Contents

Oxford Instruments plc

775598

Company Registration
Registered in England Number 775598

Summary of Results

Oxford Instruments plc

	1992 £ million	1991 £ million
Turnover	103.3	108.5
Profit before tax	8.6	12.1
Earnings attributable to shareholders	7.1	8.1
Net assets employed	49.6	44.6
Net cash (borrowings)	4.3	(0.7)

	1992 pence	1991 pence
Earnings per share	14.7	16.8
Dividends per share	4.3	4.15

Directors, Advisers and Executive Management

Directors

P M Williams CBE MA PhD
Chairman and Chief Executive

Sir Martin Wood OBE MA Hon DSc FRS
Deputy Chairman

Sir John Fairclough BSc FEng FIEE FBSC

M Lamaison BA FCA
Financial Director and Company Secretary

Sir Alfred Shepperd BSc

J M Woodgate

Board Committees

Audit: Sir Alfred Shepperd (Chairman);
Sir John Fairclough
Compensation: Sir Alfred Shepperd (Chairman);
Sir Martin Wood; Sir John Fairclough
Technology: Sir Martin Wood (Chairman);
Sir John Fairclough

Registered Office

Old Station Way, Eynsham, Witney, Oxon OX8 1TL

Auditors

KPMG Peat Marwick

Principal Bankers

Barclays Bank plc
The First National Bank of Maryland

Financial Advisers

Baring Brothers and Co., Limited

Stockbrokers

Hoare Govett

Solicitors

Laytons, UK
Sherburne, Powers & Needham, USA

Non-Executive Directors

Sir Martin Wood, aged 65, founded the Group in 1959 and until 1983 was the Chairman.

Sir John Fairclough, aged 61, was appointed to the Board in 1990 after serving as Chief Scientific Adviser to the Cabinet Office. This followed a successful career with IBM.

Sir Alfred Shepperd, aged 66, joined the Board in 1991 on his retirement as Chairman and Chief Executive of Wellcome plc.

John Woodgate, aged 53, joined the Group in 1965 from the Rutherford Laboratory. He has been seconded to the Oxford Magnet Technology joint venture with Siemens AG on a full time basis as Managing Director.

Executive Management

Peter Williams, aged 47, was appointed Group Chief Executive in 1985 and Chairman in 1991 having joined the Group in 1982. He obtained an MA in Natural Sciences and a PhD in Solid State Physics. He was awarded a CBE this year.

Martin Lamaison, aged 48, joined the Group in 1985 as Group Financial Director. Previously he was with BOC Limited as Business Manager of UK Medical Gases. He has a BA in Industrial Economics.

Jack Frost, aged 45, joined the Group in 1977 having held several sales management jobs in the US health care industry. He has a BSc in Chemistry and is based in Florida, USA.

John Hearn, aged 57, joined the Group in 1990 having followed a high technology, US based, career with Hewlett Packard and more recently Finnigan Corporation. He has a BSc in Physics.

John Pilcher, aged 51, joined the Group in 1965 following an apprenticeship at the UK Atomic Energy Research Establishment at Harwell.

Alistair Smith, aged 44, joined the Group in 1988. Prior to that he was Managing Director of VG Scientific. He has a BSc and MSc in Applied Physics and a PhD in Surface Analysis.

Paul Winson, aged 48, joined the Group in 1980 having previously worked in marketing at Perkin Elmer and EMI Medical. He obtained a BSc in Chemistry and a PhD in Molecular Spectroscopy.

Chairman's Statement

Results

The difficult trading conditions reported in my half year statement persisted throughout the rest of the financial year. Second half profits of £4.4 million therefore continued at much the same level relative to the first half, resulting in a full year profit before tax of £8.6 million.

A positive cash inflow over the year of £5.0 million left closing cash in a favourable position at £4.3 million.

