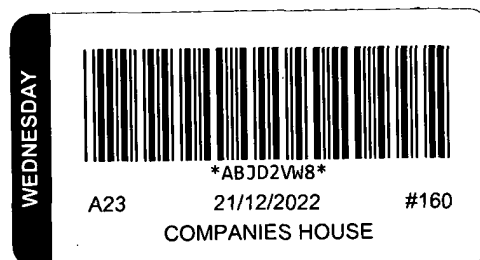


Oxford Instruments Holdings Europe Limited

Annual report and financial statements

Registered number 06800561

31 March 2022



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Strategic report

The directors present their Strategic Report of Oxford Instruments Holdings Europe Limited ("the Company") for the year ended 31 March 2022.

Principal activity and business review

The principal activity is as an investment company 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 financial performance and position of the Company are in line with the directors' expectations. The balance sheet at 31 March 2022 shows net assets of €31,082,000 (2021: net liabilities of €210,000).

For the year ended 31 March 2022 the Company reported a profit before tax of €4,000 (2021: €nil).

In the year to 31 March 2020, the directors took the decision to cease operations following the sale of its Industrial Analysis business and as such they did not prepare the financial statements on a going concern basis. However, in August 2021 the Company received funding of €25.8m from its immediate parent company allowing it to provide an interest-bearing loan to a related company, Oxford Instruments Holdings GmbH allowing it to fund the acquisition of WITec Wissenschaftliche Instrumente und Technologie GmbH. As such, the directors have prepared the financial statements on a going concern basis.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Oxford Instruments plc group (the "Group") and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are set out on pages 80 to 84 of the Oxford Instruments plc Report and Financial Statements 2022, which does not form part of this report.

Specific risk 1: Geopolitical risk			
Context: The Group operates in global markets and can be required to secure licences for relevant exports. Government policy on the export of specific technologies or the wider issue of tariffs can change over time.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Changes in the geopolitical landscape or an escalation in global trade tensions resulting in major obstacles to trade with customers in key markets. This could arise from export licence refusals, trade tariffs, trade embargoes, or nations seeking to reduce reliance on foreign imports in strategic technologies through the development of domestic competition and/or protectionist measures. This is potentially relevant to customers in key export markets including, but not limited to, China, the European Union, Japan and the USA 	<ul style="list-style-type: none"> Lower export volumes or net pricing to key markets adversely affecting revenue Increases to input costs and lower gross margins Limitations on ability to provide after-sales service to existing customers Certain product lines might not be sustainable if access to key export markets is severely restricted 	<ul style="list-style-type: none"> Contract review and protection against breach of contract should export licences be withheld Proactive dialogue with relevant government authorities 	<ul style="list-style-type: none"> Broad global customer base; contractual protection Improved information flows to decision-makers

Strategic report (continued)

Principal risks and uncertainties (continued)

Specific risk 2: Supply chain risk Context: The Group operates a global supply chain, sourcing from many suppliers across a wide range of categories. For certain technologies, there are limited alternative sources.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Operational disruption or price increases, due to supply chain shortages, particularly in electronic components Suppliers de-committing orders due to demand pressures in other sectors. Change of supplier ownership resulting in loss of supply Regulatory changes or economic viability causing suppliers to discontinue production, impacting the long-term availability of key components 	<ul style="list-style-type: none"> Short-term delays or hiatus in our production arising from component shortages Lost revenue Downward pressure on margins Poor customer service/reputational damage Increased stock holding adversely impacting cash conversion 	<ul style="list-style-type: none"> Sales and operational planning process Group strategic sourcing programme to consolidate demand and manage key supplier risks Focused efforts on higher-risk suppliers identified Long-term contracts with key suppliers 	<ul style="list-style-type: none"> Long-term demand planning Buffer stock in extended supply chain Relationship management with key suppliers Responsive and adaptive engineering change process
Specific risk 3: Routes to market Context: In some instances, the Group's products are components of higher-level systems sold by OEMs, and thus the Group does not control its route to market.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Vertical integration by OEMs 	<ul style="list-style-type: none"> Loss of key customers/routes to market Reduction in sales volumes and/or pricing and lower profitability 	<ul style="list-style-type: none"> Customer intimacy to match product performance to customer needs Positioning of the Oxford Instruments brand and marketing directly to end users 	<ul style="list-style-type: none"> Strategic relationships with OEMs to sell performance of combined systems Product differentiation to promote advantages of Oxford Instruments' equipment and solutions Direct marketing to end users

