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OXLEY DEVELOPMENTS COMPANY
LIMITED

30 SEPTEMBER 1981



OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1981

The directors present their report for the year ended 30 September 1981.

Trading Results

The consolidated profit of the company and its subsidiaries before taxation amounted to	589,121
From which must be deducted taxation of	<u>290,391</u>
	298,730
Losses retained in subsidiaries	<u>5,680</u>
	304,410
Less: Dividend paid in respect of the year ended 30 September 1981	<u>107,030</u>
	197,380
To which must be added retained profit brought forward of	654,272
and transfer from Capital Reserve relating to liquidation of subsidiary	<u>23,728</u>
Leaving retained profit carried forward of	<u>£875,380</u> =====

Directors and Directors' Interests

The persons listed below have been directors of the company throughout the year ended 30 September 1981 apart from Mrs AS Oxley who was appointed on 1 August 1981, SLE Hastings who resigned on 1 August 1981 and JP Aeschmann who resigned on 4 August 1981.

At 30 September 1981 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 1981</u>	<u>30 September 1980 or on appointment</u>
RF Oxley	1	1
AS Oxley	2	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	1

Oxley Developments Holdings Limited (which became the company's immediate holding company during the year).

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

OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED
30 SEPTEMBER 1981 (Continued)

At 30 September 1980, Mr RF Oxley and his wife, Mrs AS Oxley, were the registered holders of the whole of the share capital of Anstalt für Wissenschaftliche Forschung Und Handel (Liechtenstein), the company's ultimate holding company which was at that date the beneficial owner of 200,548 ordinary shares in the company. At 30 September 1980 Mrs AS Oxley was the beneficial owner of 13,512 ordinary shares in the company.

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 8 to the Accounts.

Employees

During the year the company had an average of 248 (1980 - 266) employees in the UK to whom aggregate remuneration of £920,923 (1980 - £917,891) was paid.

Charitable and political contributions

The company made charitable donations during the year to £689 and the following donations to bodies which may be deemed to be of a political nature.

Aids of Industry	500
National Association of Freedom	350
Conservative and Unionist Association	190

Exports

The company's direct exports amounted to £345,513 (1980 - £466,162).

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.

Share Capital

During the year the following alterations to and issue of share capital were made as part of a reorganisation of the capital structure of the company.

On 3 August 1981 the unissued part of the authorised capital of the company amounting to £35,940 was divided into 359,400 shares of 10p each.

OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED
30 SEPTEMBER 1981 (Continued)

Share Capital (continued)

On the same day the existing 214,060 Ordinary shares of £1 each issued and fully paid were converted into 1% Preference shares of £1 each and a bonus issue of 214,060 Ordinary shares of 10p each was made by capitalising the sum of £21,406 being part of the amount standing to the credit of the Capital Reserve of the Company.

On 4 August 1981 each of the existing 214,060 1% Preference shares of £1 each was subdivided into 10 shares of 10p each and then converted into Ordinary shares.

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

Secretary

12 July 1982

AUDITORS' REPORT TO THE MEMBERS OF
OXLEY DEVELOPMENTS COMPANY LIMITED

We have audited the accounts on pages 5 to 12 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 1981, 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

12 July 1982

OXLEY DEVELOPMENTS COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED 30 SEPTEMBER 1981

1980

£2,747,196

775,198

11,389

-

6,450

65,758

920

-

80,057

(3,170)

772,028

374,479

(8,415)

366,064

1,720

863

253

368,900

403,128

214,060

189,068

494,514

654,272

29,310

£683,582
=====

SALES OUTSIDE THE GROUP

£2,547,030

TRADING PROFIT FOR THE YEAR
AFTER CREDITING OR CHARGING THE FOLLOWING

589,121

Credits

Interest on bank and other deposits

17,034

Profit on liquidation of subsidiary

5,464

Charges

Auditor's remuneration

6,750

Depreciation (Note 8)

66,215

Profit (1980 loss) on sale of fixed assets

(2,114)

Directors emoluments (Note 2)

Fees

-

Remuneration as executives

73,992

Unrealised loss on revaluation of currency

-

PROFIT FOR THE YEAR BEFORE TAXATION

589,121

TAXATION:

Based on the profit for the year:

Corporation tax (Note 3)

282,843

Deferred taxation

7,548

290,391

Prior years:

