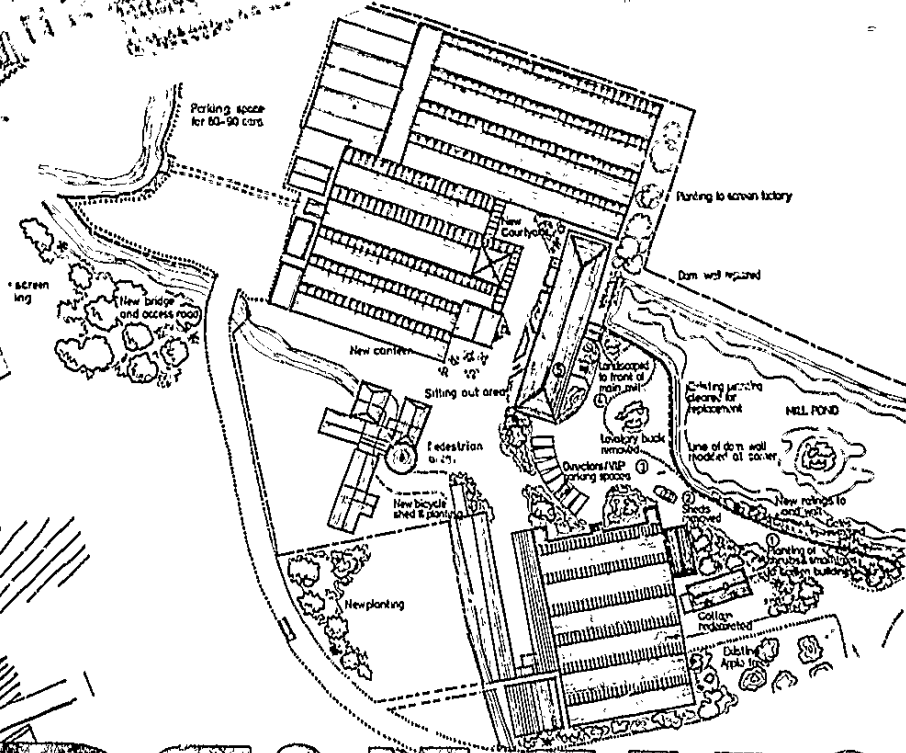


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S8



# RENISHAW



## Results at a Glance

	1983	1982
Turnover	£2000	£200
Profit before Taxation	£472	£379
Taxation	813	257
Profit after Taxation	609	379
Earnings per Share	3.25p	1.35p

## New Mills site

Left - Artists impression of the new Research and Development facilities.

Right - Plan of the site together with exterior views of the old mill which is currently being converted into the Research and Development Centre (Architects: Niall Phillips and Associates)



## Directors

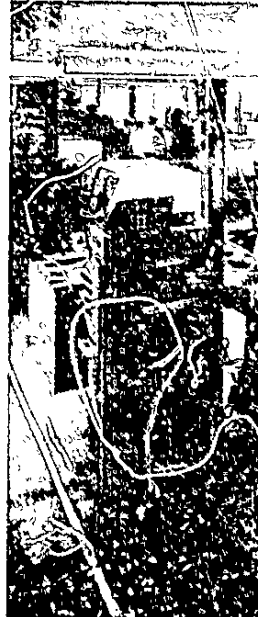


The Directors discussing exhibition proposals for the coming year. They are, from the left, John Deer, Allen Roberts, David McMurtry, Leopold Brook and Michael Wilson.

## Research and Development



Research and Development has been a major factor in the growth of the Company. To ensure that Renishaw maintains its position as world leader in its specialist technology, the high level commitment to this activity is being maintained.



Renishaw manufactures... Company uses some of the... fitted with Renishaw's own... accuracy is maintained at...

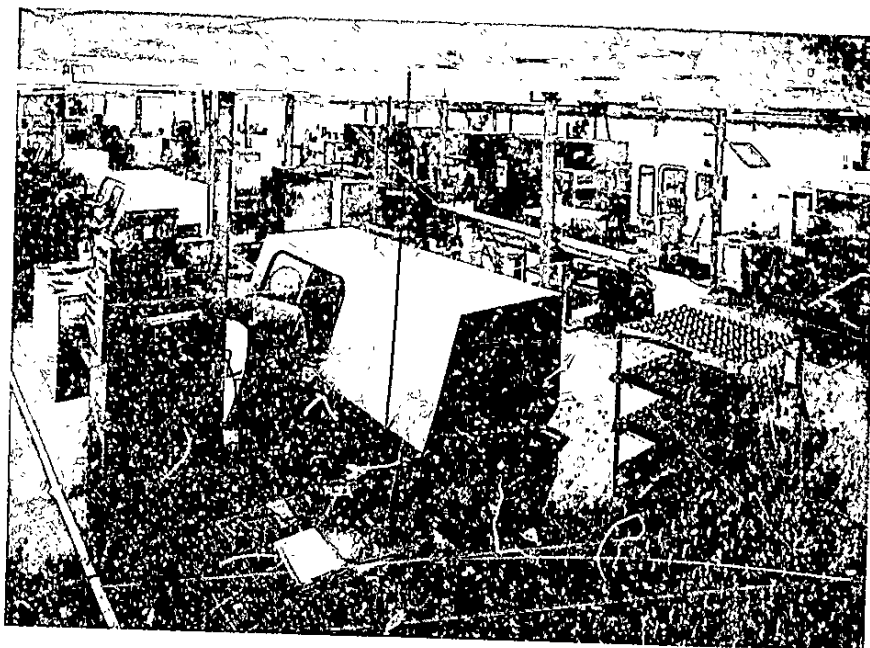


The Company's assembly... air-conditioned clean room... highest standard of quality...





They are, from the  
Michael Wilson.

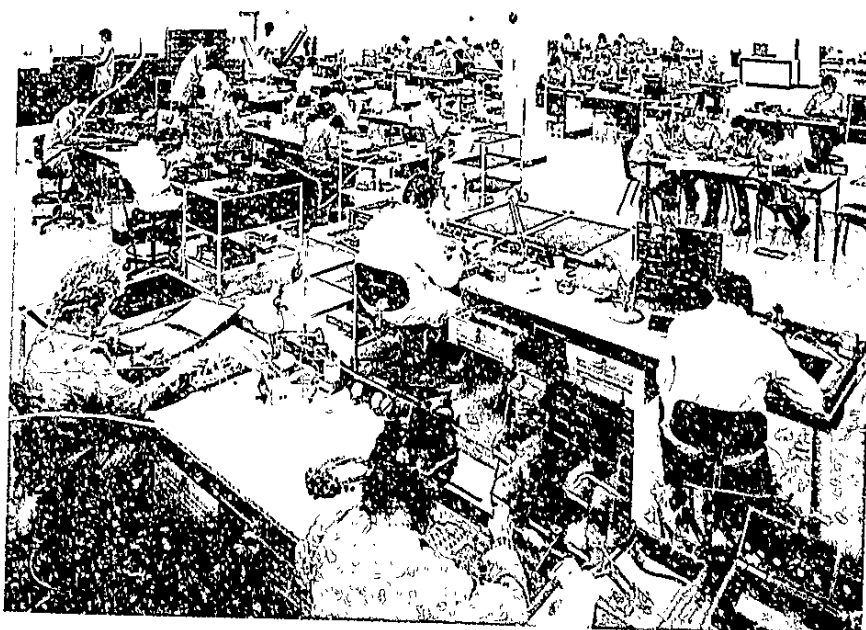


Renishaw manufactures the majority of the components used in its products. The Company uses some of the most technologically advanced CNC machines which are fitted with Renishaw's own in-cycle gauging probes to ensure that the required accuracy is maintained automatically

## Manufacturing



of the Company. To  
specialist  
trained.



The Company's assembly facilities have recently been relocated in a new fully air-conditioned clean room. Advanced automated test equipment is used to ensure the highest standard of quality for all Renishaw products.

