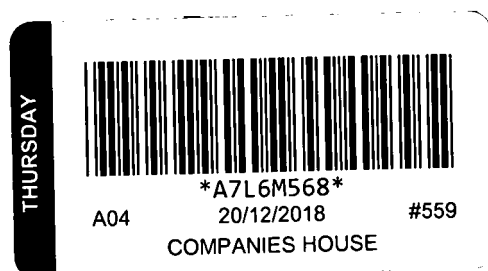


**Oxford Instruments Holdings Europe Limited**

**Directors' report and financial statements**

**Registered number 06800561**

**31 March 2018**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2018.

### 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 2018.

### Dividend

The profit for the year of €17,274,000 (2017: €2,302,000) was transferred to reserves. A dividend of €24,213,000 was paid in the year (2017: €57,977,000).

### Directors

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

I R Barkshire  
T Curtis  
G F Hill

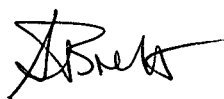
### Disclosure of information to auditor

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

18 December 2018

## **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.



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Birmingham  
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## **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 2018 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with the 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.

### **Going concern**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **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 the directors' report;
- in our opinion the information given in the directors' report for the financial year is consistent with the financial statements; and
- in our opinion the directors' report has been prepared in accordance with the Companies Act 2006.

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

### **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 2, 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.

### **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*

**Andrew Cawthray (Senior Statutory Auditor)**

19 December 2018

**For and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

One Snowhill

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**Profit and loss account and statement of total comprehensive income**  
*for the year ended 31 March 2018*

	Notes	2018 €000	2017 €000
<b>Operating result</b>		-	-
Impairment of investments		-	(55,000)
Income from shares in group undertakings		16	57,198
Profit on disposal of subsidiary	6	17,425	-
<b>Profit before taxation</b>	2	17,441	2,198
Tax on profit	5	(104)	104
<b>Profit for the financial year, being total comprehensive income</b>		17,337	2,302

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 2018*

	Notes	€000	2018 €000	€000	2017 €000
<b>Fixed assets</b>					
Investments	6		-		6,140
<b>Current assets</b>					
Debtors	7	-		104	
Cash at bank and in hand		-		632	
		-		736	
<b>Net current assets</b>			-		736
<b>Net assets</b>			-		6,876
<b>Capital and reserves</b>					
Called up share capital	8		-		-
Share premium			-		6,140
Profit and loss account			-		736
<b>Shareholder's funds – equity</b>			-		6,876

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

These financial statements were approved by the board of directors on 18 December 2018 and were signed on its behalf by:



G F Hill  
*Director*



**Statement of changes in equity**  
*for the year ended 31 March 2018*

	Share capital €000	Share premium €000	Retained earnings €000	Total €000
<b>At 1 April 2016</b>	<b>56,357</b>	<b>-</b>	<b>54</b>	<b>56,411</b>
<b>Total comprehensive income:</b>				
Profit for the year, being total comprehensive income	-	-	2,302	2,302
<b>Total comprehensive income attributable to equity shareholders of the parent</b>	<b>-</b>	<b>-</b>	<b>2,302</b>	<b>2,302</b>
<b>Transactions with owners recorded directly in equity:</b>				
- Capital reduction	(56,357)		56,357	-
- Shares Issued at premium	-	6,140	-	6,140
- Dividends Paid	-	-	(57,977)	(57,977)
<b>Total transactions with owners recorded directly in equity</b>	<b>(56,357)</b>	<b>6,140</b>	<b>(1,620)</b>	<b>(51,837)</b>
<b>At 31 March 2017</b>	<b>-</b>	<b>6,140</b>	<b>736</b>	<b>6,876</b>
<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>	<b>-</b>	<b>-</b>	<b>17,337</b>	<b>17,337</b>
<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>	<b>-</b>	<b>(6,140)</b>	<b>(18,073)</b>	<b>(24,213)</b>
<b>At 31 March 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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. 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.

The directors, having considered the deficit in net assets as at 31 March 2018, consider it is appropriate for these financial statements to be prepared on the going concern basis. The ultimate controlling party has confirmed that it intends to continue to support the company for at least twelve months from the date of approval of these financial statements, if required to do so, so that it can discharge its financial obligations as they fall due.

The directors, having assessed the responses of the directors of the Company's parent, Oxford Instruments plc, to their enquiries, have no reason to believe that a material uncertainty exists, which may cast significant doubt about the ability of the Oxford Instruments plc group to continue as a going concern or its ability to continue with the current banking arrangements. The group accounts of Oxford Instruments were approved on 12 June 2018. Since that date, there have been no major changes in the group's circumstances which would affect its capacity to continue to support the Company.

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 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### ***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.

#### ***Non-derivative financial instruments***

Non-derivative financial instruments comprise trade and other debtors and trade and other creditors.

##### ***Trade and other debtors***

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### ***Trade and other creditors***

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### ***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 (2017: €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.

## Notes (continued)

### 4 Staff numbers and costs

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

### 5 Taxation

	2018 €000	2017 €000
<i>Current tax</i>		
Current tax on income for the year	104	-
Adjustment relating to prior years	-	(104)
Total current tax charge/(credit)	104	(104)
<b>Tax charge/(credit) on profit</b>	<b>104</b>	<b>(104)</b>

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

The current tax charge is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 €000	2017 €000
Profit before tax	17,441	2,198
Current tax at 19% (2017: 20%)	3,314	440
Effects of:		
Income taxable under Controlled foreign company legislation	-	76
Worldwide debt cap adjustment	-	(76)
Non-taxable income	(3,314)	(440)
Chargeable gain on disposal of subsidiary	104	
Adjustments to tax charge in respect of previous periods	-	(104)
<b>Total tax charge/(credit)</b>	<b>104</b>	<b>(104)</b>

#### Factors that may affect future, current and total tax charges

A reduction in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 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

	2018 €000
<b>Cost</b>	
At 1 April 2017	61,140
Disposals	(6,140)
<b>At 31 March 2018</b>	<b>55,000</b>
<b>Provisions for impairment</b>	
<b>At 1 April 2017 and 31 March 2018</b>	<b>55,000</b>
<b>Net book value</b>	
At 1 April 2017	6,140
<b>At 31 March 2018</b>	<b>-</b>

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.

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 Guernsey Limited was voluntarily struck off on 23 April 2018. This is considered to be a non-adjusting post balance sheet event under FRS 101.

### 7 Debtors

	2018 €000	2017 €000
Amounts owed by group undertakings	-	104

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

## Notes (continued)

### 8 Called up share capital

	2018 €000	2017 €000
<i>Allotted, called up and fully paid</i>		
1 (2017: 101) 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.

### 9 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.

### 10 Post balance sheet events

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