Corporation tax

-

Deferred taxation

-

Foreign taxation

-

290,391

PROFIT FOR THE YEAR AFTER TAXATION OF WHICH
£304,410 (1980 - £407,435) IS DEALT WITH IN
THE ACCOUNTS OF THE COMPANY

298,730

Deduct:

Dividends (paid)

107,030

PROFIT RETAINED

191,700

ADD: RETAINED PROFIT BROUGHT FORWARD

683,582

RETAINED PROFIT CARRIED FORWARD IN:

The company

875,380

Subsidiary company

(98)

£875,282
=====

OXLEY DEVELOPMENTS COMPANY LIMITED

CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 1981

<u>1980</u>			
		CAPITAL EMPLOYED:	
		SHARE CAPITAL (Note 4)	
	<u>250,000</u>	Authorised:	<u>250,000</u>
		2,500,000 Ordinary shares of 10p each	
		(1980 - 250,000 Ordinary shares of £1 each)	
		Issued and fully paid:	
		2,354,660 Ordinary shares of 10p each	235,466
		(1980 - 214,060 Ordinary shares of £1 each)	
214,060			
433,917		CAPITAL RESERVE (Note 5)	412,511
		PROFIT AND LOSS ACCOUNT - BEING PROFITS	
		RETAINED AND INVESTED IN THE BUSINESS	<u>875,282</u>
<u>683,582</u>			
1,331,559		SHAREHOLDERS' FUNDS	1,523,259
		DEFERRED TAXATION (Note 6)	<u>127,799</u>
<u>120,251</u>			
£1,451,810			£1,651,058
		REPRESENTED BY:	
		FIXED ASSETS (Note 8)	724,201
731,148			
		INVESTMENT IN SUBSIDIARY IN COURSE	
		OF LIQUIDATION (Note 10)	-
19,217			
		CURRENT ASSETS	
	-	Due from holding company	20
	588,732	Stock (Note 11)	676,121
	661,743	Debtors	624,826
	<u>227,981</u>	Bank and cash balances	<u>390,748</u>
1,478,456			1,691,715
		CURRENT LIABILITIES	
	318,250	Creditors	276,279
	<u>458,761</u>	Taxation	<u>488,579</u>
	777,011		764,858
701,445		NET CURRENT ASSETS	926,857
£1,451,810			£1,651,058

6010-20 } Directors

OXLEY DEVELOPMENTS COMPANY LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1981

1980

CAPITAL EMPLOYED

SHARE CAPITAL (Note 4)

£250,000

Authorised

2,500,000 Ordinary Shares of 10p each
(1980 - 250,000 Ordinary Shares of £1 each)

£250,000

Issued and fully paid

2,354,660 Ordinary Shares of 10p each
(1980 214,060 Ordinary Shares of £1 each)

235,466

CAPITAL RESERVE (Note 5)

412,511

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

875,380

SHAREHOLDERS' FUNDS

1,523,357

DEFERRED TAXATION (Note 6)

127,799

£1,651,156

REPRESENTED BY:

FIXED ASSETS (Note 8)

724,201

INVESTMENT IN SUBSIDIARY COMPANIES (Note 10)

34,034

(19,854)

Shares at cost

34,032

Less: Amount due to subsidiary

(39,660)

Amount due from subsidiary

8,148

2,520

CURRENT ASSETS

Due from holding company

20

588,732

Stock (Note 11)

676,121

661,743

Debtors

624,826

227,436

Bank and cash balances

385,330

1,477,911

1,686,297

CURRENT LIABILITIES

318,250

Creditors

276,279

458,761

Taxation

485,583

777,011

761,862

700,900

NET CURRENT ASSETS

924,435

Directors

£1,446,228

£1,651,156

OXLEY DEVELOPMENTS COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 1981

1980

SOURCE OF FUNDS

Profit before tax	589,121	772,028
Proceeds of sale of fixed assets	15,088	755
Adjustments for items not involving the movements of funds:		
Depreciation	66,216	65,758
(Profit)/Loss on sale of fixed assets	(2,114)	920
TOTAL GENERATED FROM OPERATIONS	668,311	839,461

APPLICATION OF FUNDS

Dividends paid	107,030	214,060
Tax paid	253,025	351,772
Additions to fixed assets	72,243	113,497
	432,298	679,329
	236,013	160,132

INCREASE IN WORKING CAPITAL

Investment in subsidiary in course of liquidation	(19,217)	(4,307)
Increase in amount due from holding company	20	-
Increase in stock	87,389	112,272
Decrease in debtors	(36,917)	(14,914)
Decrease((Increase) in creditors	41,971	(46,287)

INCREASE IN NET BANK
AND CASH BALANCES

73,246	46,764
£162,767	£113,368

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1981

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.