Sales for the full year at £103 million were 5% down on the prior year, reflecting the falling demand for a number of our products as a result of recession throughout the world's markets. In fact new orders received during the year decreased by 17% to around £95 million, following the trend noted at the half year. Whilst it is too early to predict order recovery with confidence at this stage, demand does appear to have stabilised at present levels. External short term indicators suggest a recovery in orders may be possible during the current financial year, although it should be noted that the benefits of this in terms of improvement in the Company's performance may be delayed until the following year as a result of long product lead times.

Operational Performance

Certain areas of our business have been adversely affected by the recession more than others with the result that our traditional Research Instruments activity, our Nuclear Measurements Group in Tennessee and our Semiconductor Processing businesses all contributed losses for the period. The Plasma Technology activity was particularly badly hit. However, in all three sectors action was taken during the year to cut costs which, together with a prudent approach to working assets, places us in a strong position to take advantage of any upturn in demand in the current year.

In contrast, our MRI (Magnetic Resonance Imaging) joint venture with Siemens, Oxford Magnet Technology Limited (OMT) continued its outstanding performance. The market for MRI scanners has shown no obvious downturn and demand for OMT's second generation 'Active Shield' imaging magnet systems has been particularly strong in the USA. MRI has become the preferred choice for certain clinical examinations in preference to Computerised Tomography (CT) and X-Ray, and as new applications become established there is potential for further growth in the market. I am very pleased to report that OMT's achievements have been recognised in its second Queen's Award in two years, this time The Queen's Award for Exports, following last year's Technology Award.

Demand for superconducting wire for MRI also contributed to a strong performance at our Superconducting Technology activity in New Jersey. Supplies of wire both to our other businesses and to a number of major US Government science programmes are factors which point to further growth for the future in this activity. Contracts for the delivery of superconducting wire to both the Relativistic Heavy Ion Collider (RHIC) and Superconducting Supercollider (SSC) programmes in the USA are proceeding on schedule.

Micro Analysis Group, Industrial Analysis Group, Medical Systems and NMR Instruments also made good contributions to profits, but throughout all these businesses there has been pressure on margins and order books.

Synchrotron

As announced at the half year, the synchrotron is now installed in IBM's new facility in East Fishkill, New York. Since then, commissioning has been completed and IBM has formally accepted the installation. IBM has been very pleased with the excellent performance of the ring. Beam currents and lifetimes are well above specification and, even more importantly, reliability and up time are already at the level necessary in the demanding environment of the semiconductor processing industry. Oxford Instruments' employees are continuing to operate the synchrotron, following its acceptance, under an operations contract which will give us invaluable experience of the ring's long term performance characteristics. Interest in the project remains at a high level amongst a number of major potential customers in the semiconductor manufacturing sector, but the effects of the recession are being felt in this industry as everywhere else. We have therefore yet to make significant progress towards an order for our second ring, which is still in an early stage of construction.

Research and Development

Despite the adverse circumstances, we have maintained our commitment to innovation and to the development of new products for our future, with R & D expenditure at £8 million, the same as for the previous year. New products were released in all businesses and significant progress has been made towards the development of a 750 MHz NMR magnet to maintain our leadership in this field. Together with ICI and Oxford University we are participating in a major programme under the UK Government 'Link' scheme to apply this new system, when fully developed, to problems in biomedical and pharmaceutical research.

Marketing

We have also increased our commitment to worldwide distribution and marketing with the formation of Oxford Instruments KK in Japan, where products of Oxford Instruments are already well established. A Japanese president has now been recruited to run this company and key sales and service staff are already in place.

Elsewhere, we continue to focus and enhance our efforts to develop new applications and business for our core activity in superconductivity and we have secured further orders worth $3.1 million for the new accelerator facility at Newport News, Virginia, USA, following last year's success at this same laboratory.

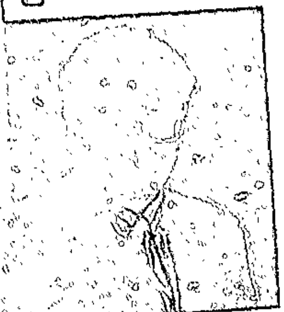
Future Prospects

Looking to the future, we await evidence of a sustained recovery in the world's major economies. When economic upturn does occur, I believe we are well placed to take advantage of our diversified market opportunities and to resume a growth path for our Company.

