

# Directors' Report and Accounts

OXLEY DEVELOPMENTS COMPANY  
LIMITED

30 SEPTEMBER 1982



Price  
Waterhouse

OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED  
30 SEPTEMBER 1982

The directors present their report for the year ended 30 September 1982.

Trading Results

The consolidated profit of the company and its subsidiary before taxation amounted to	831,328
From which must be deducted taxation of	<u>418,234</u>
	413,094
Less: Dividends paid and proposed in respect of the year ended 30 September 1982	<u>345,000</u>
	68,094
To which must be added retained profit brought forward of	875,282
	<u>£943,376</u>

Directors and Directors' Interests

The persons listed below have been directors of the company throughout the year ended 30 September 1982 apart from Air Vice Marshall KH Gooding who was appointed on 1 December 1981 and Mrs LS Thibaut and MN Atkinson who resigned on 28 September 1982.

At 30 September 1982 none of the directors had a beneficial interest in the shares of the company or in any company in the group but they had the following non beneficial interests in the Ordinary Shares of:-

The company	<u>30 September 1982</u>	<u>30 September 1981 or on appointment</u>
RF Oxley	1	1
AS Oxley	1	2
RS Tebble	1	1
GS Edwards	1	1
J Atkinson	1	1
ED Maguire	1	1
Sir Francis McLean	1	1
KH Gooding	1	-

Oxley Developments Holdings Limited (the company's immediate holding company).

	<u>30 September 1982</u>	<u>30 September 1981</u>
RF Oxley	1	1
AS Oxley	2	2

OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED  
30 SEPTEMBER 1982 (Continued)

Activities

The company's activities consist of the manufacture of components for the telecommunications industries and automation equipment.

Fixed Assets

Movements on fixed assets are set out in Note 6 to the Accounts.

Employees

During the year the company had an average of 235 (1981 - 248) employees in the UK to whom aggregate remuneration of £948,805 (1981 - £920,923) was paid.

Charitable and political contributions

The company made charitable donations during the year amounting to £1019 and the following donations to bodies which may be deemed to be of a political nature.

Aims of Industry	£ 500
National Association of Freedom	£ 600

Exports

The company's direct exports amounted to £363,864 (1981 - £345,513).

The directors estimate that a further 70% of components manufactured by the company and sold to other manufacturers in the United Kingdom is exported as part of those manufacturers' completed products.

Auditors

Price Waterhouse have indicated their willingness to continue as auditors and a resolution to re-appoint them in accordance with Section 14(1) of the Companies Act 1976 will be proposed at the Annual General Meeting.

By Order of the Board

MN Atkinson  
Secretary

11 August 1983

**AUDITORS' REPORT TO THE MEMBERS OF  
OXLEY DEVELOPMENTS COMPANY LIMITED**

We have audited the accounts on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared under the historical cost convention as modified by a revaluation of fixed assets other than motor vehicles, give, under that convention, a true and fair view of the state of affairs of the company and the group at 30 September 1982, and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

**PRICE WATERHOUSE**

Chartered Accountants

11 August 1983

OXLEY DEVELOPMENTS COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 30 SEPTEMBER 1982

1981

£2,547,030

589,121

17,034  
2,114  
5,464

6,750  
66,215

73,992

589,121

282,843  
7,548

290,391

290,391

298,730

107,030

191,700

683,582

875,380  
(98)

£875,282

SALES OUTSIDE THE GROUP

TRADING PROFIT FOR THE YEAR  
AFTER CREDITING OR CHARGING THE FOLLOWING

Credits

Interest on bank and other deposits  
Profit on sale of fixed assets  
Profit on liquidation of subsidiary

Charges

Auditors' remuneration  
Depreciation (Note 6)  
Directors' emoluments (Note 2)  
Fees  
Remuneration as executives

PROFIT FOR THE YEAR BEFORE TAXATION

TAXATION:

Based on the profit for the year:

Corporation tax (Note 3)  
Deferred taxation

Prior years:

Corporation tax  
Deferred taxation

PROFIT FOR THE YEAR AFTER TAXATION OF WHICH  
£413,094 (1981 - £304,410) IS DEALT WITH IN  
THE ACCOUNTS OF THE COMPANY

Deduct:  
Dividends (paid and proposed)

PROFIT RETAINED

ADD: RETAINED PROFIT BROUGHT FORWARD

RETAINED PROFIT CARRIED FORWARD IN:  
The company  
Subsidiary company

1982

£3,102,082

831,328

44,036  
24,043

7,350  
100,587

82,057

831,328

386,241  
31,961

418,202

80  
(48)

418,234

413,094

345,000

68,094

875,282

943,474  
(98)

