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# Directors' Report and Accounts

OXLEY DEVELOPMENTS COMPANY LIMITED

30 SEPTEMBER 1984



Price  
Waterhouse

OXLEY DEVELOPMENTS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1984

The directors present their report and accounts for the year ended 30 September 1984.

Directors and their Interests

The directors during the year were:

RF Oxley	
Mrs AS Oxley	
Mrs J Atkinson	
J Chambers	(Appointed 6 June 1984)
PA Downward	(Appointed 1 February 1984)
GS Edwards	
KH Gooding	
RL Lamming	(Appointed 1 February 1984)
ED Maguire	
Sir Francis McLean	
RS Tebble	

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	1,340,269
Less: Dividends paid and proposed in respect of the year ended 30 September 1984	<u>1,500,000</u>
	(159,731)
To which must be added retained profit brought forward of	<u>977,690</u>
Leaving retained profit carried forward of	<u>£817,959</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 current 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 £1,129 and donations of £40 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.

### Employee involvement

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.

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

31 July 1985



SILKHOUSE COURT,  
TITHEBARN STREET,  
LIVERPOOL L2 2LJ

AUDITORS' REPORT TO THE MEMBERS OF  
OXLEY DEVELOPMENTS COMPANY LIMITED

We have audited the accounts on pages 5 to 15 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 certain fixed assets, give, under that convention, a true and fair view of the state of the company's affairs at 30 September 1984, 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

31 July 1985

OXLEY DEVELOPMENTS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1984

	<u>Notes</u>	<u>1984</u> £	<u>1983</u> £
Turnover	2	6,361,750	4,338,875
Cost of sales		<u>2,117,692</u>	<u>1,667,342</u>
Gross profit		4,244,058	2,671,533
Administrative expenses		<u>1,593,578</u>	<u>1,241,786</u>
Operating profit	3	2,650,480	1,429,747
Income from other sources	4	<u>81,508</u>	<u>63,274</u>
Profit on ordinary activities before taxation		2,731,988	1,493,021
Tax on profit on ordinary activities	5	<u>1,391,719</u>	<u>758,805</u>
Profit on ordinary activities after taxation		1,340,269	734,216
Dividends		<u>1,500,000</u>	<u>700,000</u>
		(159,731)	34,216
Retained profit brought forward		<u>977,690</u>	<u>943,474</u>
Retained profit carried forward		<u>817,959</u> =====	<u>977,690</u> =====

OXLEY DEVELOPMENTS COMPANY LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1984

	<u>Notes</u>	<u>1984</u> £	<u>1983</u> £
<u>Fixed assets</u>			
Tangible assets	6	836,776	618,011
Investment in subsidiary company	7	<u>34,032</u>	<u>34,032</u>
		870,808	652,043
<u>Current assets</u>			
Stocks	8	1,276,144	871,899
Debtors	9	1,807,257	1,183,372
Bank and cash balances		<u>533,579</u>	<u>783,136</u>
		3,616,980	2,838,407
<u>Creditors</u> (amounts falling due within one year)	10	<u>1,504,527</u>	<u>973,265</u>
Net current assets		<u>2,112,453</u>	<u>1,865,142</u>
Total assets less current liabilities		<u>2,983,261</u>	<u>2,517,185</u>
<u>Creditors</u> (amounts falling due after more than one year)	11	1,252,883	672,522
<u>Provisions for liabilities and charges</u>			
Deferred taxation	12	<u>264,442</u>	<u>218,996</u>
		<u>1,465,936</u>	<u>1,625,667</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>817,959</u>	<u>977,690</u>
		<u>1,465,936</u>	<u>1,625,667</u>

GS Edwards

Approved by the Board on

ED Maguire

31 July 1985

OXLEY DEVELOPMENTS COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 30 SEPTEMBER 1984

	1984	1983
	£	£
SOURCE OF FUNDS		
Profit before tax	2,731,988	1,493,021
Proceeds of sale of fixed assets	5,631	2,699
Adjustments for items not involving the movements of funds:		
Depreciation	154,890	113,881
Loss/(Profit) on sale of fixed assets	474	(431)
TOTAL GENERATED FROM OPERATIONS	2,892,983	1,609,170
APPLICATION OF FUNDS		
Dividends paid	1,500,000	905,000
Tax paid	335,934	262,819
Additions to fixed assets	379,760	294,126
Deferred taxation transferred to holding company	-	(25,957)
	2,215,694	1,435,988
	677,289	173,182
INCREASE IN WORKING CAPITAL		
Increase in stocks	404,245	176,909
Increase/(Decrease) in debtors	623,885	(90,229)
Increase in creditors	(101,284)	(37,883)
	926,846	48,797
(DECREASE)/INCREASE IN BANK AND CASH BALANCES	(249,557)	124,385
	=====	=====



OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1984

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 is depreciated over the 6 year life of the lease.

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1984 (continued)

(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.

