

**Oxford Instruments Holdings Europe Limited**

**Directors' report and financial statements**

**Registered number 06800561**

**31 March 2019**



## Contents

Directors' report	1
Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements	3
Independent auditor's report to the members of Oxford Instruments Holdings Europe Limited	4
Profit and loss account and statement of total comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

### 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 was an investment company and is denominated in Euros. The functional currency is Euros because the Company's share capital is denominated in Euros and historically the majority of its recorded transactions have been denominated in Euros. The Company is expected to become dormant due to inactivity: the Directors do not currently have any future plans for the business of the Company. The reported results represent the year to 31 March 2019.

### Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of \$110 as at 31 March 2019 which the directors consider to be appropriate for the following reason.

The Company is dependent for its working capital on funds provided to it by Oxford Instruments plc, the Company's ultimate parent undertaking. Oxford Instruments plc has provided the Company with an undertaking that, for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Brexit

The directors have considered the impact of uncertainties due to Britain exiting the European Union. The table below summarises the actions taken by the Company, as a member of the Oxford Instruments plc Group, to mitigate the effects of Brexit.

Context: The UK has triggered Article 50 to leave the EU.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> <li>Supply chain disruption.</li> <li>Lower participation in EU-funded research projects post-Brexit.</li> <li>Potential short-term hiatus in UK research funding.</li> <li>Barriers to existing free movement of goods and services in the EU.</li> <li>Tariffs on exports to EU countries from the UK and vice versa.</li> <li>UK becomes less attractive to EU nationals as a place to work.</li> </ul>	<ul style="list-style-type: none"> <li>Delays to shipments.</li> <li>Lower sales and profitability.</li> <li>Salary inflation.</li> <li>Loss of key skills, and/or increased recruitment, and/or salary costs.</li> <li>Supply chain disruption.</li> <li>Lower net pricing on UK exports to EU and cost increases on products sourced from the EU.</li> </ul>	<ul style="list-style-type: none"> <li>Sales production matching and resource planning.</li> <li>Customer intimacy and monitoring of funded projects.</li> <li>Strategic sourcing programme.</li> <li>Product pricing reviews.</li> <li>Skills and capabilities reviews.</li> <li>International Trade Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Existing stock of raw materials and work in progress.</li> <li>Market diversification.</li> <li>Long-term pricing agreements for key suppliers and strategic sourcing.</li> <li>Pricing strategy.</li> <li>Renewal of UK work permit scheme to facilitate employment of non-UK/EU nationals.</li> <li>Application for Authorised Economic Operator status to facilitate movement of goods with remaining EU 27.</li> </ul>

## **Directors' report** *(continued)*

### **Dividend**

The result for the year of £nil (2018: €17,274,000) was transferred to reserves. No interim dividend was paid in the year (2018: interim dividend of €24,213,000).

### **Directors**

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

I R Barkshire  
T Curtis  
G F Hill

### **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.

By order of the board



Susan Johnson-Brett  
*Secretary*

Tubney Woods  
Abingdon  
Oxon  
OX13 5QX

5 December 2019

## **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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

### **Independent auditor's report to the members of Oxford Instruments Holdings Europe Limited**

#### **Opinion**

We have audited the financial statements of Oxford Instruments Holdings Europe Limited ("the company") for the year ended 31 March 2019 which comprise the Profit and Loss Account and Statement of Total Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **The impact of uncertainties due to Britain exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

#### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

## **Independent auditor's report to the members of Oxford Instruments Holdings Europe Limited *(continued)***

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of

Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the members of Oxford Instruments Holdings Europe Limited *(continued)***

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



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

5 December 2019

**Profit and loss account and statement of total comprehensive income**  
*for the year ended 31 March 2019*

	Notes	2019 €000	2018 €000
<b>Operating result</b>		-	-
Income from shares in group undertakings		-	16
Profit on disposal of subsidiary	6	-	17,425
<b>Result/profit before taxation</b>	2	-	17,441
Tax on result/profit	5	-	(104)
<b>Result/profit for the financial year, being total comprehensive income</b>		-	17,337

In the prior year, the profit on disposal of subsidiary relates to discontinued operations. All other figures relate to continuing operations.