Strategic report (continued)

Principal risks and uncertainties (continued)

Specific risk 4: Technical risk			
Context: The Group provides high technology equipment, systems and services to its customers.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Failure of the advanced technologies applied by the Group to produce commercially viable products 	<ul style="list-style-type: none"> Loss of market share or negative pricing pressure resulting in lower turnover and reduced profitability Additional NPI expenditure Adverse impact on the Group's brand and reputation 	<ul style="list-style-type: none"> "Voice of the Customer" approach and market intimacy to direct product development activities Formal NPI processes to prioritise investment and to manage R&D expenditure Product life cycle management 	<ul style="list-style-type: none"> Understanding customer needs/ expectations and targeted new product development programme to maintain and strengthen product positioning Stage gate process in product development to challenge commercial business case and mitigate technical risks Operational practices around sales-production matching and inventory management to mitigate stock obsolescence risks
Specific risk 5: Inflation			
Context: Global inflation placing upward pressure on principal elements of the cost base such as labour and materials.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Rises in key cost drivers such as people costs, energy, components, and raw materials For long lead time items, required to make inflationary estimates which may be inaccurate 	<ul style="list-style-type: none"> Increased cost of production leading to a reduction in operating profit if not offset by sufficient price increases Potential for under-recovery of increases if inflation estimates are too low or reduction in order volumes if competitors do not react similarly 	<ul style="list-style-type: none"> Price reviews Inflation protection in commercial response to long lead time tenders and long-term agreements 	<ul style="list-style-type: none"> Ability to address inflationary pressures through price management reviews Reviews of key drivers of financial performance
Specific risk 6: Legal/compliance risk			
Context: The Group operates in a complex technological and regulatory environment, particularly in areas such as export controls and product compliance. Competitors may seek to protect their position through intellectual property rights and the Group may at times experience unintentional regulatory or IP compliance issues.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Infringement of a third party's intellectual property Regulatory breach 	<ul style="list-style-type: none"> Potential loss of future revenue Future royalty payments Payment of damages Fines and non-financial sanctions such as restrictions on trade, disbarment from public procurement contracts Reputational damage 	<ul style="list-style-type: none"> Formal "Freedom to Operate" assessment to identify potential IP issues during product development Internal control framework including policies, procedures and training in risk areas such as bribery and corruption, sanctions and export controls Product compliance teams 	<ul style="list-style-type: none"> Confirmation of "Freedom to Operate" during new product development stage gate process Compliance monitoring programme over key risk areas

Strategic report (continued)

Principal risks and uncertainties (continued)

Specific risk 7: New covid variant causes major disruption Context: Variants of covid may be highly transmissible and have a greater impact than current variants, even on vaccinated populations. Government response to covid outbreaks may lead to further lockdowns/travel restrictions.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Potential disruption to supply chains, Group operations and customers, leading to delays in production and/or installation at customer sites 	<ul style="list-style-type: none"> Delays in both manufacturing and service activity leading to lost or delayed product and service revenue 	<ul style="list-style-type: none"> Working closely with key suppliers Safe ways of working and changes to shift patterns to maximise capacity Remote service activities Strategic review of location of service personnel compared to installed base 	<ul style="list-style-type: none"> Sales and operational planning process Contractual protection Strategic procurement, working with supply chain to mitigate risk
Specific risk 8: Adverse movements in long-term foreign currency rates Context: A high proportion of the Group's revenue is in foreign currencies, notably US Dollars, while the cost base is predominantly denominated in Sterling.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Long-term strengthening of Sterling against key currencies such as the US Dollar, Japanese Yen and the Euro 	<ul style="list-style-type: none"> Reduced revenue and profitability 	<ul style="list-style-type: none"> Treasury management of short-term hedging programme Strategic management of currency exposure 	<ul style="list-style-type: none"> Review of supply chain currency base Active review of net exposure in key currencies
Specific risk 9: IT risk Context: Elements of production, financial and other systems rely on IT availability.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Cyber-attack on the Group's IT infrastructure Ransomware/spread of viruses or malware 	<ul style="list-style-type: none"> System failure/data loss and sustained disruption to production operations Loss of business-critical data Financial and reputational damage Reputational damage 	<ul style="list-style-type: none"> Suite of IT protection mechanisms including penetration testing, regular backups, virtual machines, and cyber reviews External IT security consultants Internal IT governance to maintain protection systems and our incident response Employee awareness training 	<ul style="list-style-type: none"> Managed service with third-party security specialists providing incident monitoring Regular review, monitoring and testing of key security measures to assess adequacy of protection against known threats End user education and phishing simulation exercises