## Assembly



## Directors

**D. R. McMurtry, H.N.D. (Mech. Prod. Eng.) (Chairman and Chief Executive)**

**D. J. Deer, H.N.C. (Mech. Eng.) (Managing Director)**

**A. C. G. Roberts, F.C.A. (Finance Director)**

**M. A. Wilson, C.Eng., M.I.Mech.E. (General Manager)**

**L. Brook, B.Sc. (Eng.), C.Eng., F.I.C.E., F.I.Mech.E. (Non-Executive)**

Notice is hereby given that a meeting of the Company will be held at the Post House Hotel, 16th November 1983 at 12 noon.

1. To receive the Statement of Accounts for the year ended 31st October 1983.
2. To declare a final dividend for the year ended 31st October 1983.
3. To re-elect as a Director Mr. D. J. Deer for a period of three years.
4. To re-appoint Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants, Welsh Street Chambers, Chepstow, Gwent NP6 5LN. and to authorise the Directors to do so.
5. To transact any other business.

## Company Secretary and Registered Office

**A. C. G. Roberts, F.C.A.,**  
Gloucester Street, Wotton-under-Edge,  
Gloucestershire GL12 7DN.  
Telephone: (0453) 844211  
Telex: 437120

Gloucester Street,  
Wotton-under-Edge,  
Gloucestershire GL12 7DN.  
5th October 1983

## Auditors

**Peat, Marwick, Mitchell & Co.,**  
Chartered Accountants  
Welsh Street Chambers,  
Chepstow, Gwent NP6 5LN.

## Solicitors

**Norton, Rose, Botterell & Roche,**  
Kempson House, Camomile Street,  
London EC3A 7AN.

1. A member of the Company to be elected as a member of the Company.

2. The Register of Directors' service contracts to be open for inspection at the Annual General Meeting.

## Principal Bankers

**Lloyds Bank Plc,**  
23 Long Street, Wotton-under-Edge,  
Gloucestershire GL12 7DA.

## Registrars and Transfer Office

**Lloyds Bank Plc,**  
Registrar's Department,  
Goring-by-Sea,  
Worthing, West Sussex BN12 6DA.

## Stockbrokers

**Rowe & Pitman,**  
City-Gate House,  
39-45 Finsbury Square, London EC2A 1JA.

## Merchant Bankers

**Lloyds Bank International Limited,**  
40/66 Queen Victoria Street,  
London EC4P 4EL.



ecutive)

Notice is hereby given that the 10th Annual General Meeting of the Company will be held at the Post House Hotel, Thornbury Road, Alveston, Nr. Thornbury, Avon on Friday 18th November 1983 at 12.00 noon to transact the following business:

1. To receive the Statement of Accounts and Directors' Report.
2. To declare a final dividend.
3. To re-elect as a Director of the Company, Mr. A. C. G. Roberts, who is retiring by rotation.
4. To re-appoint Messrs. Peat, Marwick, Mitchell & Co. as Auditors to the Company and to authorise the Directors to fix their remuneration.
5. To transact any other business of an Annual General Meeting.

Gloucester Street,  
Wotton-under-Edge  
Gloucestershire GL12 7DN.  
5th October 1983

By Order of the Board.  
A. C. G. Roberts  
Secretary

## Notice of Meeting

1. A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll to vote instead of him. A proxy need not also be a member.
2. The Register of Directors' Shareholdings and Transactions, together with copies of Directors' service contracts, will be available for reference at the commencement of and during the continuance of the Annual General Meeting, and will be available for inspection at the Registered Office between the date of this Notice and the Annual General Meeting.

## Notes



## Chairman's Statement

The financial year ended 30th June, 1983 was an historic year in the life of Renishaw, highlighted by the Company's tenth anniversary and obtaining a quotation for its Shares in the Unlisted Securities Market.

The growth of the Company has been achieved as a result of a clear, firm and consistent policy of carrying out the research and development, design, manufacture and marketing of our own range of patented products. This has led to in-depth expertise and control over all facets of our business.

The marketing of our products is a major part of our business. We have a Lecture and Demonstration Centre at our new Mills, near Wotton-under-Edge, where we can demonstrate our products to customers and train the sales staff. This has led to a significant increase in international exhibitions, turnover.

## Results

Turnover for the year amounted to £6,472,000 compared with £3,416,000 the previous year, an increase of more than 89 per cent. Sales to overseas customers amounted to approximately 86 per cent. of Group turnover, with 34 per cent. of the total sales made to customers in the U.S.A., 26 per cent. to those in Japan and 26 per cent. to those in other countries.

Profit before taxation amounted to £1,722,000, compared with the forecast of not less than £1,650,000 made at the time of the flotation in May of this year. Profit after taxation and before the extraordinary item was £909,000, equivalent to 3.25p per Share.

I should like to take this opportunity to thank all those who have contributed to the success of the company in the work in which many were involved.

The current year has started well for the comparable period. The Company's financial position is strong, and the Company is well placed to schedule, giving Renishaw the increasing demand for its products.

## Dividends

As forecast at the time of the Offer for Sale, the Directors recommend the payment of a final dividend in respect of the year ended 30th June 1983 of 0.7p net per Share (1p gross).

I am particularly optimistic about the market in which the Company operates. Our commitment to research and development has led to success both in this market and in the development of new product ranges are currently under development. Our flexible manufacturing system is a significant asset in flexible assembly systems.

## Product Development

The Group's further expansion into the growing computer numerically controlled ("CNC") machine tool market was the major factor behind the increase in turnover during the year - the most successful products being the MP3 and LP2 ranges, used on machining centres and lathes respectively. Significant developments during the year included the new 360° optical transmission probe and a new series of inductive systems. Initial reaction from customers to these products is very encouraging.

Renishaw's traditional co-ordinate measuring machine ("CMM") market place is being supported by the further development and enlargement of the Renishaw product range. A newly developed high-accuracy probe, which sets a materially higher standard of accuracy, is expected to offer a significant extension of applications to specialist users.

I have every confidence in the future of the company and the significant progress in the development of new products.

## Overseas Activities

It is our firm and continuing policy to develop overseas, and therefore to maintain close contact with our customers worldwide. Most of our products are exported, principally to companies in the U.S.A. and Japan. At the same time our market in Europe is growing, and we have high expectations for it in the future. Our overseas subsidiary companies are dealt with specifically below.

5th October 1983

## Renishaw Inc.

In just over two years Renishaw Inc., our U.S. subsidiary, has firmly established itself in its market and has already built up an impressive list of customer accounts. Turnover has almost doubled in the past year and the Company's aim of providing first-class service facilities, together with its involvement in marketing and selling Renishaw CMM products, has proved to be a most successful combination.

Negotiations with the Brown & Sharpe Manufacturing Company have reached an advanced stage for Renishaw Inc. to become the sole and exclusive distributor of all Renishaw products in the United States and Canada, other than to certain long established customers which have always been supplied directly from the United Kingdom.

## Renishaw Kabushiki Kaisha

Our Japanese subsidiary produced good results in its first year of trading. Considerable effort was invested in setting up this subsidiary and recruiting Japanese personnel. It is confidently expected to continue to grow in a market which is second in size only to that of the U.S.A.

## Renishaw Electronics (Ireland) Limited

The Group's overseas assembly facility has steadily expanded over the past year to match market requirements. Personnel have been successfully trained and all production targets have been met, with a particularly good performance in the fourth quarter.



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otation for its Shares

firm and consistent  
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depth expertise

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a total sales made  
on.. to those in

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profit after taxation  
per Share.

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The marketing of our products has been greatly enhanced by the construction of new Lecture and Demonstration facilities, which are located in the Company's premises at New Mills, near Wotton-under-Edge. These new facilities have enabled us to assist our customers and train the sales staff of our distributors in the application of Renishaw's probing systems. This development, together with Renishaw's continued attendance at international exhibitions, has been a major factor leading to the increase in our turnover.

I should like to take this opportunity to thank all our employees for their substantial contribution to the success of the Company over the past ten years and for the extra work in which many were involved at the time of the flotation.

