

Oxford Instruments Holdings Europe Limited

Directors' report and financial statements

Registered number 06800561

31 March 2017



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2017.

Company information

Oxford Instruments Holdings Europe Limited is a company limited by shares, incorporated in England and Wales. Its registered office is Tubney Woods, Abingdon, Oxon, OX13 5QX, England.

Principal activity

The Company is an investment company and is denominated in Euros. No changes in the Company's activities are expected in the foreseeable future. The reported results represent the year to 31 March 2017.

Dividend

A dividend of €57,977,000 was paid in the year (2016: €6,900,000). The profit for the year of €2,302,000 (2016: €2,643,000) has been transferred to reserves.

Directors

The directors who held office during the year were as follows:

I R Barkshire (appointed 31 July 2016)
K J Boyd (resigned 8 April 2016)
T Curtis
D J Flint (resigned 31 July 2016)
G F Hill (appointed 9 May 2016)

Disclosure of information to auditor

The directors who held office at the date of approval of the directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

By order of the board



Susan Johnson-Brett
Secretary

Tubney Woods
Abingdon
Oxon
OX13 5QX

17 November 2017

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD INSTRUMENTS HOLDINGS EUROPE LIMITED

We have audited the financial statements of Oxford Instruments Overseas Holdings 2008 Limited for the year ended 31 March 2017 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Andrew Cawthray (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
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B4 6GH

17 November 2017

Profit and loss account
for the year ended 31 March 2017

	Notes	2017 €000	2016 €000
Operating result		-	-
Impairment of investments		(55,000)	-
Income from shares in group undertakings		57,198	2,746
Interest receivable		-	1
Profit before taxation	2	2,198	2,747
Tax on profit	5	104	(104)
Profit for the financial year		2,302	2,643

All figures relate to continuing operations.

There is no difference between the reported results and the total recognised results in either the current or preceding financial year.

The accompanying notes form an integral part of these financial statements.

Balance sheet
at 31 March 2017

	Notes	€000	2017 €000	€000	2016 €000
Fixed assets					
Investments	6		6,140		55,000
Current assets					
Debtors	7	104		100	
Cash at bank and in hand		632		2,223	
		736		2,323	
Creditors: amounts falling due within one year	8	-		(912)	
Net current assets			736		1,411
Net assets			6,876		56,411
Capital and reserves					
Called up share capital	9		-		56,357
Share premium			6,140		-
Profit and loss account			736		54
Shareholder's funds – equity			6,876		56,411

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the board of directors on 17 November 2017 and were signed on its behalf by:



T Curtis
Director

Statement of changes in equity

	Share capital €000	Share premium €000	Retained earnings €000	Total €000
At 1 April 2015	56,357	-	4,311	60,668
Total comprehensive income:				
Profit for the year	-	-	2,643	2,643
Total comprehensive income attributable to equity shareholders of the parent	-	-	2,643	2,643
Transactions with owners recorded directly in equity:				
- Dividends paid	-	-	(6,900)	(6,900)
Total transactions with owners recorded directly in equity	-	-	(6,900)	(6,900)
At 31 March 2016	56,357	-	54	56,411
Total comprehensive income:				
Profit for the year	-	-	2,302	2,302
Total comprehensive income attributable to equity shareholders of the parent	-	-	2,302	2,302
Transactions with owners recorded directly in equity:				
- Capital reduction	(56,357)	-	56,357	-
- Shares issued at premium	-	6,140	-	6,140
- Dividends paid	-	-	(57,977)	(57,977)
Total transactions with owners recorded directly in equity	(56,357)	6,140	(1,620)	(51,837)
At 31 March 2017	-	6,140	736	6,876

The accompanying notes form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101: *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), making amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Oxford Instruments plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Oxford Instruments plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). They are available to the public and may be obtained from Oxford Instruments plc's head office at Tubney Woods, Abingdon, Oxon, OX13 5QX, England.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Related party transactions between wholly owned group members; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Oxford Instruments plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13: *Fair Value Measurement* and the disclosures required by IFRS 7: *Financial Instrument Disclosures*.

Significant judgements and estimates

The preparation of financial statements in conformity with FRS 101 requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgements and estimates made in applying the Company accounting policies relate to:

Carrying value of investments in subsidiaries

Investments in subsidiaries are held at cost less provision for impairment and are tested for impairment where there are indications of impairment. These impairment tests require the Company to make an estimate of the expected cash flows and to select suitable discount rates. These require an estimation of the value in use of these assets.

