

376071

1110

OXLEY DEVELOPMENTS COMPANY
LIMITED

30 SEPTEMBER 1980



OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1980

The directors present their report for the year ended 30 September 1980.

Trading Results

The consolidated profit of the company and its subsidiaries before taxation amounted to	772,028
From which must be deducted taxation of	<u>368,900</u>
	403,128
Add: Losses retained in subsidiaries	<u>4,307</u>
	407,435
Less: Dividend paid in respect of the year ended 30 September 1980	<u>214,060</u>
	193,375
To which must be added the balance brought forward of	<u>460,897</u>
Leaving a balance carried forward of	<u><u>£654,272</u></u>

Directors and Directors' Interests

The persons listed below have been directors of the company throughout the year ended 30 September 1980 apart from Sir Francis McLean who was appointed on 1 December 1979 and J Rawicz-Szczerbo who resigned on 31 July 1980. The interests of the directors of the company were as stated below including the interests of their families in the shares of the group.

	30 September 1980 Not beneficially owned	30 September 1979 Not beneficially owned
RF Oxley	1	1
SLE Hastings	1	1
JP Aeschmann	1	1
LS Thibaut	1	1
RS Tebble	1	1
GS Edwards	1	1
J Atkinson	1	1
ED Maguire	1	1
MN Atkinson	1	1
Sir Francis McLean	1	-

Mr RF Oxley and his wife, Mrs AS Oxley, are the registered holders of the whole of the share capital of Anstalt fur Wissenschaftliche Forschung Und Handel (Liechtenstein), the company's holding company which was at 30 September 1980 and 1979 the beneficial owner of 200,548 ordinary shares in the company.

In addition, Mrs AS Oxley was at 30 September 1980 and 1979 the beneficial owner of 13,512 ordinary shares in Oxley Developments Company Limited.

OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED
30 SEPTEMBER 1980 (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 7 to the Accounts.

Employees

During the year the company had an average of 266 (1979 - 268) employees in the UK to whom aggregate remuneration of £917,891 (1979 - £770,730) was paid.

Charitable and political contributions

The group made charitable donations during the year of £1,324 and the following donations to bodies which may be deemed to be of a political nature.

Aims of Industry	375
National Association of Freedom	200

Exports

The company's direct exports amounted to £466,162 (1979 - £376,827).

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

The auditors, Price Waterhouse & Co, being eligible offer themselves for reappointment.

By Order of the Board

Secretary



SILKHOUSE COURT,
TITHEBARN STREET,
LIVERPOOL L2 2LJ
TELEPHONE: 051-236 7862
CABLES: PRICEWATER LIVERPOOL

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 1980, 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 and 1967.

Chartered Accountants

15 April 1981

OXLEY DEVELOPMENTS COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED 30 SEPTEMBER 1980

<u>1979</u>		
<u>£2,193,982</u>	SALES OUTSIDE THE GROUP	<u>£2,747,196</u>
603,131	TRADING PROFIT FOR THE YEAR AFTER CREDITING OR CHARGING THE FOLLOWING	775,198
	<u>Credit</u>	
34,258	Interest on bank and other deposits	<u>11,389</u>
	<u>Charges</u>	
5,150	Auditors' remuneration	6,450
60,727	Depreciation (Note 7)	65,758
(2,300)	Loss (1979 profit) on sale of fixed assets	920
-	Directors emoluments (Note 2)	-
-	Fees	-
68,903	Remuneration as executives	80,057
435	Ex-gratia payment	-
	Unrealised loss on revaluation of currency	
<u>(2,769)</u>		<u>(3,170)</u>
600,362	PROFIT FOR THE YEAR BEFORE TAXATION	772,028
	TAXATION:	
	Based on the profit for the year:	
292,880	Corporation tax (Notes 3 and 5)	374,479
<u>29,909</u>	Deferred taxation	<u>(8,415)</u>
322,789		366,064
	Prior years:	
-	Corporation tax	1,720
-	Deferred taxation	863
-	Foreign taxation	<u>253</u>
<u>322,789</u>		<u>368,900</u>
277,573	PROFIT FOR THE YEAR AFTER TAXATION OF WHICH £407,435 (1979 - £286,139) IS DEALT WITH IN THE ACCOUNTS OF THE HOLDING COMPANY	403,128
	Deduct:	
<u>399,060</u>	Dividends (paid)	<u>214,060</u>
(121,487)	PROFIT RETAINED (WITHDRAWN)	189,068
<u>635,061</u>	ADD: RETAINED PROFIT BROUGHT FORWARD	<u>494,514</u>
513,574		683,582
<u>(19,060)</u>	BONUS ISSUE OF ORDINARY SHARES	-
	UNAPPROPRIATED PROFIT RETAINED IN THE GROUP	
460,897	Holding company	654,272
<u>33,617</u>	Subsidiary companies	<u>29,310</u>
<u>£494,514</u>		<u>£683,582</u>

