

376071

Directors' Report and Accounts

OXLEY DEVELOPMENTS COMPANY LIMITED
30 SEPTEMBER 1983



Price
Waterhouse

OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1983

The directors present their report and accounts for the year ended 30 September 1983.

Directors and their Interests

The directors during the year were:

RF Oxley
Mrs AS Oxley
Sir Francis McLean
RS Tebble
ED Maguire
GS Edwards
Mrs J Atkinson
KH Gooding

None of the directors had a beneficial interest in the shares of any company in the group during the year.

Results and Dividends

	£
The profit of the company after taxation amounted to	734,216
Less: Dividends paid and proposed in respect of the year ended 30 September 1983	<u>700,000</u>
	34,216
To which must be added retained profit brought forward of	<u>943,474</u>
Leaving retained profit carried forward of	<u>977,690</u> =====

Review of the Business

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

The activities showed signs of expansion during the year and the directors anticipate that some further expansion will take place during the current financial year.

Future Developments

In October 1983 the company commenced manufacturing at its new factory near Ulverston. The new factory has been occupied on a short leasehold basis to enable certain aspects of manufacturing to be expanded to satisfy anticipated orders.

Research and Development

The company continues to undertake research and development related to the company's existing product range.

Fixed Assets

Details of significant changes in fixed assets appear in Note 6 to the accounts.

Charitable and Political Donations

The company made charitable donations during the year amounting to £859 and donations of £312 to Conservative Party Associations.

Employment of disabled persons

It is the company's policy to offer equal opportunity 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.

Auditors

Price Waterhouse have indicated their willingness to continue as auditors and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By Order of the Board

MN Atkinson
Secretary

21 December 1983



SILKHOUSE COURT,
TITHEBARN STREET,
LIVERPOOL L2 2LJ

AUDITORS' REPORT TO THE MEMBERS OF
OXLEY DEVELOPMENTS COMPANY LIMITED

We have audited the accounts on pages 4 to 14 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 the company's affairs at 30 September 1983, and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

PRICE WATERHOUSE

Chartered Accountants

21 December 1983

OXLEY DEVELOPMENTS COMPANY LIMITED

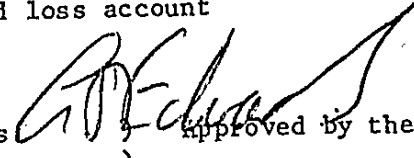
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1983

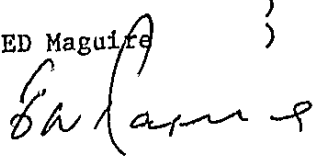
	<u>Notes</u>	<u>1983</u> £	<u>1982</u> £
Turnover	2	4,338,875	3,102,082
Cost of sales		<u>1,667,342</u>	<u>1,298,929</u>
Gross profit		2,671,533	1,803,153
Administrative expenses		<u>1,241,786</u>	<u>1,040,072</u>
Operating profit	3	1,429,747	763,081
Income from other sources	4	<u>63,274</u>	<u>68,247</u>
Profit on ordinary activities before taxation		1,493,021	831,328
Tax on profit on ordinary activities	5	<u>758,805</u>	<u>418,234</u>
Profit on ordinary activities after taxation		734,216	413,094
Dividends		<u>700,000</u>	<u>345,000</u>
		34,216	68,094
Retained profit brought forward		<u>943,474</u>	<u>875,380</u>
Retained profit carried forward		<u>977,690</u> =====	<u>943,474</u> =====

OXLEY DEVELOPMENTS COMPANY LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1983

	<u>Notes</u>	<u>1983</u> £	<u>1982</u> £
<u>Fixed assets</u>			
Tangible assets	6	618,011	440,034
Investment in subsidiary company	7	<u>34,032</u>	<u>34,032</u>
		652,043	474,066
<u>Current assets</u>			
Stocks	8	871,899	694,990
Debtors	9	1,183,372	1,068,601
Bank and cash balances		<u>783,136</u>	<u>658,751</u>
		2,838,407	2,422,342
<u>Creditors</u> (amounts falling due within one year)	10	<u>973,265</u>	<u>616,208</u>
Net current assets		1,865,142	1,806,134
Total assets less current liabilities		<u>2,517,185</u>	<u>2,280,200</u>
<u>Creditors</u> (amounts falling due after more than one year)	11	672,522	583,037
<u>Provisions for liabilities and charges</u> Deferred taxation	12	<u>218,996</u>	<u>105,712</u>
		<u>1,625,667</u>	<u>1,591,451</u>
<u>Capital and reserves</u>			
Called up share capital	13	235,466	235,466
Capital revaluation reserve		412,511	412,511
Profit and loss account		<u>977,690</u>	<u>943,474</u>
		<u>1,625,667</u>	<u>1,591,451</u>

