Oxford Instruments Holdings Europe Limited

Annual report and financial statements

Registered number 06800561

31 March 2023

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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 2023.

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 2023 shows net assets of €32,672,000 (2022: net assets of €31,082,000).

For the year ended 31 March 2023 the Company reported a profit before tax of €1,962,000 (2022: €4,000) due to interest receivable from an intercompany debtor balance.

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 94 to 101 of the Oxford Instruments plc Report and Financial Statements 2023, which does not form part of this report.

Specific risk 1: Geopolitical risk
Context: The Group operates in global markets and is required to comply with relevant regulations including, but not limited to, sanctions, tariffs and export controls. Government policy on the export of specific technologies and the approval of particular end users is subject to foreign policy objectives which can change over time.

Risk	Possible impact	Control mechanisms	Mitigation
• 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. We are seeing tighter UK Government export control policy, particularly in relation to exports to China, resulting in an increase in export licence refusals. Furthermore, the business is exposed to changes in both US and German export licence regulations.	• A contraction in export volumes to key markets and consequential loss of revenue and reputational damage • Restrictions on the provision of after sales service, leading to lower service contract revenues • Reduced access to key markets may impact research and development (R&D) investment decisions owing to adverse impacts on business cases • Lower net pricing to key markets adversely affecting marginal revenue • Increases to input costs and lower gross margins	• Engagement with UK Government and regulatory authorities • Contract review and protection against breach of contract should export licences be withheld • Long-term investment planning strategies	• Focus on lower-risk markets and end users • Broad global customer base; contractual protection • Market diversification

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**
• 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	• 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 • Increased lead times and potential of being unable to fulfil orders	• Sales and operational planning process • Group strategic sourcing programme to consolidate demand and manage key supplier risks • Sourcing of alternative options and/or buffer stocks in relation to high-risk suppliers • Long-term contracts with key suppliers	• Strategic, selective and diversified supplier base • 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**
• Vertical integration by OEMs	• Loss of key customers/routes to market • Reduction in sales volumes and/or pricing and lower profitability	• Customer intimacy to match product performance to customer needs • Positioning of the Oxford Instruments brand and marketing directly to end users	• Strategic relationships with OEMs to promote the benefits 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: New Product Introduction (NPI)
Context: The Group provides high technology equipment, systems and services to its customers.

Risk	Possible impact	Control mechanisms	Mitigation
• Failure of the advanced technologies applied by the Group to produce commercially viable products	• 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	• '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	• 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: Market risk: Recession/inflation
Context: Demand from the Group's customer base may be reduced if there is a global contraction in investment in R&D and commercial investment. Further, global inflation may place upward pressure on key elements of the cost base such as labour and materials.

Risk	Possible impact	Control mechanisms	Mitigation
• Lower demand for the Group's products and services • 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	• Decrease in sales volumes • 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	• Strategic focus on growth markets • Price reviews • Inflation protection in commercial response to long lead time tenders and long-term agreements	• Ability to address inflationary pressures through price management reviews • Reviews of key drivers of financial performance

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Specific risk 6: Information technology
Context: Elements of production, financial and other systems rely on IT availability.

Risk	Possible impact	Control mechanisms	Mitigation
• Cyber-attack on the Group's IT infrastructure • Ransomware/spread of viruses or malware	• System failure/data loss and sustained disruption to production operations • Loss of business-critical data • Financial and reputational damage	• 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	• 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 • Upgrade of enterprise resource planning (ERP) and other internal systems • End user education and phishing simulation exercises

Specific risk 7: Legal and regulatory compliance
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 (IP) rights and the Group may at times experience unintentional regulatory or IP compliance issues.

Risk	Possible impact	Control mechanisms	Mitigation
• Infringement of a third party's intellectual property • Regulatory breach	• Potential loss of future revenue • Future royalty payments • Payment of damages • Fines and non-financial sanctions such as restrictions on trade, exclusion from public procurement contracts • Reputational damage	• 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	• Confirmation of 'Freedom to Operate' during new product development stage gate process • Compliance monitoring programme over key risk areas

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
• Long-term strengthening of Sterling against key currencies such as the US Dollar, Japanese Yen and the Euro	• Reduced revenue and profitability	• Treasury management of short-term hedging programme • Strategic management of currency exposure	• Review of supply chain currency base • Active review of net exposure in key currencies

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Specific risk 9: Global pandemic/catastrophe causes major disruption

Context: The Group operates in a global market. Supply and demand can be materially affected in the short term by major global events such as pandemics, conflict or natural disaster.

Risk	Possible impact	Control mechanisms	Mitigation
• Potential reduction in customer demand, disruption to supply chains and Group operations leading to cancelled orders/reduced order intake, delays in production and/or installation at customer sites	• Lower delivery volumes and reduced order book leading to lower revenue and downward pressure on pricing • Delays in both manufacturing and service activity leading to lost or delayed product and service revenue	• Sales production matching and contract review process • Horizon strategy to focus on attractive markets for long-term growth • Operational reviews • Strategic review of location of service personnel compared to installed base	• Sales and operational planning process • Contractual protection • Safe ways of working and changes to shift patterns to maximise capacity • Remote service activities • Strategic procurement, working with supply chain to mitigate risk

Specific risk 10: People and capability

Context: Delivering and protecting core capability and knowledge is a strategic priority for the Group.