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Specific risk 10: People			
Context: A number of the Group's employees have business-critical skills.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Key employees leave and effective replacements are not recruited on a timely basis 	<ul style="list-style-type: none"> Adverse impact on NPI Operational disruption Lower sales and profitability 	<ul style="list-style-type: none"> HR people strategy for retention and recruitment of staff with key skills 	<ul style="list-style-type: none"> Succession management plans Technical career paths UK work permit scheme to facilitate employment of non-UK nationals in place
Specific risk 11: Operational risk			
Context: Business units' production facilities are typically located at a single site.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> Sustained disruption to production arising from a major incident at a site 	<ul style="list-style-type: none"> Inability to fulfil orders in the short term, resulting in a reduction in sales and profitability Additional, non-recurring overhead costs 	<ul style="list-style-type: none"> Contingency plans are in place for all manufacturing sites Contractual clauses to limit financial consequences of delayed delivery 	<ul style="list-style-type: none"> Detailed responses in contingency plans can reduce downtime arising from incidents and facilitate the restoration or relocation of production Standard sales contracts include clauses for limitation of liability, liquidated damages and the exclusion of consequential losses Business interruption insurance
Specific risk 12: Climate change			
Context: Climate change generates both risks and opportunities. Our response needs to address risks and optimise opportunities.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> The transition from fossil fuels to a low-carbon/net zero economy may require significant changes in materials and production methods that may impact our own operations and our suppliers Chronic changes in weather and extreme weather events may disrupt supply chains, operations, and logistics 	<ul style="list-style-type: none"> Rises in production costs and product development costs to reduce all CO2 emissions linked to our products Delayed production and/or installation leading to delayed revenue More expensive freight and packaging costs 	<ul style="list-style-type: none"> Sustainability Committee Climate-related risks and opportunities evaluation and reporting embedded in business units Strategic sourcing Product compliance groups 	<ul style="list-style-type: none"> Product compliance teams have an established methodology to deal with changes to environmental regulations Investment in product development to capitalise on the opportunities for our key enabling technologies to help customers address climate-related challenges

Strategic report *(continued)*
Principal risks and uncertainties *(continued)*

Specific risk 13: Pensions			
Context: The actuarial pension deficit is sensitive to changes in the actuarial assumptions.			
Risk	Possible impact	Control mechanisms	Mitigation
<ul style="list-style-type: none"> The actuarial pension deficit is sensitive to movements in actuarial assumptions and returns on investments 	<ul style="list-style-type: none"> Variations to the current deficit recovery plan Increase in the annual levy paid to the Pension Protection Fund 	<ul style="list-style-type: none"> Ongoing review of investment strategy, including active control of risk, by the trustee's investment sub-committee Liability hedging programme to mitigate exposure to movements in interest rates and inflation Reduced exposure to equity markets 	<ul style="list-style-type: none"> The Group closed its UK defined benefit pension scheme to future accrual in 2010 The Group has a funding plan in place to eliminate the actuarial deficit by 2025/26

Section 172(1) Statement

Section 172(1) of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision-making having regard to the matters set out in Section 172(1)(a) - (f) of the Companies Act 2006. The following section sets out how the directors have engaged with the Company's stakeholders during the year.

The principal activity of the Company is to act as an investment company. The Company has no employees, however, as a subsidiary Company within the Group, the directors consider the impact of the Company's activities on its shareholder, the businesses that have an interest in the Company's investments, and other stakeholders. The Company's stakeholders are consulted routinely on a wide range of matters including governance and compliance with Group policies and ensuring that it maintains high standards of business conduct and governance. The performance of the Company is monitored on a monthly basis and the Company's shareholder is engaged with as appropriate.

The directors continued to provide oversight governance to ensure that they comply with the Group's policies and maintain high standards of business conduct.