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.

(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.

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1981 (Continued)

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>1981</u>	<u>1980</u>
£0	- £5,000	4	5
£5,001	- £10,000	2	1
£10,001	- £15,000	1	2
£30,001	- £35,000	1	1

The emoluments of the chairman, who, in 1981, was also the highest paid director, were £31,585 (1980 - £14,531); in 1980 the emoluments of the highest paid director were £31,531.

3 CORPORATION TAX

Corporation tax has been provided at the rate of 52% (1980 - 52%).

4 SHARE CAPITAL

On 3 August 1981 the unissued part of the authorised capital of the company amounting to £35,940 was divided into 359,400 shares of 10p each.

On the same day the existing 214,060 Ordinary shares of £1 each issued and fully paid were converted into 1% Preference shares of £1 each and a bonus issue of 214,060 Ordinary shares of 10p each was made by capitalising the sum of £21,406 being part of the amount standing to the credit of the Capital Reserve of the Company.

On 4 August 1981 each of the existing 214,060 1% Preference shares of £1 each was subdivided into 10 shares of 10p each and then converted into Ordinary shares.

5 CAPITAL RESERVE

	<u>Group</u>	<u>Company</u>
Balance at 1 October 1980	433,917	457,645
Bonus issue of Ordinary shares	(21,406)	(21,406)
Transfer to Profit and Loss Account relating to liquidation of subsidiary	-	(23,728)
Balance at 30 September 1981	£412,511	£412,511

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1981 (Continued)

6 DEFERRED TAXATION

	<u>1981</u>	<u>1980</u>
Deferred taxation comprises:		
Excess of capital allowances over depreciation	131,757	124,245
Sundry timing differences	<u>(3,958)</u>	<u>(3,994)</u>
	<u>£127,799</u>	<u>£120,251</u>

On 14 November 1980 the Inland Revenue announced a number of proposed changes in the basis of stock appreciation relief which were subsequently enacted in the Finance Act 1981. Under this new legislation, relief already obtained will not be clawed back and therefore the potential liability no longer includes stock appreciation relief.

7 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 1981 to £142,000 (1980 £140,000).

8 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 1980	594,041	605,796	143,469	76,876	1,420,182
Additions	9,312	18,224	24,265	20,442	72,243
Disposals	-	(4,791)	-	(24,204)	(28,995)
At 30 September 1981	603,353	619,229	167,734	73,114	1,463,431
<u>Depreciation</u>					
At 30 September 1980	201,462	355,713	88,908	42,951	689,034
Provided	11,765	33,693	10,058	10,700	66,216
Disposals	-	(3,382)	-	(12,639)	(16,021)
At 30 September 1981	213,227	386,024	98,966	41,012	739,229
Net book amount at 30 September 1981	<u>£390,126</u>	<u>233,205</u>	<u>68,768</u>	<u>32,102</u>	<u>724,201</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>

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1981 (Continued)

8 FIXED ASSETS (Continued)

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.

9 HOLDING COMPANY

At 30 September 1981 the directors regarded Anstalt fur Wissenschaftliche Forschung Und Handel, a company incorporated in Liechtenstein, as the company's ultimate holding company.

10 SUBSIDIARY COMPANIES

The company's wholly owned subsidiary company is Oxley Electronics Limited (formerly Valaduel Limited) incorporated in England.

During the year the company disposed of its investment in Oxley Developments Holdings Limited (formerly Oxley Electronics Limited) and the liquidation of Oxley AG was completed.

11 STOCK

Stock comprises:

Raw materials and bought out parts
Components of own manufacture
Finished goods

	<u>1981</u>	<u>1980</u>
Raw materials and bought out parts	179,861	172,118
Components of own manufacture	391,580	316,412
Finished goods	<u>104,680</u>	<u>100,202</u>
	<u>£676,121</u>	<u>£588,732</u>

12 CAPITAL COMMITMENTS

At 30 September 1981 capital expenditure amounting to £19,725 (1980 - Nil) had been authorised and contracted for by the directors.

Expenditure amounting to £10,000 (1980 - Nil) has been authorised but not contracted for.

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