OXLEY DEVELOPMENTS COMPANY LIMITED

CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 1980

1979

CAPITAL EMPLOYED:

SHARE CAPITAL

Authorised:

250,000

250,000 Ordinary shares of £1 each

250,000

Issued and fully paid:

214,060 Ordinary shares of £1 each

214,060

CAPITAL RESERVE

433,917

PROFIT AND LOSS ACCOUNT - BEING
PROFITS RETAINED AND INVESTED IN
THE BUSINESS

683,582

SHAREHOLDERS' FUNDS

1,331,559

DEFERRED TAXATION (Note 5)

120,251

£1,451,810

REPRESENTED BY:

FIXED ASSETS (Note 7)

731,148

INVESTMENT IN SUBSIDIARY IN COURSE
OF LIQUIDATION (Note 9)

19,217

CURRENT ASSETS

476,460

Stock (Note 10)

588,732

676,657

Debtors

661,743

114,613

Net bank and cash balances

227,981

1,267,730

1,478,456

CURRENT LIABILITIES

271,963

Creditors

318,250

434,081

Taxation

458,761

706,044

777,011

NET CURRENT ASSETS

701,445

)
) Directors
)

£1,270,294

£1,451,810

OXLEY DEVELOPMENTS COMPANY LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1980

<u>1979</u>		CAPITAL EMPLOYED	
		SHARE CAPITAL	
		Authorised	
	<u>250,000</u>	250,000 Ordinary Shares of £1 each	<u>250,000</u>
		Issued and fully paid	
214,060		214,060 Ordinary Shares of £1 each	214,060
457,645		CAPITAL RESERVE	457,645
		PROFIT AND LOSS ACCOUNT - BEING PROFITS RETAINED AND INVESTED IN THE BUSINESS	<u>654,272</u>
460,896		SHAREHOLDERS' FUNDS	1,325,977
1,132,602		DEFERRED TAXATION (Note 5)	<u>120,251</u>
127,803			<u>£1,446,228</u>
<u>£1,260,405</u>			
		REPRESENTED BY:	
685,084		FIXED ASSETS (Note 7)	731,148
		INVESTMENT IN SUBSIDIARY COMPANIES (note 9)	
	34,034	Shares at Cost	34,034
	(194)	Less: Amount due to subsidiaries	(19,854)
	<u>340</u>	Amount due from subsidiaries	<u>-</u>
34,180			14,180
		CURRENT ASSETS	
	476,460	Stock (Note 10)	588,732
	676,657	Debtors	661,743
	<u>94,063</u>	Net bank and cash balances	<u>227,436</u>
1,247,185			<u>1,477,911</u>
		CURRENT LIABILITIES	
	271,963	Creditors	318,250
	<u>434,081</u>	Taxation	<u>458,761</u>
	706,044		<u>777,011</u>
541,141		NET CURRENT ASSETS	700,900
<u>£1,260,405</u>			

*This is the copy referred to in
the annual Certificate B*

Directors

*6 to 12 August 1981
A. J. Charles*

OXLEY DEVELOPMENTS COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 1980

		<u>1979</u>
SOURCE OF FUNDS		
Profit before tax	772,028	600,362
Proceeds of sale of fixed assets	755	2,984
Adjustments for items not involving the movement of funds:		
Depreciation	65,758	60,727
Loss/(Profit) on sale of fixed assets	<u>920</u>	<u>(2,300)</u>
TOTAL GENERATED FROM OPERATIONS	839,461	661,773
APPLICATION OF FUNDS		
Dividends paid	214,060	464,060
Tax paid	351,772	159,430
Additions to fixed assets	<u>113,497</u>	<u>107,274</u>
	<u>679,329</u>	<u>730,764</u>
	160,132	(68,991)
INCREASE IN WORKING CAPITAL		
Investment in subsidiary in course of liquidation	(4,307)	(8,566)
Increase in stock	112,272	103,427
(Decrease)/Increase in debtors	(14,914)	142,355
Increase in creditors	<u>(46,287)</u>	<u>(72,010)</u>
	<u>46,764</u>	<u>165,206</u>
INCREASE/(DECREASE) IN NET BANK AND CASH BALANCES	<u>£113,368</u>	<u>£(234,197)</u>

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1980

1 ACCOUNTING POLICIES

(1) Deferred taxation

Deferred taxation represents the effect of the allocation for taxation purposes of income and expenditure including depreciation and relief for stock appreciation to periods different from those used for accounting purposes under the liability method.