The Company defines principal decisions as decisions or discussions that are material or strategic to the Company, and also those that are significant to any of its stakeholder groups. There were no principal decisions made during the year.

Future prospects

No significant changes or developments in the Company's business are anticipated in the foreseeable future.

By order of the board



Sarah Harvey
Secretary

Tubney Woods
Abingdon
Oxon
OX13 5QX

19 December 2022

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2022. The business review on page 1 forms part of this Directors' report.

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.

Dividend

The profit for the year of €235,000 (2021: €nil) was transferred to reserves. No interim dividend was paid in the year (2021: €nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

I R Barkshire
G F Hill
J P Turner

Donations

There were no political donations (2021: €nil) and the Company did not incur any political expenditure (2021: €nil)

Going concern

In August 2021 the Company received funding of €25.8m from its immediate parent company allowing it to provide an interest-bearing loan to a related company, Oxford Instruments Holdings GmbH allowing it to fund the acquisition of WITec Wissenschaftliche Instrumente und Technologie GmbH. As such, the directors have prepared the financial statements on a going concern basis.

The only activity of the Company is the holding of intragroup loans and as such it has minimal expenditure which can be reliably forecast and no other commitments. Its primary income stream arises from its interest-bearing loan receivable. The Company participates in the Group's centralised treasury arrangements and so, where appropriate, shares banking arrangements with its parent and fellow subsidiaries. The Company is dependent for its working capital on funds provided to it by Oxford Instruments plc, its ultimate parent. The directors have assessed that the company will have sufficient funds, through funding from its ultimate parent, Oxford Instruments plc, to meet its liabilities as they fall due for at least 12 months from the date of approving the financial statements.

This assessment is dependent on Oxford Instruments plc providing additional financial support as needed during that period. Oxford Instruments plc has indicated its intention to continue to make available such funds as are needed by the company for at least 12 months from the date of signing the financial statements. The Directors have reviewed Oxford Instruments plc's ability to provide financial support, as indicated, for at least twelve months from the date of approval of the financial statements, and have reasonable expectations that it will be available.

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.

Directors' Responsibilities statement

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".

Directors' report *(continued)*

Directors' Responsibilities statement *(continued)*

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.

Disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order 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 auditors will be deemed to be reappointed and BDO LLP will therefore continue in office.

By order of the board



Sarah Harvey
Secretary

Tubney Woods
Abingdon
Oxon
OX13 5QX

19 December 2022

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

Opinion on the 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Oxford Instruments Holdings Europe Limited ("the Company") for the year ended 31 March 2022 which comprise the Profit and Loss account and statement of total comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have considered the extent to which non-compliance with laws and regulations might have a material impact on the financial statements. We have reviewed board meeting minutes and other key correspondence to identify any undisclosed instances of non-compliance with such regulations. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the Companies Act 2006 and local tax laws. We have reviewed the financial statements against Companies Act 2006 disclosure checklists to confirm that disclosures are compliant with the requirements.

We have considered the incentives and opportunities of management to carry out fraudulent financial reporting (including override of controls) and determined that the principal risks relate to management bias in determining accounting estimates and judgements and through the recording of inappropriate journal entries.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent auditor's report to the members of Oxford Instruments Holdings Europe Limited (continued)
Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Audit procedures performed which are capable of detecting irregularities including fraud include:

- critical challenge and exercise of professional scepticism in the assessment of significant accounting estimates, judgements and policies for any indication of management bias; and
- identification and testing of unusual journal entries focusing on journals with parameters indicative of fraud including round sum manual journals.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

Ian Oliver

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Ian Oliver (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Reading

19 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and loss account and statement of total comprehensive income
For the year ended 31 March 2022

	Notes	2022 €000	2021 €000
Operating result		-	-
Interest receivable		4	-
Profit before taxation	2	4	-
Tax on profit	5	231	-
Profit for the financial year, being total comprehensive income		235	-

There is no difference between the reported profit 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
As at 31 March 2022

	Notes	2022 €000	2021 €000
Current assets			
Debtors (including €31,057,000 (2021: €nil) due after more than one year)	6	31,082	-
Creditors: amounts falling due within one year	7	-	(210)
Net current assets/(liabilities)		31,082	(210)
Capital and reserves			
Called up share capital	8	-	-
Share premium reserve		31,057	-
Profit and loss account		25	(210)
Shareholder's funds		31,082	(210)

