has been recognised based on the evidence of the company's estimate of future taxable profits.

Other provisions represent costs to be incurred in respect of the fundamental reorganisation in the year.

### 18 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 October 2001 and 30 September 2002			
Ordinary shares of 10p each	3,100,451	31,004,510	3,100,451

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2002

### 19 RESERVES

Profit and loss account	£
At 1 October 2001	1,302,531
Loss for the year	(820,319)
At 30 September 2002	<u>482,212</u>

### 20 SHAREHOLDERS' FUNDS

	2002 £	2001 £
Shareholders' funds at 1 October 2001	4,402,982	4,003,650
(Loss)/profit for the year	(820,319)	399,332
Shareholders' funds at 30 September 2002	<u>3,582,663</u>	<u>4,402,982</u>

### 21 CAPITAL COMMITMENTS

At 30 September 2002 the company had entered into contracts for capital expenditure not provided for in these accounts amounting to **£NIL** (2001 - £163,923).

### 22 OTHER COMMITMENTS

At 30 September 2002 the company had annual commitments under operating leases as follows:

	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
<b>Expiry date:</b>				
Within one year	-	-	14,342	5,698
Between one and five years	<u>77,505</u>	<u>77,505</u>	<u>85,815</u>	<u>67,951</u>

### 23 CONTINGENT LIABILITIES

At the year end the company had counter indemnities with HSBC, its principal bankers totalling £63,945 (2001- £63,945).

The company is party to an unlimited multilateral guarantee in respect of borrowings from the group's principal bankers, HSBC. The potential liability at the year end was £Nil (2001-£Nil).

**OXLEY DEVELOPMENTS COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2002**

**24 TRANSACTIONS WITH RELATED PARTIES**

The company occupies premises, the freehold of which is owned by Telecommunications Research & Development Company Limited, a company controlled by Mrs A S Oxley, chairman of the company. The annual rent paid was £75,000 (2000 - £75,000).

Under Financial Reporting Standard 8, the company is exempt from disclosing inter-group transactions as more than 90% of the voting rights are controlled by the immediate parent undertaking, Oxley Group plc.

**25 PENSION COSTS**

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund.

The pension cost charge for the year is shown in note 5

**26 PARENT UNDERTAKINGS AND CONTROLLING PARTIES**

The company is controlled by Oxley Group plc.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Oxley Group plc. Consolidated accounts are available from Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

In the opinion of the directors the ultimate parent company is Oxley International Inc, a company incorporated in Panama.

Oxley International Inc is ultimately controlled by The Oxley Charitable Foundation, a discretionary settlement. The trustees of the Foundation are J P Aeschmann and A E Cleeton who are directors of Oxley Group plc.