£943,376

OXLEY DEVELOPMENTS COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 1982

1981		1982
	CAPITAL EMPLOYED:	
	SHARE CAPITAL	
	Authorised	
£250,000	2,500,000 Ordinary Shares of 10p each	£250,000
235,466	Issued and fully paid	235,466
	2,354,660 Ordinary Shares of 10p each	
412,511	CAPITAL RESERVE	412,511
875,282	PROFIT AND LOSS ACCOUNT - BEING PROFITS	943,376
1,523,259	RETAINED AND INVESTED IN THE BUSINESS	1,591,353
127,799	SHAREHOLDERS' FUNDS	105,712
1,651,058	DEFERRED TAXATION (Note 4)	£1,697,065
	REPRESENTED BY:	
724,201	FIXED ASSETS (Note 6)	440,034
	CURRENT ASSETS	
20	Due from holding company	128,128
676,121	Stock (Note 9)	694,990
624,826	Debtors	932,325
390,748	Bank and cash balances	664,169
1,691,715		2,419,612
	CURRENT LIABILITIES	
276,279	Creditors	579,544
488,579	Taxation	583,037
764,858		1,162,581
926,857	NET CURRENT ASSETS	1,257,031
£1,651,058		£1,697,065

*Bo Rogers*

) Directors

) 11 August 1983

*AB Edwards*

OXLEY DEVELOPMENTS COMPANY LIMITED

COMPANY BALANCE SHEET AT 30 SEPTEMBER 1982

1981		1982
	CAPITAL EMPLOYED:	
	SHARE CAPITAL	
<u>£250,000</u>	Authorised 2,500,000 Ordinary Shares of 10p each	<u>£250,000</u>
235,466	Issued and fully paid 2,354,660 Ordinary Shares of 10p each	235,466
412,511	CAPITAL RESERVE	412,511
875,380	PROFIT AND LOSS ACCOUNT - BEING PROFITS RETAINED AND INVESTED IN THE BUSINESS	<u>943,474</u>
1,523,357	SHAREHOLDERS' FUNDS	1,591,451
127,799	DEFERRED TAXATION (Note 4)	<u>105,712</u>
<u>£1,651,156</u>		<u>£1,697,163</u>
	REPRESENTED BY:	
724,201	FIXED ASSETS (Note 6)	440,034
	INVESTMENT IN SUBSIDIARY COMPANY (Note 8)	
34,032	Shares at cost	34,032
(39,660)	Less: Amount due to subsidiary	(36,664)
<u>8,148</u>	Amount due from subsidiary	<u>8,148</u>
2,520		5,516
	CURRENT ASSETS	
20	Due from holding company	128,128
676,121	Stock (Note 9)	694,990
624,826	Debtors	932,325
<u>385,330</u>	Bank and cash balances	<u>658,751</u>
1,686,297		2,414,194
	CURRENT LIABILITIES	
276,279	Creditors	579,544
<u>485,583</u>	Taxation	<u>583,037</u>
761,862		<u>1,162,581</u>
924,435	NET CURRENT ASSETS	1,251,613
<u>£1,651,156</u>		<u>£1,697,163</u>

*Boo Lanning*  
*W. K. Lanning*  
 Directors  
 11 August 1983

OXLEY DEVELOPMENTS COMPANY LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 30 SEPTEMBER 1982

	1982	1981
<b>SOURCE OF FUNDS</b>		
Profit before tax	831,328	589,121
Proceeds of sale of fixed assets	418,293	15,088
Adjustments for items not involving the movements of funds:		
Depreciation	100,587	66,216
Profit on sale of fixed assets	(24,043)	(2,114)
<b>TOTAL GENERATED FROM OPERATIONS</b>	<b>1,326,165</b>	<b>668,311</b>
<b>APPLICATION OF FUNDS</b>		
Dividends paid	140,000	107,030
Tax paid	291,863	253,025
Additions to fixed assets	210,690	72,243
Deferred taxation transferred to holding company	54,000	-
	<b>696,533</b>	<b>432,298</b>
	<b>629,632</b>	<b>236,013</b>
<b>INCREASE IN WORKING CAPITAL</b>		
Investment in subsidiary in course of liquidation	-	(19,217)
Increase in amount due from holding company	333,108	20
Increase in stock	18,869	87,389
Increase/(Decrease) in debtors	307,499	(36,917)
(Increase)/Decrease in creditors	(303,265)	41,971
	<b>356,211</b>	<b>73,246</b>
<b>INCREASE IN NET BANK AND CASH BALANCES</b>	<b>£273,421</b>	<b>£162,767</b>



1 ACCOUNTING POLICIES

(1) Deferred taxation

Deferred taxation represents the effect of the allocation for taxation purposes of income and expenditure including depreciation to periods different from those used for accounting purposes under the liability method. Full provision has been made because there is insufficient evidence available to assume that these timing differences will not reverse in the foreseeable future.