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

These financial statements were approved by the board of directors on 19 December 2022 and were signed on its behalf by:



G F Hill
Director

Statement of changes in equity
For the year ended 31 March 2022

	Share Capital €000	Share Premium €000	Profit & loss account €000	Total €000
At 1 April 2020	-	-	(210)	(210)
Result for the year, being total comprehensive income	-	-	-	-
At 1 April 2021	-	-	(210)	(210)
Profit for the year, being total comprehensive income	-	-	235	235
Issuance of ordinary share	-	31,057	-	31,057
At 31 March 2022	-	31,057	25	31,082

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

Notes

(forming part of the financial statements)

1 Accounting policies

Oxford Instruments Holdings Europe Limited ("the Company") is a company incorporated and domiciled in the UK.

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 Accounting Standards in conformity with the 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 Accounting Standards in conformity with the Companies Act 2006. 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.

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.

Notes (continued)

1 Accounting policies (continued)

Going concern

In August 2021 the Company received funding of €31.1m from its immediate parent company allowing it to provide an interest-bearing loan to a related company, Oxford Instruments Holdings GmbH allowing it to fund the acquisition of WITec Wissenschaftliche Instrumente und Technologie GmbH. As such, the directors have prepared the financial statements on a going concern basis.

The only activity of the company is the holding of intragroup loans and as such it has minimal expenditure which can be reliably forecast and no other commitments. Its primary income stream arises from its interest-bearing loan receivable. The company participates in the Group's centralised treasury arrangements and so, where appropriate, shares banking arrangements with its parent and fellow subsidiaries. The company is dependent for its working capital on funds provided to it by Oxford Instruments Plc, its ultimate parent. The directors have assessed that the company will have sufficient funds, through funding from its ultimate parent, Oxford Instruments Plc, to meet its liabilities as they fall due for at least 12 months from the date of approving the financial statements.

This assessment is dependent on Oxford Instrument's Plc providing additional financial support as needed during that period. Oxford Instruments Plc has indicated its intention to continue to make available such funds as are needed by the company for at least 12 months from the date of signing the financial statements. The Directors have reviewed the Group's ability to provide financial support, as indicated, for at least twelve months from the date of approval of the financial statements, and have reasonable expectations that it will be available.

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.

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.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other creditors.

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 prior to the reporting date.

2 Result 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 €4,150 (2021: €4,000).

Notes (continued)

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 ultimate holding company.

4 Staff numbers and costs

With the exception of the directors, the Company has no employees (2021: none).

5 Taxation

	2022	2021
	€000	€000
<i>Current tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior years	(231)	-
Total current tax	(231)	-
Tax credit on profit	(231)	-

Factors affecting the tax charge for the year

The current tax charge is lower than (2021: equal to) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	€000	€000
Profit before tax	4	-
Current tax at 19% (2021: 19%)	1	-
Effects of:		
Group relief for which no payment is received	(1)	-
Adjustments for prior years	(232)	-
Total tax (credit)/result	(232)	-

The adjustments for prior years are in respect of refunded corporation tax liabilities arising from the company's historic financing structure.

Factors that may affect future, current and total tax charges

On 5 March 2021, it was announced that the rate of UK corporation tax would be increased to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021. This will have a consequential effect on the company's future tax charge.

6 Debtors

	2022	2021
	€000	€000
Amounts due to group undertaking	31,082	210
	31,082	210

All amounts owed by group undertakings are repayable on demand. Of the amounts owed by group undertakings, €31,057,000 (2021: €nil) relates to a euro-denominated loan that is interest bearing at a rate of 6.32%.

The Company has no immediate intention to recall €31,057,000 of these balances (2021: €nil) in the short term and so these amounts are classified as amounts falling due after more than one year.

Notes (continued)

7 Creditors: amounts falling due within one year

	2022	2021
	€000	€000
Amounts due to group undertaking	-	210
	-	210

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

8 Called up share capital

	2022	2021
	€000	€000
<i>Allotted, called up and fully paid</i>		
2 (2021: 1) Ordinary €1 shares	-	-

The Company received non-cash consideration of £31,057,000 for the issuance of 1 ordinary share of £1 during the year.

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 Subsequent events

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