The current year has started with demand for your Company's products ahead of that for the comparable period in 1982, notwithstanding the traditionally slow beginning to the Company's financial year. The move to our new premises is proceeding according to schedule, giving Renishaw access to facilities which are fully able to accommodate the increasing demand being experienced worldwide for Renishaw products.

I am particularly optimistic about the growth potential of the CNC machine tool market in which the Company continues to expand its involvement; the large commitment to research and development, which has been so important to Renishaw's success both in this market and the traditional CMM market, is being maintained. New product ranges are currently being developed for programmable gauges for use in flexible manufacturing systems and for high-speed robotic inspection equipment used in flexible assembly systems.

I have every confidence in our continued growth and look forward to Renishaw making significant progress in the future.



8th October 1983

D. R. McMurtry  
Chairman

Marketing

Staff

Current Trading

The Future







together with the  
pages 10 to 22 and  
and Accounts are  
the comparative

trical Limited to

1982  
£'000  
536  
257  
379  
379  
23  
356

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as any dividends

be paid on 21st  
register at close of

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year.  
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and development.  
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the continued growth

of the Company

The Directors who served during the year were:-

D. R. McMurtry (*Chairman and Chief Executive*)  
D. J. Deer  
A. C. G. Roberts  
M. A. Wilson  
L. Brook

In accordance with the Articles of Association A. C. G. Roberts retires by rotation and being eligible offers himself for re-election.

At 30th June 1982, prior to the restructuring of the share capital detailed in Note 15 to the Accounts, D. R. McMurtry held 7,467 'A' Shares of £1 each and D. J. Deer held 3,733 'B' Shares of £1 each. No other Director held any Shares.

The interests of the Directors in the share capital of the Company at 30th June 1983 were as follows:-

	Ordinary Shares of 5p each	
	Beneficial	Non-Beneficial
D. R. McMurtry	13,000,334	-
D. J. Deer	6,499,166	-
A. C. G. Roberts	36,834	-
M. A. Wilson	3,333	67,000
L. Brook	6,766	-

Since the year end, M. A. Wilson's non-beneficial holding of 67,000 Ordinary Shares has become a beneficial holding. There has been no change in the above holdings in the period 30th June 1983 to the 5th October 1983.

Apart from the shareholdings of Messrs. McMurtry and Deer (69.6 per cent.) and the holding of 5,600,000 Ordinary Shares (20 per cent.) owned by Brown & Sharpe Group Limited, the Directors are not aware of any other shareholding which represents 8 per cent. or more of the issued share capital of the Company.

The changes in Fixed Assets during the year are summarised in Note 7 to the Accounts. The principal U.K. properties were professionally valued on an open market basis at 29th April 1983, which showed a surplus over book value of approximately £117,000. This surplus has not been incorporated into the Historic Accounts.

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1970.

The maintenance of a highly skilled workforce is essential to the future of the business and the Directors place great emphasis on the continuation of the Company's approved training scheme. Health and Safety matters are given special attention by the Directors and it is their policy to ensure that continued employment is offered to employees who become temporarily or permanently disabled and the Company always carefully considers an application for employment by any registered disabled person.

The Group was restructured on the 1st July 1983, in order to reflect more closely the various activities now carried on by the Group companies. Details of the new structure are set out in Note 18 to the Accounts.

A resolution in accordance with Section 14, Companies Act 1976, for the re-appointment of Peat, Marwick, Mitchell & Co. as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

8th October 1983



By Order of the Board  
A. C. G. Roberts  
Secretary

Directors and their  
Interests

Substantial  
Shareholders

Fixed Assets

Taxation

Employees

Group Structure

Auditors



# Consolidated Profit and Loss Account

For the Year ended  
30th June 1984

	Notes	1983 £'000	1982 £'000	
<b>TURNOVER</b>	1	6,472	3,416	<b>FIXED ASSETS</b>
Cost of Sales		3,364	1,942	Tangible Assets
				Investments
				Shares in Group Companies
<b>GROSS PROFIT</b>		3,108	1,474	
Distribution Costs		510	220	<b>CURRENT ASSETS</b>
Administrative Expenses		773	571	Stocks
		1,283	791	Debtors
				Investments
				Cash at Bank and in Hand
<b>OPERATING PROFIT</b>	2	1,825	683	<b>CREDITORS</b>
Interest Payable (net)	3	103	47	Amounts falling due within year
				Creditors
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,722	636	Bank Loans and Overdrafts
Taxation on Profit on Ordinary Activities	4	813	257	<b>NET CURRENT ASSETS</b>
				<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		909	379	<b>CREDITORS</b>
Extraordinary Item—Costs of Offer for Sale		272	—	Amounts falling due after more than one year
				Hire Purchase
<b>PROFIT FOR THE FINANCIAL YEAR</b>		637	379	
Dividends	5	71	23	<b>PROVISION FOR LIABILITIES AND CHARGES</b>
				Deferred Taxation
<b>RETAINED PROFIT FOR THE YEAR</b>		566	356	<b>NET ASSETS</b>
				<b>CAPITAL AND RESERVES</b>
Earnings per Share	6	3.25p	1.35p	Called Up Share Capital
				Other Reserves
				Profit and Loss Account
				<b>SHAREHOLDERS' FUNDS</b>



1993  
£'000

1992  
£'000

Notes  
The Group  
1983  
£'000  
1982  
£'000  
The Company  
1983  
£'000  
1982  
£'000


# Balance Sheets

At 30th June 1993

16,472	3,416						
3,384	1,942						
3,108	1,474						
810	571						
773							
1,283	791						
1,825	683						
103	47						
1,722	636						
813	257						
909	379						
272							
637	379						
71	23						
566	356						
3,26p	1,38p						

FIXED ASSETS							
Tangible Assets	7	2,466	1,986	2,273	1,878		
Investments							
Shares in Group Companies		-	-	15	15		
		2,466	1,986	2,288	1,893		
CURRENT ASSETS							
Stocks	8	1,286	967	1,062	900		
Debtors	9	2,165	1,157	2,868	1,471		
Investments	10	563	442	275	442		
Cash at Bank and in Hand		102	69	39	36		
		4,115	2,635	4,244	2,849		
CREDITORS							
Amounts falling due within one year							
Creditors	11	1,796	969	2,247	1,102		
Bank Loans and Overdrafts	12	802	336	809	809		
		2,618	1,805	3,156	1,911		
NET CURRENT ASSETS		1,497	830	1,088	938		
TOTAL ASSETS LESS CURRENT LIABILITIES		3,963	2,816	3,376	2,831		
CREDITORS							
Amounts falling due after more than one year							
Hire Purchase	13	295	261	295	261		
		3,668	2,565	3,081	2,570		
PROVISION FOR LIABILITIES AND CHARGES							
Deferred Taxation	14	1,692	1,062	1,179	1,140		
NET ASSETS		2,076	1,493	1,902	1,430		
CAPITAL AND RESERVES							
Called Up Share Capital	15	1,400	14	1,400	14		
Other Reserves	16	17	-	-	-		
Profit and Loss Account	17	659	1,479	502	1,416		
SHAREHOLDERS' FUNDS		2,076	1,493	1,902	1,430		

 D. R. McMurtry } Directors  
D. J. Deer }



# Consolidated Statement of Source and Application of Funds

For the Year ended 30th June 1983

## SOURCE OF FUNDS

Profit on Ordinary Activities before Taxation

Extraordinary Item

Adjustment for Items not involving the Movement of Funds:-

Depreciation

(Profit)/Loss on Sale of Fixed Assets

Currency

## TOTAL GENERATED FROM OPERATIONS

## FUNDS FROM OTHER SOURCES

Hire Purchase

Sale of Fixed Assets

## APPLICATION OF FUNDS

Purchase of Fixed Assets

Hire Purchase Repaid

Taxation Paid

Dividends Paid

## INCREASE IN WORKING CAPITAL

Arising from Movements in:-

Stocks

Debtors

Investments

Creditors

Net Liquid Funds

1983  
£'000

1982  
£'000

The principal accounting policies of the Group are described below, cost convention.

