

**Oxford Instruments Superconductivity Holdings  
Limited**

**Directors' report and financial  
statements**

**Registered number 4068071**

**31 March 2004**



J21 \*AE05R-11 0650  
COMPANIES HOUSE 18/01/05

AC2 \*F95YG1WZ \*322  
COMPANIES HOUSE 13/01/05

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2004.

### Principal activity and business review

The principal activity of the company is that of a holding company. The company does not trade.

### Dividend

The directors do not recommend the payment of a dividend (2003: nil).

### Directors and directors' interests

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

AJ Mackintosh  
 S McQuillan  
 MS Russell

The directors who held office at the end of the financial year had no interests in the shares of the company, according to the register of directors' interests.

AJ Mackintosh is a director of the ultimate holding company, and his interests in the shares and share option holdings are disclosed in the accounts of that company, Oxford Instruments plc.

The other directors had interests in the shares of the ultimate holding company, Oxford Instruments plc at the year end

	2004	2003
S McQuillan	11,898	-
MS Russell	2,901	2,901

The other directors' interests in options under the Senior Executive Long Term Incentive Scheme (SELTIS), the Executive Share Option Schemes 1985, 1995 and 2001 (ESO) and the Savings Related Share Option Schemes 1985 and 1995 (SAYE) and in Individual Options were:

	Share	Number of options during the year				Exercise price	Date for earliest exercise	Date for latest exercise
		31 March 2004	Lapsed	Exercised	Granted			
S McQuillan	SELTIS	636	-	-	636	£1.74	01/02/07	31/07/07
	SELTIS	517	-	-	-	£1.27	01/02/08	31/07/08
	SELTIS	345	-	-	-	£1.87	01/02/05	31/07/05
	SELTIS	-	(932)	-	-			
	SELTIS	20,000	-	-	-	Nil	21/12/03	20/12/07
	SELTIS	-	-	(10,000)	-			
	SELTIS	-	-	(10,000)	-			
	SELTIS	-	(2,000)	-	-			
	ESO	50,000	-	-	-	£1.875	15/07/06	15/07/13
	ESO	67,000	-	-	-	£2.22	15/07/05	14/07/12
	ESO	159,000	-	-	-	£1.585	29/09/11	29/09/11

## Directors' report (continued)

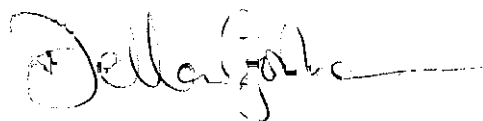
### Directors and directors' interests (continued)

Shareholder	Share	Number of options during the year				31 March 2003	Exercise price	Date for earliest exercise	Date for latest exercise
		31 March 2004	Lapsed	Exercised	Granted				
MS Russell	SAV	636	-	-	636	-	£1.74	01/02/07	31/07/07
	SAV	280	-	-	-	280	£1.35	01/02/06	31/07/06
	SAV	935	-	-	-	935	£1.77	01/02/07	31/07/07
	SAV	1,699	-	-	-	1,699	£1.39	01/02/06	31/07/06
	SAV	1,563	-	-	-	1,563	£1.77	01/02/05	31/07/05
	MS	7,000	-	-	7,000	-	£1.875	15/07/06	15/07/13
	MS	7,500	-	-	-	7,500	£2.22	15/07/05	14/07/12
	MS	4,000	-	-	-	4,000	£1.945	24/12/02	23/12/09
	MS	4,000	-	-	-	4,000	£1.96	21/12/01	20/12/08
	MS	4,500	-	-	-	4,500	£3.58	26/06/00	25/06/07
	MS	7,500	-	-	-	7,500	£4.13	28/11/98	27/11/05

### Auditors

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually at an AGM and KEMG Audit Plc will therefore continue in office.

By order of the Board



DL Gorham  
 Secretary

Old Station Way  
 Eynsham  
 Oxfordshire  
 OX29 4TL

## Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Arlington Business Park  
Theile  
Reading RG7 4SD  
United Kingdom

## Report of the independent auditors to the members of Oxford Instruments Superconductivity Holdings Limited

We have audited the financial statements on pages 5 to 7.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit involves examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

3 June

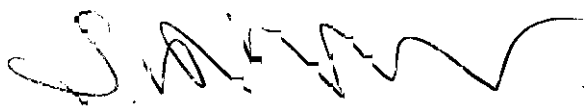
2004

**Balance sheet**  
 at 31 March 2004

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Investments	4	350,000	350,000
		<u>350,000</u>	<u>350,000</u>
<b>Current assets</b>			
Cash		1	1
		<u>350,001</u>	<u>350,001</u>
<b>Net assets</b>			
		<u>350,001</u>	<u>350,001</u>
<b>Capital and reserves</b>			
Called up share capital	5	2	2
Share premium reserve	6	349,999	349,999
		<u>350,001</u>	<u>350,001</u>
<b>Shareholders' funds equity</b>			
		<u>350,001</u>	<u>350,001</u>

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit or a loss. There has been no movement in shareholders' funds during the year. The company had no recognised gains or losses either in 2004 or 2003. There were no acquisitions or discontinued operations within the company during 2004 and 2003.

These financial statements were approved by the board of directors on 3 June 2004 and were signed on its behalf by:



S. McQuillan  
 Director

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following 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*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Under Financial Reporting Standard (FRS) 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements. The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

As the company is a wholly owned subsidiary of Oxford Instruments plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Oxford Instruments plc, within which this company is included, can be obtained from the address given in note 7.

#### *Going concern*

The Financial Statements have been prepared on a going concern basis, based on the Directors' opinion, after making reasonable enquiries, that the Company has adequate resources to continue in operational existence for the foreseeable future.

### 2 Remuneration of directors

The directors receive no remuneration for their roles as directors of the company. The aggregate emoluments of the directors are borne by other entities within the Oxford Instruments plc group, being Oxford Instruments Superconductivity Limited and Oxford Instruments plc, the holding company.

### 3 Staff numbers and costs

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



## Notes (continued)

### 4 Investments

	2004 £	2003 £
At beginning and end of period	350,000	350,000

The undertaking in which the company has an interest at the period end are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held	
<i>Subsidiary undertakings</i> Oxford Instruments Superconductivity Limited	England and Wales	Advanced instrumentation	100%	Ordinary

### 5 Called up share capital

	2004 £	2003 £
<i>Authorised</i> 100 ordinary £1 shares	100	100

*Allocated, called up and fully paid*  
2 ordinary £1 shares

2	2
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### 6 Share premium reserve

	2004 £	2003 £
At beginning and end of period	349,999	349,999

### 7 Ultimate parent company

The 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 Old Station Way, Eynsham, Witney, Oxon, OX29 4TL, England.