Notes *(continued)*

1 Accounting policies *(continued)*

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments in subsidiary undertakings

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision, if necessary, for impairment. Any impairment in value against original cost is charged to profit or loss.

Dividends

Dividends on the Company's ordinary shares are recognised directly in equity. Interim dividends are recognised when they are paid. A liability for unpaid dividends is recognised when the dividends have been approved in a general meeting prior to the reporting date.

2 Profit before taxation

Auditors' remuneration is borne by the ultimate parent company, Oxford Instruments plc. The amount of auditor's remuneration relating directly to the Company amounted to €2,000 (2016: €2,000).

3 Remuneration of directors

The directors receive no remuneration for their roles as directors of the Company. The aggregate emoluments of the directors are borne and are also disclosed by Oxford Instruments plc, the holding company. Details of share options exercised are shown in the directors' report of Oxford Instruments plc.

4 Staff numbers and costs

With the exception of the directors, the Company has no employees.

Notes (continued)

5 Taxation

	2017	2016
	€000	€000
<i>Current tax</i>		
Current tax on income for the year	-	(104)
Adjustment relating to prior years	104	-
Total current tax	104	(104)
Tax on profit	104	(104)

Factors affecting the tax charge for the year

	2017	2016
	€000	€000
Profit on ordinary activities before tax	2,198	2,747
Current tax at 20% (2016: 20%)	440	549
Effects of:		
Income taxable under Controlled foreign company legislation	76	139
Worldwide debt cap adjustment	(76)	-
Non-taxable income	(440)	(549)
Tax losses relieved for no payment	-	(35)
Adjustments to tax charge in respect of previous periods	(104)	-
Total tax (credit)/charge	(104)	104

Factors that may affect future, current and total tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

Notes (continued)

6 Investments

	2017 €000	2016 €000
Cost		
At 1 April	55,000	55,000
Additions	6,140	-
At 31 March	61,140	55,000
Provisions for impairment		
At 1 April	-	-
Impairment charge for the year	55,000	-
At 31 March	55,000	-
Net book value		
At 1 April	55,000	55,000
At 31 March	6,140	55,000

During the year the Company received dividends from its subsidiary undertaking, Oxford Instruments Guernsey Limited, the value of which was settled by transfer of an intercompany loan due from an OI plc Group company. The loan was subsequently transferred through dividend to the Company's parent, Oxford Instruments Overseas Holding Limited. Upon the transfer of the loan, the net asset value of Oxford Instruments Guernsey Limited was €nil and consequently the value of the Company's investment was impaired to reflect this.

The undertakings in which the Company has an interest at the period end are as follows:

	Address and country of incorporation	Principal activity	Class and percentage of shares held	
<i>Subsidiary undertakings</i>				
Oxford Instruments Guernsey Limited	Frances House, Sir William Place, St Peter Port, GY1 4HQ, Guernsey	Financing company	100%	Ordinary
Oxford Instruments Industrial Analysis Oy	PL 85, Espoo, 20631, Finland	Manufacturing	100%	Ordinary

7 Debtors: amounts falling due within one year

	2017 €000	2016 €000
Amounts owed by group undertakings	104	100

All amounts owed by group undertakings are repayable on demand and do not attract interest.

8 Creditors: amounts falling due within one year

	2017 €000	2016 €000
Amounts owed to group undertakings	-	(808)
Corporation tax payable	-	(104)
	-	(912)

All amounts owed to group undertakings are repayable on demand and do not attract interest.

Notes *(continued)*

9 Called up share capital

	2017 €000	2016 €000
<i>Allotted, called up and fully paid</i>		
100 (2016: 56,357,002) Ordinary €1 shares	-	56,357
	-	56,357

10 Ultimate parent company

The Company's ultimate parent company is Oxford Instruments plc, a company registered in England and Wales. This is the only company in the group that prepares consolidated financial statements. These are available to the public and may be obtained from Oxford Instruments plc's head office at Tubney Woods, Abingdon, Oxon, OX13 5QX, England. The immediate parent company is Oxford Instruments Overseas Holdings Limited.

11 Subsequent events

On 26 April 2017, the OI plc Group announced that it had agreed to sell its Industrial Analysis business to Hitachi High-Technologies Corporation ("HHT") for a consideration of £80m on a cash and debt-free basis. HHT agreed to acquire the companies, assets and liabilities that comprise the Industrial Analysis business.

This agreement included the sale of Oxford Instruments Industrial Analysis Oy.

The transaction closed on 2 July 2017.