Risk	Possible impact	Control mechanisms	Mitigation
• Challenges in attracting and retaining high-quality talent in a tight labour market • Shortage of key capabilities required to meet the Group's strategic priorities	• Salary inflation and/or additional recruitment costs • Adverse impact on NPI • Operational disruption • Lower sales and profitability	• Strategic focus on the employee experience, including career development, communications and competitive remuneration to differentiate Oxford Instruments.	• Talent management and succession processes • Leadership and technical development programmes • Hybrid and remote working policies to facilitate location-agnostic appointments • Visa sponsorship registration for employee mobility • Comprehensive internal communications • Regular updates to benefits packages to maintain competitiveness

Specific risk 11: Business interruption: operational

Context: Business units' production facilities are typically located at a single site.

Risk	Possible impact	Control mechanisms	Mitigation
• Sustained disruption to production arising from a major incident at a site	• Inability to fulfil orders in the short term, resulting in a reduction in sales and profitability • Additional, non-recurring overhead costs	• Contingency plans are in place for all manufacturing sites • Contractual protection to limit financial consequences of delayed delivery	• 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

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Specific risk 12: Climate change

Context: Climate change generates both risks and opportunities. Our response needs to address risks and optimise opportunities. More detail on our approach is set out in our Task Force on Climate-Related Disclosures Statement on pages 60 to 71 of the Oxford Instruments plc Report and Financial Statements 2023.

Risk	*Possible impact*	*Control mechanisms*	*Mitigation*
• 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	• 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 • Reputational damage or loss of investment arising from failure to anticipate or address climate risk • More expensive freight and packaging costs	• Sustainability Committee • Climate-related risks and opportunities evaluation and reporting embedded in operating businesses • Strategic sourcing • Product compliance groups	• 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 • Investment in CO2 reduction solutions

Specific risk 13: Pensions

Context: The funding requirement for the Oxford Instruments plc legacy defined benefit pension scheme varies, based on investment performance and other external factors

Risk	**Possible impact**	**Control mechanisms**	**Mitigation**
• The actuarial pension deficit is sensitive to movements in actuarial assumptions and returns on investments. The factors affecting these assumptions are influenced by wider macro-economic factors that are largely outside the Group's control	• Variations to the current deficit recovery plan • Increase in the annual levy paid to the Pension Protection Fund	• 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	• 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

Strategic report *(continued)*

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

20 December 2023

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2023. 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 €1,590,000 (2022: €235,000) was transferred to reserves. No interim dividend was paid in the year (2022: €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 (resigned 1 October 2023)
G F Hill
M Philpott (appointed 1 October 2023)

Donations

There were no political donations (2022: €nil) and the Company did not incur any political expenditure (2022: €nil)

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

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.

By order of the board

Sarah Harvey
Secretary

Tubney Woods
Abingdon
Oxon
OX13 5QX

20 December 2023

Profit and loss account and statement of total comprehensive income
For the year ended 31 March 2023

	Notes	2023 €000	2022 €000
Operating result		**-**	-
Interest receivable		**1,963**	4
Profit before taxation	2	**1,963**	4
Tax on profit	5	**(373)**	231
Profit for the financial year, being total comprehensive income		**1,590**	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 2023

	Notes	**2023 €000**	2022 €000
Current assets			
Debtors (including €33,045,000 (2022: €31,057,000) due after more than one year)	6	**33,045**	31,082
Creditors: amounts falling due within one year	7	**(373)**	-
Net current assets/(liabilities)		**32,672**	31,082
Capital and reserves			
Called up share capital	8	-	-
Share premium reserve		**31,057**	31,057
Profit and loss account		**1,615**	25
Shareholder's funds		**32,672**	31,082

- For the year ending 31 March 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements were approved by the board of directors on 20 December 2023 and were signed on its behalf by:

G F Hill
Director

Statement of changes in equity
For the year ended 31 March 2023

	Share Capital €000	Share Premium €000	Profit & loss account €000	Total €000
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 1 April 2022	-	31,057	25	31,082
Profit for the year, being total comprehensive income	-	-	1,590	1,590
Issuance of ordinary share	-	-	-	-
At 31 March 2023	-	31,057	1,615	32,672

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

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

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 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.

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 €nil (2022: €4,150).

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 (2022: none).

5 Taxation

		2023		2022
	€000	**€000**	€000	€000
Current tax				
Current tax on income for the year	**373**		-	
Adjustments in respect of prior years	-		(231)	
Total current tax		**373**		(231)
Tax charge/(credit) on profit		**373**		(231)

Factors affecting the tax charge for the year
The current tax charge is equal to (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022
	€000	€000
Profit before tax	**1,963**	4
Current tax at 19% (2022: 19%)	**373**	1
Effects of:		
Group relief for which no payment is received	-	(1)
Adjustments for prior years	-	(232)
Total tax charge/(credit)	**373**	(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

	2023	2022
	€000	€000
Amounts due to Group undertaking	**33,045**	31,082
	33,045	31,082

All amounts owed by Group undertakings are repayable on demand. Of the amounts owed by Group undertakings, €33,045,000 (2022: €31,057,000) relates to a euro-denominated load that is interest bearing at a rate of 6.32%.

The Company has no immediate intention to recall €33,045,000 of these balances (2022: €31,057,000) 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

	2023	2022
	€000	€000
Corporation tax	**373**	-
	373	

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

8 Called up share capital

	2023	2022
	€000	€000
Allotted, called up and fully paid		
2 (2022: 2) Ordinary €1 shares	-	-

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