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

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

**Balance sheet**  
*at 31 March 2019*

	Notes	2019 €000	2018 €000
<b>Fixed assets</b>		-	-
<b>Current liabilities</b>		-	-
<b>Net liabilities</b>		-	-
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account		-	-
<b>Shareholder's funds</b>		-	-

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

These financial statements were approved by the board of directors on 5 December 2019 and were signed on its behalf by:



G F Hill  
 Director

**Statement of changes in equity**  
*for the year ended 31 March 2019*

	Share capital €000	Share premium €000	Retained earnings €000	Total €000
<b>At 1 April 2017</b>	-	6,140	736	6,876
<b>Total comprehensive income:</b>				
Profit for the year, being total comprehensive income	-	-	17,337	17,337
<b>Total comprehensive income attributable to equity shareholders of the parent</b>	-	-	17,337	17,337
<b>Transactions with owners recorded directly in equity:</b>				
- Capital reduction	-	(6,140)	6,140	-
- Dividends Paid	-	-	(24,213)	(24,213)
<b>Total transactions with owners recorded directly in equity</b>	-	(6,140)	(18,073)	(24,213)
<b>At 31 March 2018</b>	-	-	-	-
<b>Total comprehensive income:</b>				
Result for the year, being total comprehensive income	-	-	-	-
<b>Total comprehensive income attributable to equity shareholders of the parent</b>	-	-	-	-
<b>At 31 March 2019</b>	-	-	-	-

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. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The Directors do not consider there to be any significant estimates or judgements in the current or prior periods.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Measurement convention*

The financial statements are prepared on the historical cost basis.

#### *Functional currency*

Given all the material cash flows and transactions are undertaken by the company in Euros, the functional currency of the company is considered to be Euros. Therefore, the company's financial statements have been presented in that currency.

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction.

#### *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.

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of \$110 as at 31 March 2019 which the directors consider to be appropriate for the following reason.

The Company is dependent for its working capital on funds provided to it by Oxford Instruments plc, the Company's ultimate parent undertaking. Oxford Instruments plc has provided the Company with an undertaking that, for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### *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.

## Notes (continued)

### 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 €3,000 (2018: €2,000).

### 3 Remuneration of directors

The directors' remuneration in respect of qualifying services in the current and prior year was inconsequential. The aggregate emoluments of the directors are borne by other entities within the Oxford Instruments plc group, being Oxford Instruments plc, the holding company.

### 4 Staff numbers and costs

With the exception of the directors, the Company has no employees (2018: none).

### 5 Taxation

	€000	2019 €000	€000	2018 €000
<i>Current tax</i>				
Current tax on income for the year	-		104	
Total current tax charge		-		104
<b>Tax charge on result/profit</b>		-		104

#### Factors affecting the tax charge for the year

The current tax charge is the same as (2018: lower than) than the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 €000	2018 €000
Result/profit before tax	-	17,441
Current tax at 19% (2018: 19%)	-	3,314
Effects of:		
Non-taxable income	-	(3,314)
Chargeable gain on disposal of subsidiary	-	104
<b>Total tax charge</b>	-	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. This will reduce the Company's future current tax charge accordingly.

## Notes (continued)

### 6 Investments

On 3 July 2017, the Oxford Instruments Group disposed of its Industrial Analysis business for a final consideration of £77,484,000, of which £20,707,000 was allocated to the Company. This agreement included the sale of the Company's investment in Oxford Instruments Industrial Analysis Oy ("OI Industrial Analysis Oy").

The profit on disposal of €17,425,000 recognised in the profit and loss account represents the Euro equivalent of the consideration received less the book value of the Company's investment in OI Industrial Analysis Oy at the date of disposal.

There are no undertakings in which the Company has an interest as at 31 March 2019.

### 7 Called up share capital

	2019 €000	2018 €000
<i>Allotted, called up and fully paid</i>		
1 (2018: 1) Ordinary €1 shares	-	-
	-	-

On 30 November 2017 a special resolution was passed that the issued share capital of the Company be reduced by the cancellation of 100 ordinary shares of €1.00 each, without payment of consideration.

### 8 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, registered at Tubney Woods, Abingdon, Oxon, OX13 5QX.

### 9 Subsequent events

There have been no events since the date of the balance sheet that require disclosure.