The Consolidated Profit and liabilities of the Company and

A separate Profit and Loss Account has not been presented.

Turnover represents the value of sales less returns, allowances and discounts.

Fixed Assets are stated at cost less depreciation provided to write off the cost of assets over their lives as follows:-

Freehold Buildings  
Plant and Machinery  
Office Equipment  
Motor Vehicles

Income from equipment less depreciation is proportionate to the capital base. Purchase liabilities are charged to the income account.

Stocks are valued at the lower of cost and net realisable value applicable to the stage of completion.

Research and development expenditure is incurred.

Hire purchase interest is charged to the income account as sums outstanding.

Deferred taxation is provided where there is a reasonable probability that there is no indication that the assets will be crystallised.

Each trading transaction is translated and recorded in the functional currency and any differences in value are recognised.

Overseas profits are translated into sterling and are earned.

Overseas assets and liabilities are translated into sterling at the closing rate and resultant currency differences are recognised.



1992  
£'000

The principal accounting policies applied in the preparation of the Accounts of the Group are described below. The Accounts have been prepared under the historical cost convention.

## Accounting Policies

636

The Consolidated Profit and Loss Account and Balance Sheet combine the profits, assets and liabilities of the Company and all its subsidiaries.

## Basis of Consolidation

A separate Profit and Loss Account dealing with the results of the Company alone has not been presented.

636

## Turnover

143

Turnover represents the value of Group sales to third parties invoiced during the year, less returns, allowances and value added tax.

18

## Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of assets on a straight line basis over their estimated useful lives as follows:-

161

Freehold Buildings	-	50 years
Plant and Machinery	-	10 years
Office Equipment	-	5 years
Motor Vehicles	-	3 years

797

## Leased Equipment

240

Income from equipment leased to third parties is credited to Profit and Loss Account in proportion to the capital balances outstanding. Interest payable on the related hire purchase liabilities is charged against the income in proportion to capital balances owing.

26

## Stocks

268

1,065

Stocks are valued at the lower of cost, being direct materials and labour plus overheads applicable to the stage of manufacture reached, and net realisable value.

## Research and Development

531

Research and development expenditure is charged against profit in the year in which it is incurred.

148

## Hire Purchase

247

Hire purchase interest is charged to Profit and Loss Account in proportion to the capital sums outstanding.

111

## Deferred Taxation

1,037

Deferred taxation is provided on all timing differences except where there is a reasonable probability that no liability will arise in the foreseeable future and where there is no indication that after this period the situation is likely to change so as to crystallise the liabilities.

26

## Foreign Currency

496

Each trading transaction entered into by the Group denominated in a foreign currency, is translated and recorded at the rate of exchange ruling at the date of the transaction, and any differences in value on settlement are taken to Profit and Loss Account.

144

Overseas profits are translated into sterling at the rate of exchange ruling when they are earned.

(4)

278

Overseas assets and liabilities included in the Consolidated Balance Sheet are translated into sterling at the rates of exchange ruling at the end of the accounting year and resultant currency adjustments are treated as movements on reserves.

913

(887)

28



## Notes to the Accounts

For the Year ended  
30th June 1983

### 1. Turnover

Turnover is defined under the accounting policies and relates entirely to the principal trade. An analysis by geographical market is as follows:-

	1983 £'000	1982 £'000
USA	2,192	1,553
Japan	1,668	438
West Germany	877	305
France	387	205
Other Overseas Countries	441	289
Total Sales to Overseas Customers	5,565	2,790
United Kingdom	907	626
Total Group Sales	6,472	3,416

### 2. Operating Profit

a) The Operating Profit is stated after charging/(crediting)	1983 £'000	1982 £'000
Depreciation	203	143
(Profit)/Loss on Sale of Fixed Assets	(3)	18
Directors' Emoluments	233	197
Auditors' Remuneration	17	9

#### b) Emoluments of Directors and Higher Paid Employees

The emoluments of the Chairman and highest paid Director for the year, excluding pension contributions, were £77,967 (1982 £71,424). The emoluments of the other Directors, excluding pension contributions, fell within the following ranges:-

	Number of Directors	
	1983	1982
£ NIL - £ 5,000	1	1
£20,001 - £25,000	-	2
£25,001 - £30,000	1	-
£30,001 - £35,000	1	-
£35,001 - £40,000	-	1
£40,001 - £45,000	1	-

No U.K. employee had emoluments greater than £30,000 per annum.

c) Staff Numbers and  
The average number  
during the year was

Office and Management  
Research, Manufacture

The aggregate pay  
of the above was a  
Wages and Salaries  
Social Security Costs  
Other Pension Costs

Payable

Hire Purchase  
Bank and other

Receivable  
Bank

Attributable to leasing

Based on Group Profit  
for the Year:-

Corporation Tax and  
Deferred Taxation  
Overseas Tax

The charge for the year  
appreciation relief.

Interim dividend paid  
'C' Shares owned by B  
Group Limited.  
Proposed final dividend  
'C' Shares owned by B  
Group Limited.  
Proposed final dividend  
(net) equivalent to 1p  
D. R. McMurtry and D.  
their dividend entitled  
£136,496.



c) Staff Numbers and Costs

The average number of persons employed by the Group (including Directors) during the year was as follows:-

	1983 No.	1982 No.
Office and Management	31	29
Research, Manufacturing Marketing	210	186
	<u>241</u>	<u>215</u>

The aggregate payroll cost of the above was as follows:-

	1983 £'000	1982 £'000
Wages and Salaries	1,724	1,163
Social Security Costs	182	135
Other Pension Costs	48	41
	<u>1,954</u>	<u>1,339</u>

Payable

Hire Purchase  
Bank and other short term interest

	1983 £'000	1982 £'000
Hire Purchase	139	118
Bank and other short term interest	70	64
	<u>209</u>	<u>182</u>

Receivable  
Bank

	1983 £'000	1982 £'000
Receivable	(3)	(40)
Bank	206	142
	<u>103</u>	<u>95</u>

Attributable to leasing activity

	1983 £'000	1982 £'000
Attributable to leasing activity	103	47

Based on Group Profit on Ordinary Activities for the Year:-

Corporation Tax at 52%  
Deferred Taxation at 52%  
Overseas Tax

	1983 £'000	1982 £'000
Corporation Tax at 52%	225	49
Deferred Taxation at 52%	360	200
Overseas Tax	28	8
	<u>813</u>	<u>257</u>

The charge for the year has been reduced by the retention of profit overseas and stock appreciation relief.

	1983 £'000	1982 £'000
--	---------------	---------------

Interim dividend paid in respect of the 'C' Shares owned by Brown & Sharpe Group Limited.

	1983 £'000	1982 £'000
Interim dividend paid in respect of the 'C' Shares owned by Brown & Sharpe Group Limited.	11	-

Proposed final dividend in respect of the 'C' Shares owned by Brown & Sharpe Group Limited.

	1983 £'000	1982 £'000
Proposed final dividend in respect of the 'C' Shares owned by Brown & Sharpe Group Limited.	-	23

Proposed final dividend of 0.7p per Share (net) equivalent to 1p (gross). Messrs. D. R. McMurtry and D. J. Deer have waived their dividend entitlement amounting to £136,496.