(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 1984 (continued)

2 TURNOVER

An analysis of turnover by geographical market is as follows:

	<u>1984</u> £	<u>1983</u> £
United Kingdom	5,883,128	3,831,951
United States of America and Canada	137,317	158,498
Africa	95,446	62,738
Europe	204,835	197,780
Australia	7,710	14,084
Asia	<u>33,314</u>	<u>73,824</u>
	<u>6,361,750</u>	<u>4,338,875</u>

3 OPERATING PROFIT

a) This is stated after charging:	<u>1983</u> £	<u>1982</u> £
Directors' emoluments	123,035	76,908
Auditors' remuneration	8,050	7,125
Depreciation	154,890	113,881
Hire of plant and machinery	5,179	5,200

b) Directors' emoluments

Fees	-	-
Other emoluments (including pension contributions)	<u>123,035</u>	<u>76,908</u>
	<u>123,035</u>	<u>76,908</u>

The emoluments of the chairman (excluding pension contributions) were £48,473 (1983-£20,243). In 1983, the emoluments of the highest paid director were £36,843 (excluding pension contributions). The emoluments of the other directors (excluding pension contributions and amounts received for duties outside the United Kingdom) fell into the following bands:

	<u>1984</u>	<u>1983</u>
£0 - £5,000	3	3
£5,001 - £10,000	1	1
£10,001 - £15,000	2	-
£25,001 - £30,000	1	-

# OXLEY DEVELOPMENTS COMPANY LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1984 (continued)

c) Staff costs	<u>1984</u> £	<u>1983</u> £
Wages and salaries	1,604,734	1,202,903
Social security costs	149,255	113,142
Other pension costs	<u>32,697</u>	<u>28,132</u>
	<u>1,786,686</u>	<u>1,344,177</u>

The average weekly number of employees during the year was:

	<u>1984</u>	<u>1983</u>
Office and management	43	44
Manufacturing	<u>276</u>	<u>230</u>
	<u>319</u>	<u>274</u>

### 4 INCOME FROM OTHER SOURCES

Income from other sources includes:	<u>1984</u> £	<u>1983</u> £
Bank and deposit interest	81,788	62,669
(Loss)/Profit on sale of fixed assets	(474)	431

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1984</u> £	<u>1983</u> £
On the profit for the year:		
UK corporation tax at 52%	1,252,883	672,522
Deferred taxation	<u>43,191</u>	<u>87,327</u>
	<u>1,296,074</u>	<u>759,849</u>
In respect of prior years:		
UK corporation tax	93,390	(1,044)
Deferred taxation	<u>2,255</u>	<u>-</u>
	<u>1,391,719</u>	<u>758,805</u>

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1984 (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 1983	15,103	17,350	940,599	232,122	139,251	1,344,425
Additions	-	18,662	169,716	148,760	42,622	379,760
Disposals	-	-	(2,520)	(2,999)	(7,258)	(12,777)
At 30 September 1984	15,103	36,012	1,107,795	377,883	174,615	1,711,408
<u>Includes assets valued in 1976</u>						
At 30 September 1984	-	-	429,782	83,640	-	513,422
At 30 September 1983	-	-	429,782	83,640	-	513,422
<u>Depreciation</u>						
At 30 September 1983	15,102	-	514,958	126,436	69,918	726,414
Provision for the year	-	6,002	91,353	30,070	27,465	154,890
Disposals	-	-	(270)	(1,245)	(5,157)	(6,672)
At 30 September 1984	15,102	6,002	606,041	155,261	92,226	874,632
<u>Net book amount</u>						
At 30 September 1984	1	30,010	501,754	222,622	82,389	836,776
At 30 September 1983	1	17,350	425,641	105,686	69,333	618,011

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 1984	177,552	40,453
At 30 September 1983	177,552	40,453
<u>Aggregate Depreciation</u>		
At 30 September 1984	175,268	40,199
At 30 September 1983	171,834	39,627

# OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1984 (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>1984</u> £	<u>1983</u> £
Raw materials and consumables	431,029	235,574
Work in progress	701,171	468,397
Finished goods	<u>143,944</u>	<u>167,928</u>
	<u>1,276,144</u>	<u>871,899</u>

The replacement cost of stocks did not materially differ from the book amounts at 30 September 1984 or 1983.

## 9 DEBTORS

	<u>1984</u> £	<u>1983</u> £
Trade debtors	1,593,337	988,214
Amounts owed by holding company	167,465	150,752
Amounts owed by subsidiary company	-	8,488
Other debtors	4,468	4,432
Prepayments and accrued income	<u>41,987</u>	<u>31,486</u>
	<u>1,807,257</u>	<u>1,183,372</u>

## 10 CREDITORS (amounts falling due within one year)

	<u>1984</u> £	<u>1983</u> £
Trade creditors	189,938	129,400
Amounts owed to subsidiary company	28,516	37,004
Amounts owed to ultimate holding company	-	12,489
Other creditors	208,063	134,238
Accruals and deferred income	67,475	175,225
Taxation and social security	<u>1,010,535</u>	<u>484,909</u>
	<u>1,504,527</u>	<u>973,265</u>

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1984 (continued)

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

	<u>1984</u> £	<u>1983</u> £
Taxation	<u>1,252,883</u>	<u>672,522</u>

12 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1984</u> £	<u>1983</u> £
Deferred taxation comprising:		
Accelerated capital allowances	271,321	224,187
Other timing differences	<u>(6,879)</u>	<u>(5,191)</u>
	<u>264,442</u>	<u>218,996</u>

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 £68,047 (1983-£80,420). No provision has been made for this item in the accounts.

13 SHARE CAPITAL

	<u>1984</u> £	<u>1983</u> £
Allotted, called up and fully paid 2,354,660 Ordinary shares of 10p each	<u>235,466</u>	<u>235,466</u>
Authorised 2,500,000 Ordinary shares of 10p each	<u>250,000</u>	<u>250,000</u>

- 14 During the year, the company, in the ordinary course of business, made payments of £80,030 for sub assembly work and of £10,407 in respect of sales commission and sold goods at a value of £111,433 to companies under the control of RF and AS Oxley.

OXLEY DEVELOPMENTS COMPANY LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1984 (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 certain employees. Details of premiums paid appear in Note 3.

17 CAPITAL COMMITMENTS

At 30 September 1983, the directors had authorised capital expenditure amounting to £M11 (1983-£50,000) all of which had been contracted.