The dedication and commitment of our workforce remains our chief resource and we can approach the future with considerable confidence.

P M Williams
11 June 1992

Financial Review



Turnover and Exports

Turnover for the year fell by 5%. As in past years the Group continued to be a major exporter with £63 million of the UK manufactured output being sold abroad. With a further £25 million of consolidated Group turnover being added by the overseas subsidiaries, 85% of total Group sales were made outside the UK.

Profit

The Group's share of the profit from Oxford Magnet Technology Limited increased to £5.1 million, however difficult trading conditions elsewhere caused profit before tax to decline by 29% to £8.6 million.

Currency

The Group's profit was adversely affected by exchange rate movements during the year by approximately £2 million. The Group continued its policy of selling forward net foreign currency receivables against both existing order backlog and expected orders shippable within the next 12 months.

US dollar borrowings of US$18 million were maintained, broadly equivalent to the current Group US dollar investment, to limit the impact of currency movements on reserves.

Interest

The Group's net interest receivable for the year fell from £0.5 million to £0.4 million. The Group continued to benefit from lower interest rates on its US dollar borrowings and higher interest rates on its UK sterling deposits.

Taxation

The overall tax charge reduced to 17% of pre-tax profit compared with 33% in the previous year, reflecting the release of provisions relating to prior year disposals of assets.

Earnings Per Share

Earnings per share fell by 13%. The average number of shares in issue rose marginally to 48.3 million.

Dividends

The Group's proposed final dividend of 2.9p, payable on 1 October 1992 makes a total dividend for the year of 4.3p, an increase for the year of 3.6%. Dividends are covered 3.4 times by earnings.

Cash Flow

The Group cash flow during the year was an inflow of £5.0 million giving closing cash in hand of £4.3 million.

Financial Structure

The Group ended the year with shareholders' funds of £50 million. There were no net borrowings at the year end.

In addition to the unsecured multi-currency overdraft and short term borrowing facilities of £35 million available to the Group at 29 March 1992 the Group had contractually available to it unsecured facilities of £20 million (or the US dollar equivalent) up to March 1994. At 29 March 1992 $9 million of this medium term facility was in use. External borrowings secured by Group guarantees, primarily for the Oxford Magnet Technology Limited joint venture, fell by £4.8 million to £1.7 million.

Net assets per share increased from 93p last year to 103p this year end.