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 its estimated useful life.

(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.

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1980 (Continued)

(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>1980</u>	<u>1979</u>
£0	- £5,000	5	5
£5,001	- £10,000	1	1
£10,001	- £15,000	2	2
£20,001	- £25,000	-	1
£30,001	- £35,000	1	-

The emoluments of the chairman during the year were £14,531 (1979 - £13,621) and of the highest paid director £31,531 (1979 - £23,491).

3 CORPORATION TAX

Corporation tax has been provided at the rate of 52% (1979 - 52%).

4 APPORTIONMENT OF UNDISTRIBUTED INCOME

The company is a close company and is therefore potentially liable to tax on any shortfall of distributions below the required standard which might be apportioned to the shareholders. It has been established that the dividends paid in respect of accounting years up to 30 September 1979 satisfy these standards and on the basis of the dividends paid and proposed in respect of the year ended 30 September 1980 no liability is anticipated.

5 DEFERRED TAXATION

	<u>1980</u>	<u>1979</u>
Deferred taxation comprises :		
Excess of capital allowances over depreciation	124,245	88,748
Stock appreciation relief	-	42,499
Sundry timing differences	<u>(3,994)</u>	<u>(3,444)</u>
	<u>£120,251</u>	<u>£127,803</u>

On 14 November 1980 the Inland Revenue announced a number of proposed changes in the basis of stock appreciation relief. As a result of this announcement these accounts have been drawn up on the assumption that the proposals will be substantially enacted in the Finance Bill 1981.

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1980 (Continued)

Under existing legislation further relief for stock appreciation of £2,714 is due for the year ended 30 September 1980: this relief has been deducted in arriving at the corporation tax liability for the year and total relief claimed to 30 September 1980 would have been £45,213. The proposed legislation indicates that relief already obtained will not be clawed back and therefore the potential liability for stock appreciation relief amounting to £42,499 at 30 September 1979 has been released as part of the current year's tax charge.

6 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 1980 to £140,000 (1979 £146,000).

7 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 1979	584,315	550,771	107,876	66,200	1,309,162
Additions	9,726	55,025	38,070	10,676	113,497
Disposals	-	-	(2,477)	-	(2,477)
At 30 September 1980	<u>594,041</u>	<u>605,796</u>	<u>143,469</u>	<u>76,876</u>	<u>1,420,182</u>
<u>Depreciation</u>					
At 30 September 1979	188,369	322,810	81,257	31,642	624,078
Provided	13,093	32,903	8,453	11,309	65,758
Disposals	-	-	(802)	-	(802)
At 30 September 1980	<u>201,462</u>	<u>355,713</u>	<u>88,908</u>	<u>42,951</u>	<u>689,034</u>
Net book amount at 30 September 1980	<u>£392,579</u>	<u>£250,083</u>	<u>£54,561</u>	<u>£33,925</u>	<u>£731,148</u>
Net book amount at 30 September 1979	<u>£395,946</u>	<u>£227,961</u>	<u>£26,619</u>	<u>£34,558</u>	<u>£685,084</u>

As stated in Accounting Policies Note 1(2), fixed assets with the exception of motor vehicles which are stated at cost were revalued at 30 September 1976.

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1980 (Continued)

8 HOLDING COMPANY

At 30 September 1980 the directors regarded Anstalt fur Wissenschaftliche Forschung Und Handel, a company incorporated in Liechtenstein, as the company's ultimate holding company.

9 SUBSIDIARY COMPANIES

The company's wholly owned subsidiary companies are:-

- Oxley Electronics Limited - incorporated in England
- Valaduel Limited - incorporated in England
- Oxley AG Zug - incorporated in Switzerland and is a wholly owned subsidiary of Valaduel Limited and was placed in liquidation on 9 January 1978.

10 STOCK

	<u>1980</u>	<u>1979</u>
Stock comprises:-		
Raw materials and bought out parts	172,118	129,302
Components of own manufacture	316,412	249,174
Finished goods	<u>100,202</u>	<u>97,984</u>
	<u>£588,732</u>	<u>£476,460</u>