No deferred taxation provision has been made on the surplus arising on the revaluation of fixed assets. The directors expect that there will be no corporation tax for the foreseeable future on this surplus.

(2) Fixed Assets

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 price indices published by the Government Statistical Service. Additions since 30 September 1976 are stated at cost less regional development grants receivable.

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 less regional development grants receivable, of each class of asset over their estimated useful lives which are:-

Plant and machinery	- 10 years
Fixtures and fittings	- 10 years

In the case of plant and machinery, the life used between 1977 and 1981 was 17 years. During the year ended 30 September 1982 the directors have reconsidered the depreciation policy and concluded that a life of 10 years is more appropriate. As a result of this change, the depreciation charge for the year has been increased by £24,000.

Motor vehicles are depreciated on a reducing balance basis at a rate of 25% per annum.

(3) Stock

The basis of valuation of stock is the lower of cost and estimated net realisable value. Cost includes direct materials, direct labour and applicable overheads.

(4) Sales

Sales represent the total amount receivable for goods supplied to customers in the ordinary course of business.

(5) Interest receivable

Interest receivable is not accrued; it is credited to profit and loss account when received.

(6) Research and development expenditure

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

(7) Repairs and renewals

Repairs and renewals are charged to revenue in the year when the expenditure is incurred. There is no provision for spreading this expenditure.

(8) Overseas currencies

Assets and liabilities in foreign currencies are expressed in sterling at the rate of exchange ruling at the end of the financial year.

2 DIRECTORS' EMOLUMENTS

The emoluments of the directors, excluding pension contributions and amounts received in discharge of duties outside the United Kingdom, fell into the following brackets:-

		<u>Number of directors</u>	
		<u>1982</u>	<u>1981</u>
£0	- £5,000	3	4
£5,001	- £10,000	1	2
£10,001	- £15,000	-	1
£15,001	- £20,000	2	-
£30,001	- £35,000	1	1

The emoluments of the chairman, who, in 1981, was also the highest paid director, were £7,777 (1981 - £31,585); in 1982 the emoluments of the highest paid director were £31,688.

3 CORPORATION TAX

Corporation tax has been provided at the rate of 52% (1981 - 52%).

4 DEFERRED TAXATION

Deferred taxation comprises:

Excess of capital allowances over depreciation

Sundry timing differences

<u>1982</u>	<u>1981</u>
111,202	131,757
(5,490)	(3,958)
<u>£105,712</u>	<u>£127,799</u>

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982 (Continued)

5 CORPORATION TAX NOT PROVIDED

The aggregate potential future corporation tax liability at the current rate of corporation tax in respect of the surplus on the revaluation of fixed assets for which no provision has been made in the accounts amounted at 30 September 1982 to £33,000 (1981 £142,000).

6 FIXED ASSETS

	<u>Freehold Property</u>	<u>Plant and Machinery</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost or revalued amount</u>					
At 30 September 1981	603,353	619,229	167,734	73,114	1,463,430
Additions	13,364	119,968	15,391	61,947	210,670
Disposals	(601,614)	(154)	-	(14,522)	(616,290)
At 30 September 1982	15,103	739,043	183,125	120,539	1,057,810
<u>Depreciation</u>					
At 30 September 1981	213,227	386,024	98,966	41,012	739,229
Provided	11,743	54,456	11,502	22,886	100,587
Disposals	(209,868)	(154)	-	(12,018)	(222,040)
At 30 September 1982	15,102	440,326	110,468	51,880	617,776
<u>Net book amount at 30 September 1982</u>	£1	£298,717	£72,657	£68,659	£440,034
<u>Net book amount at 30 September 1981</u>	£390,126	£233,205	£68,768	£32,102	£724,201

Included above are assets stated at a valuation made on 30 September 1976 in the sum of £520,844 (net of government grants receivable).

Disposals include a transfer of freehold property to another group company at net book amount of £387,130 on 30 September 1982.

7 HOLDING COMPANY

At 30 September 1982 the directors regarded Anstalt fur Wissenschaftliche Forschung Und Handel, a company incorporated in Liechtenstein, as the company's ultimate holding company.

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982 (Continued)

8 INVESTMENT IN SUBSIDIARY COMPANY

The company's wholly owned subsidiary company is Oxley Electronics Limited incorporated in England.

9 STOCK

	<u>1982</u>	<u>1981</u>
Stock comprises:		
Raw materials and bought out parts	217,648	179,861
Components of own manufacture	387,218	391,580
Finished goods	<u>90,124</u>	<u>104,680</u>
	<u>£694,990</u>	<u>£676,121</u>

10 During the year, the company, in the ordinary course of business, made payments of £26,202 for sub assembly work and of £5,432 in respect of sales commission and sold goods at a value of £61,605 to companies under the control of RF and AS Oxley.

11 The accounts are in compliance with Sections 149A and 152A of and Schedule 8A to the Companies Act 1948.