	1983 £'000	1982 £'000
Proposed final dividend of 0.7p per Share (net) equivalent to 1p (gross). Messrs. D. R. McMurtry and D. J. Deer have waived their dividend entitlement amounting to £136,496.	60	-
	<u>71</u>	<u>23</u>

2. Operating Profit

continued

3. Interest Payable (Net)

4. Taxation on Profit on Ordinary Activities

5. Dividends



## 6. Earnings per Share

Earnings per Share have been calculated on the profit on ordinary activities after taxation but before the extraordinary item and as if the 28,000,000 Ordinary Shares of 5p each had been in issue throughout the two years.

c) Outstanding C  
these Account

The Group and

Authorised bu

Authorised and

## 7. Tangible Fixed Assets

a) The Group	Freehold Land and Buildings £'000	Plant and Machinery £'000	Motor Vehicles £'000	Total £'000	
Cost					
At 1st July 1982	874	1,326	112	2,312	
Additions	107	527	41	675	
Disposals	—	—	(11)	(11)	
Currency Adjustment	5	5	—	10	Raw Materials Work In Progress Finished Goods
At 30th June 1983	986	1,858	142	2,986	
Depreciation					
At 1st July 1982	—	253	73	326	
Charged for Year	11	171	21	203	
Released on Disposals	—	—	(9)	(9)	
At 30th June 1983	11	424	85	520	
Net Book Value					Trade Debtors Amounts owed by C Prepayments and A
At 30th June 1983	975	1,434	57	2,466	
At 30th June 1982	874	1,073	39	1,986	
b) The Company	Freehold Land and Buildings £'000	Plant and Machinery £'000	Motor Vehicles £'000	Total £'000	This item represent
Cost					
At 1st July 1982	831	1,261	104	2,196	Net Amounts Recei
Additions	107	447	24	578	a) Within one
Disposals	—	—	(6)	(6)	b) After more
At 30th June 1983	938	1,708	122	2,768	
Depreciation					( Less Related Hire P
At 1st July 1982	—	247	71	318	a) Within one
Charged for Year	11	156	16	183	b) After more
Released on Disposals	—	—	(6)	(6)	
At 30th June 1983	11	403	81	495	
Net Book Value					The investment in fi
At 30th June 1983	927	1,305	41	2,273	true and fair view o
At 30th June 1982	831	1,014	33	1,878	activities of the Gro
					Certain Finance Co
					leasing agreements



on ordinary activities after  
10,000 Ordinary Shares of 5p

c) Outstanding Capital Expenditure not provided for in these Accounts

The Group and the Company	1983	1982
	£'000	£'000
Authorised but not Committed	10	90
Authorised and Committed	292	41

7. Tangible Fixed Assets  
continued

Motor Vehicles £'000	Total £'000
112	2,312
41	675
(11)	(11)
-	10
142	2,986

Raw Materials  
Work In Progress  
Finished Goods

The Group		The Company	
1983	1982	1983	1982
£'000	£'000	£'000	£'000
555	562	519	562
394	289	373	274
336	116	170	64
1,285	967	1,062	900

8. Stocks

73	326
21	203
(9)	(9)
85	520

Trade Debtors  
Amounts owed by Group Companies  
Prepayments and Accrued Income

The Group		The Company	
1983	1982	1983	1982
£'000	£'000	£'000	£'000
1,771	900	1,555	847
-	-	1,241	390
394	257	72	234
2,165	1,157	2,868	1,471

9. Debtors

57	2,466
39	1,986

Motor Vehicles £'000	Total £'000
-------------------------	----------------

This item represents the net investment in Finance Leases as follows:-

The Group		The Company	
1983	1982	1983	1982
£'000	£'000	£'000	£'000
Net Amounts Receivable from Lessees			
a) Within one year	502	1,305	299
b) After more than one year	1,481	933	629
	1,983	1,238	928
Less Related Hire Purchase Liabilities			
a) Within one year	451	143	288
b) After more than one year	969	653	365
	1,420	796	653
	563	442	275

10. Investments

104	2,196
24	578
(6)	(6)
122	2,768

71	318
16	183
(6)	(6)
81	495

41	2,273
33	1,878

The investment in finance leases has been shown net in the Accounts in order to show a true and fair view of the current assets and of the liabilities relating to the principal activities of the Group.

Certain Finance Companies have taken security by means of charges on specific leasing agreements with third parties.



## 11. Creditors

Amounts falling due within one year	The Group		The Company	
	1983	1983	1983	1983
	£'000	£'000	£'000	£'000
Trade Creditors	682	405	438	353
Amounts owed to Group Companies	—	—	868	213
Taxation	286	82	260	65
Other Taxes	89	117	71	96
Other Creditors	521	242	432	252
Hire Purchase	158	100	156	100
Proposed Dividend Payable	60	23	60	23
	<u>1,796</u>	<u>969</u>	<u>2,347</u>	<u>1,102</u>

At 30th June 1952 the issued Shares of £1 each. On 29th April 1952 the Company had a paid-up capital to £56,000 and issued reserves 42,000 Shares of £1 each. The Company was listed on the Stock Exchange granting preference capital of the Company in the Company subdivided each of the redesignated such shares as £1,750,000 and issued credits of £26,880,000 Ordinary Shares of £1 each.

\* This item represents the unre-

## 12. Bank Overdrafts

**The Company's overdraft is secured on one of its freehold properties.**

### Movements during the year

### 13. Hire Purchase

	The Group		The Company	
	1983	1982	1983	1982
	£'000	£'000	£'000	£'000
Total Obligations under Hire Purchase Agreements	1,873	1,157	1,106	1,157
Relating to Finance Leases (Note 10)	<u>1,420</u>	<u>796</u>	<u>653</u>	<u>796</u>
	453	361	453	361
Current Obligations (Note 11)	<u>158</u>	<u>100</u>	<u>158</u>	<u>100</u>
Non-Current Obligations	295	261	295	261

At 1st July 1982

Retained Profit for the

### Less Capitalisation

**At 30th June 1983**

The following are the subsidiaries owned, and reflect the new

#### 14. Deferred Taxation

a)	Movements during the year	The Group		The Company	
		1983	1982	1983	1982
		£'000	£'000	£'000	£'000
	At 1st July 1982	1,062	795	1,140	792
	Provision for the year	560	200	69	281
	Advance Corporation Tax Adjustment	(30)	67	(30)	67
	At 30th June 1983	<u>1,592</u>	<u>1,062</u>	<u>1,179</u>	<u>1,140</u>
b)	Represented by:-	The Group		The Company	
		1983	1982	1983	1982
		£'000	£'000	£'000	£'000
	Accelerated Capital Allowances	1,798	1,157	1,232	1,149
	Other Timing Differences	(166)	(85)	(13)	1
		<u>1,632</u>	<u>1,072</u>	<u>1,219</u>	<u>1,150</u>
	Advance Corporation Tax Recoverable	(40)	(10)	(40)	(10)
		<u>1,592</u>	<u>1,062</u>	<u>1,179</u>	<u>1,140</u>

- i) Subsidiaries of Renishaw
  - Renishaw Electronics
  - Renishaw Research
  - Renishaw Overseas
  - Renishaw Leasing

ii) Subsidiaries of Renishaw Inc.  
Renishaw Electronics  
Renishaw Kabushiki

**The principal activities of Benishaw Electric**

Renishaw Rese

Renishaw Over

## Renishaw Lease

Kelluslaw Inc.

Renishaw Elect

Renishaw Kabu

100

**The above figures represent the full potential liability.**



The Company	
1983	1982
£'000	£'000
438	350
868	213
260	65
71	96
492	252
168	100
60	23
<u>2,347</u>	<u>1,102</u>

At 30th June 1982 the issued ordinary share capital of the Company comprised 14,000 Shares of £1 each. On 29th April 1983 the Company increased its authorised share capital to £56,000 and issued credited as fully paid by way of a bonus issue out of reserves 42,000 Shares of £1 each. On 25th May 1983, conditionally on the Council of The Stock Exchange granting permission for dealings to take place in the issued share capital of the Company in the Unlisted Securities Market on or before 8th June 1983, the Company subdivided each existing Share of £1 into 20 shares of 5p each and redesignated such shares as Ordinary Shares, increased the authorised share capital to £1,780,000 and issued credited as fully paid by way of a bonus issue out of reserves 26,880,000 Ordinary Shares of 5p each.

\* This item represents the unrealised currency gains arising on consolidation.