GS Edwards  approved by the Board on

ED Maguire  19 December 1983

OXLEY DEVELOPMENTS COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 1983

	1983		1982	
	£	£	£	£
SOURCE OF FUNDS				
Profit before tax		1,493,021		831,328
Proceeds of sale of fixed assets		2,699		418,293
Adjustments for items not involving the movements of funds:				
Depreciation		113,881		100,587
Profit on sale of fixed assets		(431)		(24,043)
TOTAL GENERATED FROM OPERATIONS		1,609,170		1,326,165
APPLICATION OF FUNDS				
Dividends paid	905,000		140,000	
Tax paid	262,819		291,863	
Additions to fixed assets	294,126		210,690	
Deferred taxation transferred to holding company	(25,957)		54,000	
		1,435,988		696,533
		173,182		629,632
INCREASE IN WORKING CAPITAL				
Increase in stocks	176,909		18,869	
(Decrease)/Increase in debtors	(90,229)		640,607	
Increase in creditors	(37,883)		(303,265)	
		48,797		356,211
INCREASE IN NET BANK AND CASH BALANCES		124,385		273,421

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1983

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

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

Short leasehold property will be depreciated over the life of the lease.

(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) Turnover

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

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1983 (continued)

(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 TURNOVER

An analysis of turnover by geographical market is as follows:

	<u>1983</u> £	<u>1982</u> £
United Kingdom	3,831,951	2,747,135
United States of America and Canada	158,498	75,106
Africa	62,738	52,969
Europe	197,780	184,324
Australia	14,084	12,636
Asia	<u>73,824</u>	<u>29,912</u>
	<u>4,338,875</u> =====	<u>3,102,082</u> =====

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1983 (continued)

3 OPERATING PROFIT

a) This is stated after charging:	<u>1983</u> £	<u>1982</u> £
Directors' emoluments	76,908	82,057
Auditors' remuneration	7,125	7,350
Depreciation	113,881	100,587
Hire of plant and machinery	5,200	838
b) Directors' emoluments		
Fees	-	-
Other emoluments (including pension contributions)	<u>76,908</u>	<u>82,057</u>
	<u>76,908</u> =====	<u>82,057</u> =====

The emoluments of the chairman (excluding pension contributions) were £20,243 (1982-£7,777) and of the highest paid director (excluding pension contributions) were £36,843 (1982-£31,688). The emoluments of the other directors (excluding pension contributions and amounts received for duties outside the United Kingdom) fell into the following bands:

	<u>1983</u>	<u>1982</u>
£0 - £5,000	3	3
£5,001 - £10,000	1	1
£10,001 - £15,000	-	-
£15,001 - £20,000	-	2

c) Staff costs	<u>1983</u> £	<u>1982</u> £
Wages and salaries	1,202,903	943,636
Social security costs	113,142	101,222
Other pension costs	<u>28,132</u>	<u>26,781</u>
	<u>1,344,177</u> =====	<u>1,071,639</u> =====

The average weekly number of employees during the year was:

	<u>1983</u>	<u>1982</u>
Office and management	44	42
Manufacturing	<u>230</u>	<u>198</u>
	<u>274</u> =====	<u>240</u> =====

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1983 (continued)

4 INCOME FROM OTHER SOURCES

Income from other sources includes:	<u>1983</u> £	<u>1982</u> £
Bank and deposit interest	62,669	44,036
Profit on sale of fixed assets	431	24,043

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1983</u> £	<u>1982</u> £
On the profit for the year:		
UK corporation tax at 52%	672,522	386,241
Deferred taxation	<u>87,327</u>	<u>31,961</u>
	759,849	418,202
In respect of prior years:		
UK corporation tax	(1,044)	80
Deferred taxation	<u>-</u>	<u>(48)</u>
	<u>758,805</u> =====	<u>418,234</u> =====

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1983 (continued)

TANGIBLE ASSETS

	<u>Leasehold Property</u> £	<u>Short Leasehold Property</u> £	<u>Plant and Machinery</u> £	<u>Fixtures and Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
<u>Cost or valuation</u>						
At 30 September 1982	15,103	-	739,043	183,125	120,539	1,057,810
Additions	-	17,350	201,556	50,696	24,524	294,126
Disposals	-	-	-	(1,699)	(5,812)	(7,511)
At 30 September 1983	15,103	17,350	940,599	232,122	139,251	1,344,425