#### Movements during the year

		The Group		The Company	
		1983	1982	1983	1982
		£'000	£'000	£'000	£'000
At 1st July 1982		1,479	1,123	1,416	1,110
Retained Profit for the year		<u>566</u>	<u>356</u>	<u>472</u>	<u>306</u>
		2,045	1,479	1,888	1,416
Less Capitalisation		<u>(1,386)</u>	<u>-</u>	<u>(1,386)</u>	<u>-</u>
At 30th June 1983		<u>659</u>	<u>1,479</u>	<u>502</u>	<u>1,416</u>

The Company	
1983	1982
£'000	£'000
1,106	1,187
653	796
<u>453</u>	<u>361</u>
168	100
<u>295</u>	<u>261</u>

The following are the subsidiary companies of Renishaw plc, all of which are wholly owned, and reflect the new group structure effective from 1st July 1983.

i)	Subsidiaries of Renishaw plc	Country of Incorporation
	Renishaw Electrical Limited	Great Britain
	Renishaw Research Limited	Great Britain
	Renishaw Overseas Limited	Great Britain
	Renishaw Leasing Limited	Great Britain
ii)	Subsidiaries of Renishaw Overseas Limited	
	Renishaw Inc.	U.S.A.
	Renishaw Electronics (Ireland) Limited	Republic of Ireland
	Renishaw Kabushiki Kaisha	Japan

The Company	
1983	1982
£'000	£'000
1,140	792
69	281
<u>(30)</u>	<u>67</u>
<u>1,179</u>	<u>1,140</u>

The principal activities of these companies are as follows:-

Renishaw Electrical Limited	- Design, Manufacture and Sale of Advanced Precision Metrology and Inspection Equipment
Renishaw Research Limited	- New Product Research and Development
Renishaw Overseas Limited	- Overseas Holding and Investment Company
Renishaw Leasing Limited	- Leasing Equipment to third parties
Renishaw Inc.	- Service, Repair and Sale of Precision Metrology and Inspection Equipment
Renishaw Electronics (Ireland) Limited	- Manufacture and Sale of Precision Metrology and Inspection Equipment
Renishaw Kabushiki Kaisha	- Service, Repair and Sale of Precision Metrology and Inspection Equipment

The Company	
1983	1982
£'000	£'000
1,232	1,149
(13)	1
<u>1,219</u>	<u>1,180</u>
(40)	(10)
<u>1,179</u>	<u>1,140</u>

#### 15. Called Up Share Capital

#### 16. Other Reserves

#### 17. Profit and Loss Account

#### 18. Subsidiary Companies



# Consolidated Current Cost Profit and Loss Account

For the Year ended  
30th June 1983

## TURNOVER

GROUP OPERATING PROFIT as stated in the Historic  
Cost Accounts

Current Cost Operating Adjustments

Cost of Sales

Monetary Working Capital

Depreciation

CURRENT COST OPERATING PROFIT

Gearing Adjustment

Interest Payable (net)

CURRENT COST PROFIT ON ORDINARY ACTIVITIES BEFORE  
TAXATION

Taxation on Profit on Ordinary Activities

CURRENT COST PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

Extraordinary Item - Costs of Offer for Sale

CURRENT COST PROFIT FOR THE FINANCIAL YEAR

Dividends

RETAINED CURRENT COST PROFIT FOR THE YEAR

Current Cost Earnings per Share

1983  
£'000

6,472

1,825

50

60

9

119

1,706

67

(103)

1,670

813

857

272

585

71

514

3.06p

## FIXED ASSETS

Tangible Assets

## CURRENT ASSETS

Stocks

Debtors

Investments

Cash at Bank and in Hand

## CREDITORS

Amounts falling due within 12 months

Creditors

Bank Overdrafts

## NET CURRENT ASSETS

## TOTAL ASSETS LESS CURRENT LIABILITIES

## CREDITORS

Amounts falling due after 12 months

Hire Purchase

## PROVISIONS FOR LIABILITIES

Deferred Taxation

## NET ASSETS

## CAPITAL AND RESERVES

Called Up Share Capital

Other Reserves

Profit and Loss Account

Current Cost Reserves

## SHAREHOLDERS' FUNDS



**Consolidated  
Current Cost  
Balance Sheet**

At 30th June 1983

1983 £'000		CCA Notes	1983 £'000	1982 £'000
6,472	<b>FIXED ASSETS</b>			
	Tangible Assets	2	2,936	2,244
1,825	<b>CURRENT ASSETS</b>			
	Stocks		1,301	973
	Debtors		2,105	1,157
	Investments		563	442
50	Cash at Bank and in Hand		102	69
60	<b>CREDITORS</b>		1,131	2,641
9	Amounts falling due within one year			
	Creditors		1,796	969
119	Bank Overdrafts		822	836
			2,618	1,805
1,706	<b>NET CURRENT ASSETS</b>		1,513	836
67	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
(103)			4,449	3,080
	<b>CREDITORS</b>			
	Amounts falling due after more than one year			
1,670	Hire Purchase		295	261
813			4,154	2,819
	<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
857	Deferred Taxation		1,592	1,062
272	<b>NET ASSETS</b>		2,562	1,757
585	<b>CAPITAL AND RESERVES</b>			
71	Called Up Share Capital		1,400	14
	Other Reserves		17	-
514	Profit and Loss Account	3	607	1,479
	Current Cost Reserves	4	538	264
3,06p	<b>SHAREHOLDERS' FUNDS</b>		2,562	1,757



# Notes to the Consolidated Current Cost Accounts

## 1. Basis of Preparing Current Cost Accounts

- 1.1. The Consolidated Current Cost Accounts have been prepared in accordance with the recommendations of Statement of Standard Accounting Practice No. 16.
- 1.2. The cost of sales adjustment is the difference between the replacement cost of stock at the date of sale and the amount charged in the Historic Cost Accounts. The adjustment has been calculated by the averaging method applying relevant indices to the opening and closing stock.
- 1.3. The monetary working capital adjustment represents the effect of inflation on monetary working capital. It has been calculated using the averaging method.
- 1.4. The depreciation adjustment represents the difference between the charge in the Historic Cost Accounts and the charge in the Current Cost Accounts calculated on the revised asset values.
- 1.5. The gearing adjustment represents the effect of price changes on the proportion of the operating assets of the business which is financed by borrowing.
- 1.6. The value to the business of property takes into account the valuation carried out during the year.
- 1.7. Except as set out above the policies used in the Current Cost Accounts are the same as those used in the Historic Cost Accounts.
- 1.8. A Consolidated Current Cost Profit and Loss Account for 1982 has not been prepared as Current Cost Accounts were not previously required.

We have audited the Accounts Standards.

In our opinion the Accounts, on basis of the accounting policies of affairs of the Company and and Application of Funds of the Companies Acts 1948 to 1981

In our opinion the abridged s to 22 have been properly prepared methods described on page 2 Standard Accounting Practice

5th October 1983  
Chepstow,  
Gwent

## 2. Fixed Assets

	Gross £'000	1983 Depreciation £'000	Net £'000	1982 Net £'000
Freehold Land and Buildings	1,103	11	1,092	874
Plant and Machinery	2,267	492	1,775	1,320
Motor Vehicles	177	108	69	50
	<u>3,547</u>	<u>611</u>	<u>2,936</u>	<u>2,244</u>

## 3. Profit and Loss Account

	£'000
At 1st July 1982	1,479
Less Capitalisation	<u>1,386</u>
	93
Retained Current Cost Profit	<u>514</u>
At 30th June 1983	<u>607</u>

## 4. Current Cost Reserves

	£'000	£'000
At 1st July 1982		264
Revaluations:-		
Land and Buildings	117	
Other Fixed Assets	104	
Stock	<u>60</u>	
		<u>281</u>
		545
Net Current Cost Adjustments		<u>(7)</u>
At 30th June 1983		<u>538</u>



We have audited the Accounts on pages 10 to 22 in accordance with Approved Auditing Standards.

In our opinion the Accounts, set out on pages 10 to 19 which have been prepared on the basis of the accounting policies set out on page 13, give a true and fair view of the state of affairs of the Company and of the Group at 30th June 1983 and of the Profit and Source and Application of Funds of the Group for the year to that date and comply with the Companies Acts 1948 to 1981.