Includes assets
valued in 1976

At 30 September 1983	-	-	429,782	83,640	-	513,422
At 30 September 1982	-	-	429,782	83,640	-	513,422

Depreciation

At 30 September 1982	15,102	-	440,326	110,468	51,880	617,776
Provision for the year	-	-	74,632	16,138	23,111	113,881
Disposals	-	-	-	(170)	(5,073)	(5,243)
At 30 September 1983	15,102	-	514,958	126,436	69,918	726,414

Net book amount at

30 September 1983	1	17,350	425,641	105,686	69,333	618,011
-------------------	---	--------	---------	---------	--------	---------

Net book amount at

30 September 1982	1	-	298,717	72,657	68,659	440,034
-------------------	---	---	---------	--------	--------	---------

Assets included at a valuation would have been included on a historical cost basis at:

	<u>Plant and Machinery</u> £	<u>Fixtures and Fittings</u> £
Cost		
At 30 September 1983	177,552	40,453
At 30 September 1982	177,552	40,453
Aggregate Depreciation		
At 30 September 1983	171,834	39,627
At 30 September 1982	166,881	38,590

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1983 (continued)

7 INVESTMENT IN SUBSIDIARY COMPANY

The company owns the whole of the issued ordinary share capital of Oxley Electronics Limited which is incorporated in England. The investment is stated at cost.

Consolidated accounts have not been prepared because the company is a subsidiary of another body corporate, which is incorporated in England. In the opinion of the directors, the value of the investment is not less than the book amount.

8 STOCKS

	<u>1983</u>	<u>1982</u>
	£	£
Raw materials and consumables	235,574	217,648
Work in progress	468,397	387,218
Finished goods	<u>167,928</u>	<u>90,124</u>
	871,899	694,990
	=====	=====

The replacement cost of stocks did not materially differ from the book amounts at 30 September 1983 or 1982.

9 DEBTORS

	<u>1983</u>	<u>1982</u>
	£	£
Trade debtors	988,214	884,234
Amounts owed by holding company	150,752	128,128
Amounts owed by subsidiary company	8,488	8,148
Other debtors	4,432	4,276
Prepayments and accrued income	<u>31,486</u>	<u>43,815</u>
	1,183,372	1,068,601
	=====	=====

10 CREDITORS (Amounts falling due within one year)

	<u>1983</u>	<u>1982</u>
	£	£
Trade creditors	129,400	187,341
Amounts owed to subsidiary company	37,004	36,666
Amounts owed to ultimate holding company	12,489	-
Other creditors	134,238	196,042
Accruals and deferred income	175,225	62,038
Taxation and social security	<u>484,909</u>	<u>134,123</u>
	973,265	616,208
	=====	=====

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1983 (continued)

11 CREDITORS (Amounts falling due after more than one year)

	<u>1983</u> £	<u>1982</u> £
Taxation	672,522 =====	583,037 =====

12 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1983</u> £	<u>1982</u> £
Deferred taxation comprising:		
Accelerated capital allowances	224,187	111,202
Other timing differences	(5,191)	(5,490)
	218,996 =====	105,712 =====

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 amounts to £80,420 (1982-£33,000). No provision has been made for this item in the accounts.

13 CALLED UP SHARE CAPITAL

	<u>1983</u> £	<u>1982</u> £
Issued and fully paid		
2,354,660 Ordinary shares of 10p each	235,466 =====	235,466 =====
Authorised		
2,500,000 Ordinary shares of 10p each	250,000 =====	250,000 =====

- 14 During the year, the company, in the ordinary course of business, made payments of £59,785 for sub assembly work and of £5,527 in respect of sales commission and sold goods at a value of £131,131 to companies under the control of RF and AS Oxley.

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1983 (continued)

15 HOLDING COMPANY

The directors regard Anstalt fur Wissenschaftliche Forschung Und Handel, a company incorporated in Liechtenstein, as the company's ultimate holding company.

16 PENSION COMMITMENTS

The company operates a fully insured pension scheme for its present executive directors and employees. Details of premiums paid appear in Note 3.

17 CAPITAL COMMITMENTS

At 30 September 1983, the directors had authorised capital expenditure amounting to £50,000 (1982-Nil) all of which had been contracted.