In our opinion the abridged supplementary Current Cost Accounts set out on pages 20 to 22 have been properly prepared in accordance with the accounting policies and methods described on page 22 to give the information required by Statement of Standard Accounting Practice No. 16.

PEAT MARWICK MITCHELL & CO.  
Chartered Accountants

5th October 1983  
Chepstow,  
Gwent

Report of the Auditors  
to the Members of  
Renishaw plc

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1.

Net	1982
£'000	Net
	£'000
1,092	874
1,775	1,320
69	50
2,936	2,244

£'000
1,479
1,386
93
514
607

£'000
264

281
545
(7)
538



## Financial Calendar

Annual General Meeting	Friday 18th November 1983
Results	Preliminary announcement of annual results – early October Announcement of half year results – early April
Dividends	Interim payable April Final payable November

## Sales

Overseas

UK

Total Sales

Profit on Ordinary  
Activities before  
Taxation

Taxation

Profit on Ordinary  
Activities after  
Taxation

Extraordinary Item

Dividends

Retained Profits

Share Capital

Reserves

Shareholders' Funds

Deferred Taxation

Earnings per Share  
(Based on 28,000,000 ordinary  
shares of 5p each)

Profit before taxation as a  
percentage of  
Shareholders' Funds

Overseas Sales as  
a percentage of  
Total Sales



Sales	1983 £'000	1982 £'000	1981 £'000	1980 £'000	1979 £'000	1978 £'000
Overseas	5,565	2,790	2,146	1,578	932	432
UK	907	626	708	422	170	81
Total Sales	<u>6,472</u>	<u>3,416</u>	<u>2,854</u>	<u>2,000</u>	<u>1,102</u>	<u>513</u>
Profit on Ordinary Activities before Taxation	1,722	636	1,003	732	509	179
Taxation	<u>813</u>	<u>257</u>	<u>397</u>	<u>383</u>	<u>265</u>	<u>93</u>
Profit on Ordinary Activities after Taxation	909	379	606	349	244	86
Extraordinary Item	272	-	-	-	-	-
	<u>637</u>	<u>379</u>	<u>606</u>	<u>349</u>	<u>244</u>	<u>86</u>
Dividends	<u>71</u>	<u>23</u>	<u>110</u>	<u>70</u>	<u>-</u>	<u>-</u>
Retained Profits	<u>566</u>	<u>356</u>	<u>496</u>	<u>279</u>	<u>244</u>	<u>86</u>

## Financial Record Results

	1983 £'000	1982 £'000	1981 £'000	1980 £'000	1979 £'000	1978 £'000
Share Capital	1,400	14	14	14	7	7
Reserves	676	1,479	1,123	627	355	111
Shareholders' Funds	<u>2,076</u>	<u>1,493</u>	<u>1,137</u>	<u>641</u>	<u>362</u>	<u>118</u>
Deferred Taxation	1,592	1,062	765	704	351	86
	<u>3,668</u>	<u>2,555</u>	<u>1,902</u>	<u>1,345</u>	<u>713</u>	<u>204</u>

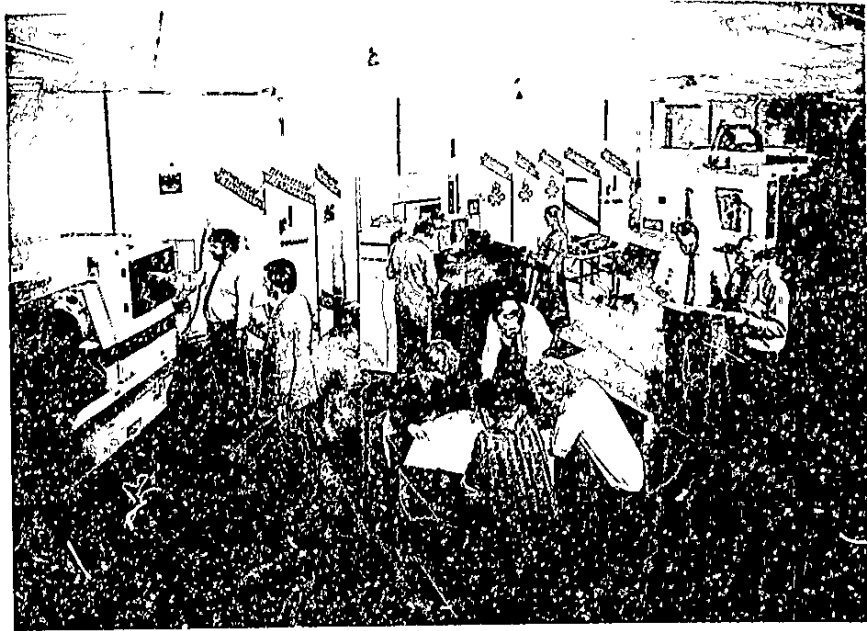
## Capital Employed

	1983	1982	1981	1980	1979	1978
Earnings per Share (Based on 28,000,000 ordinary shares of 8p each)	3.25p	1.35p	2.16p	1.25p	0.87p	0.31p
Profit before taxation as a percentage of Shareholders' Funds	82.9%	42.6%	88.2%	114.2%	140.6%	151.7%
Overseas Sales as a percentage of Total Sales	86.0%	81.7%	75.2%	78.9%	84.6%	84.2%

## Statistics

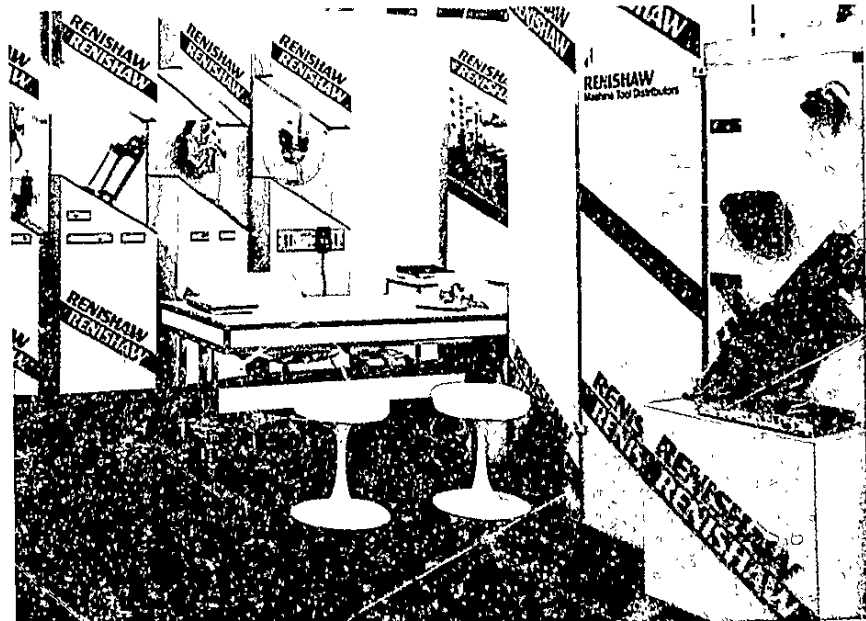


## Marketing



## Demonstration Facilities

Renishaw products operating under working conditions in the demonstration area. Training and familiarisation courses for customers, distributors and staff are held here, and in the adjoining lecture theatre. This area is also used for the testing and development of new products and techniques.



## Exhibitions

Participation at international exhibitions has always been an important feature of the Company's marketing strategy. During the past 12 months Renishaw has demonstrated its products in six major exhibitions throughout the world. At the 1983 EMO Exhibition in Paris, in addition to the Renishaw stand shown above, over 75 other exhibitors displayed the Company's products.



The Company's commenced tra Chicago, enabl for the North A



Renishaw's Iris 1981 to provide

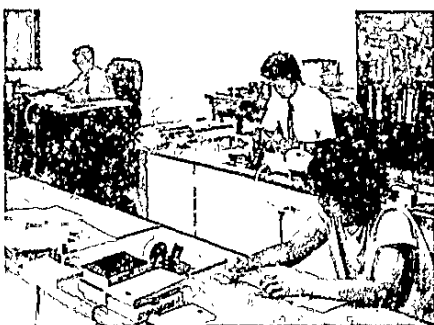




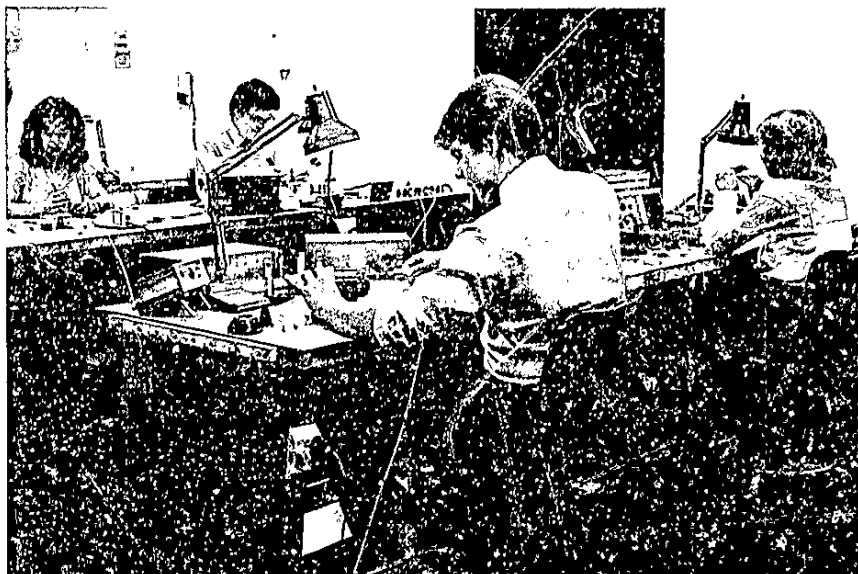
demonstration area.  
and staff are held here,  
to testing and



important feature of the  
shaw has  
the world. At the 1983  
n above, over 75 other



The Japanese subsidiary was established  
in Tokyo in March 1982 to provide  
on-the-spot sales and servicing facilities.



The Company's American subsidiary which has advanced automatic test equipment  
commenced trading in April 1981, and is ideally situated close to O'Hare airport in  
Chicago, enabling Renishaw to provide a first class sales and service facility  
for the North American market.



Renishaw's Irish subsidiary is located by Dublin airport and started operating in July  
1981 to provide additional manufacturing capacity.

## Overseas Subsidiary Companies

Renishaw  
Kabushiki Kaisha

Renishaw Inc.

Renishaw Electronics  
(Ireland) Limited



## RENISHAW

### Distributors

There are located in the following countries:-

Australia  
Austria  
Belgium  
Brazil  
Denmark  
Finland  
France  
Germany  
Holland  
Hungary  
India  
Israel  
Italy  
Japan  
Korea  
Mexico  
Norway  
South Africa  
Spain  
Sweden  
Switzerland  
Taiwan  
United Kingdom  
United States of America

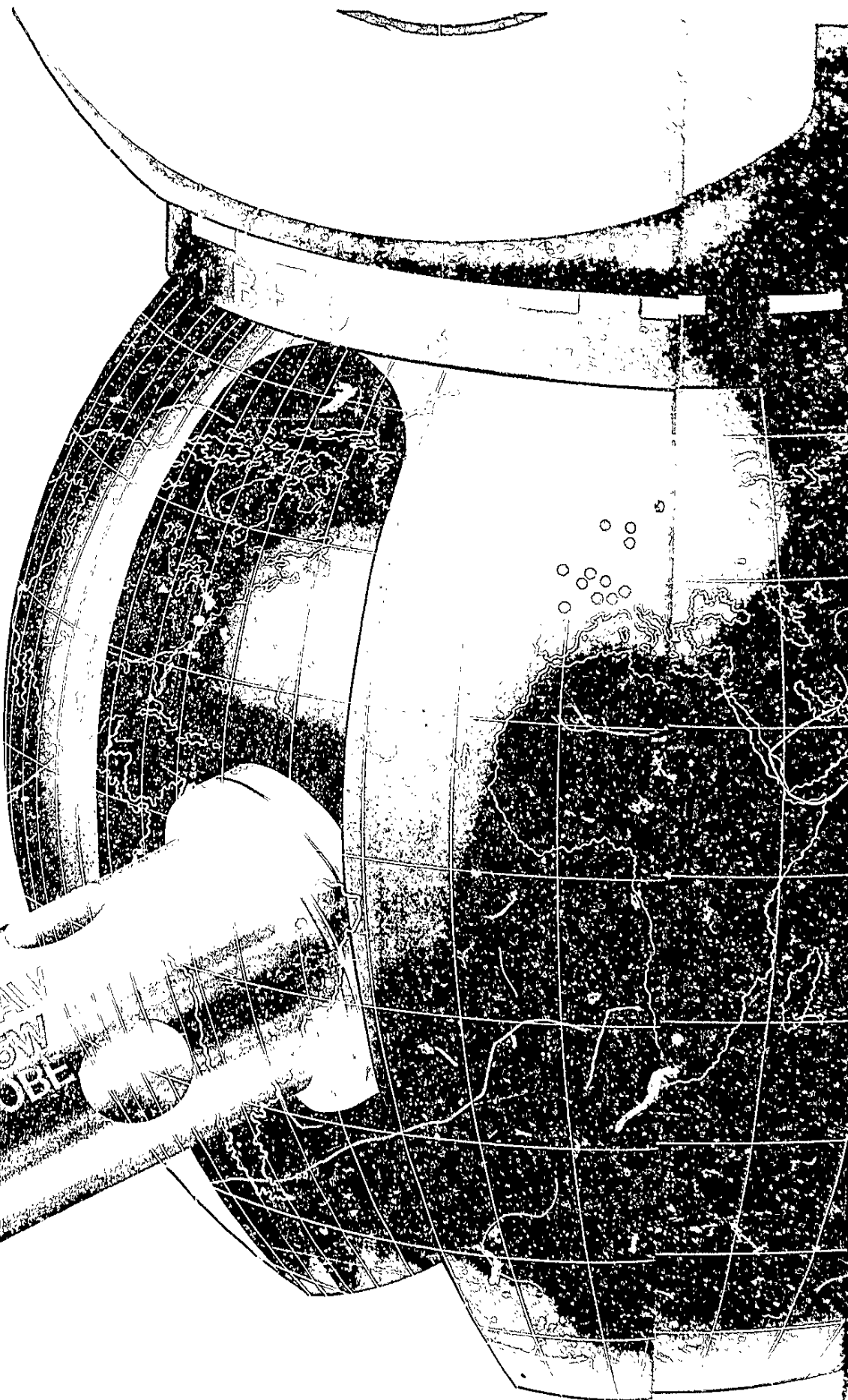
For further information,  
contact:-

Renishaw Electrical Limited  
Gloucester Street  
Wotton-under-Edge  
Gloucestershire  
GL12 7DN  
England

Telephone: (0453) 844211

Telex: 437120

RENISHAW  
TP2-5W  
3D PROBE







**RENISHAW**  
Overseas Subsidiary  
Companies:

**Renishaw Inc.**  
543 West Golf Road,  
Arlington Heights,  
Illinois 60005,  
U.S.A.  
Telephone: (312) 238 1450  
Telex: 910 687 0427

**Renishaw Kabushiki**  
**Kaisha**  
Room 202/203,  
Stork Nishishinjuku Fukusai  
Building,  
22-37, Nishishinjuku  
7-chome,  
Shinjuku-ku,  
Tokyo 160,  
Japan.  
Telephone: (03) 371-2601  
Telex: J32980

**Renishaw Electronics**  
**(Ireland) Limited,**  
Unit B4,  
Ballymun Industrial Estate,  
Dublin 11,  
Ireland.  
Telephone: 429373  
Telex: 32217

Designed by:  
Barneys Limited  
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