M Lamaison
11 June 1992

Markets, Products and Customers

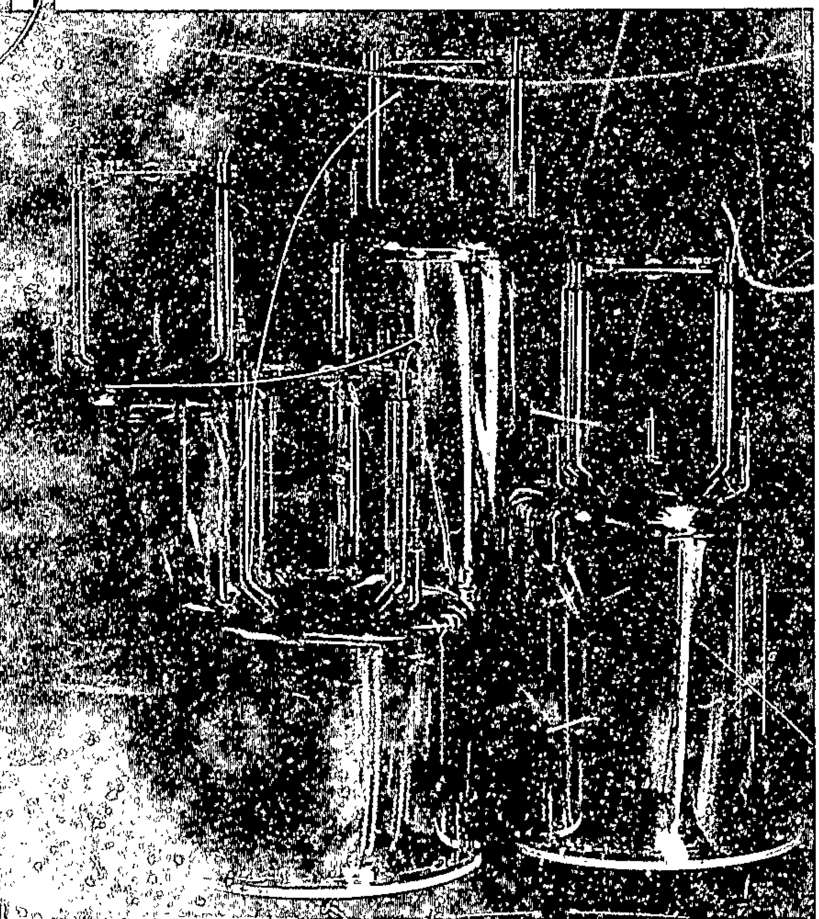
Markets	Principal Products	Principal Customers
Scientific Research	Superconducting magnets for NMR spectroscopy; cryogenic equipment; dilution refrigerators; magnetic measurement systems; electron microscope stages; superconducting wire.	University, government and corporate scientific researchers; physical, pharmaceutical, medical, biochemical and chemical industrial analysis laboratories.
Analytical Systems	Microanalysis systems; X-ray fluorescence (XRF), broadline and pulsed NMR and near infra-red analysers; x-ray tubes; nuclear radiation detection systems; high purity germanium; electronic instrumentation modules.	Industrial research and quality control laboratories in energy, petrochemicals, agriculture, food, metals, paper and bulk commodities; forensic, nuclear and environmental laboratories.
Patient Monitoring	Ambulatory ECG (heart) and blood pressure monitors; ambulatory EEG (brain) and long term physiological monitors; fetal monitors; obstetric management systems and peripheral vascular diagnostic equipment.	Cardiologists; neurophysiologists; sleep researchers; obstetricians and vascular surgeons.
Semiconductor Processing	Plasma etching and deposition systems; ion beam systems for material deposition and for optical x-ray mask repair; compact synchrotron for x-ray lithography.	Semiconductor and optical coating industries.
Diagnostic Imaging	Whole body superconducting magnets for magnetic resonance imaging (MRI); magnet accessories.	Major medical equipment companies for supply to clinical sites.

Review of Operations

In a difficult year for many parts of Oxford Instruments, Group expenditure has been maintained in areas which will have a long term beneficial effect. These include research and development, training and Total Quality Management programmes.

'Our innovative enabling technologies are making key contributions in the development of high technology markets'

Group marketing has been improved with a consistent world-wide corporate identity and strengthened overseas selling including a new Japanese office. During the year a regional sales office was opened in Tokyo and there has been a steady build up of sales and engineering support staff to work alongside our local agents.



The family of NMR magnet systems.

Some of the highlights of the Group's operations are set out below:

NMR Instruments

NMR Instruments continued to supply superconducting magnets for high resolution Nuclear Magnetic Resonance (NMR) spectroscopy to all leading NMR systems manufacturers. Over 95% of the magnets are exported to the main markets of Japan, USA and Europe. A policy of continuous product development has enabled Oxford Instruments to achieve consistent improvements in cryogenic and magnet performance. Manufacturing costs have been kept under control allowing prices to remain competitive during the recession.

The ever increasing demand for the higher magnetic field strength required by the pharmaceutical industry is being satisfied by the development of a 750 MHz magnet system. Once development is complete this will complement our present world leading 600 MHz NMR magnet system. The first of these 750 MHz magnets will be made available as part of a major initiative between the Oxford Centre for Molecular Studies, ICI and Oxford Instruments in a collaboration aimed at developing the world's first research NMR spectrometer operating at a proton frequency of 750 MHz. The project, which will be supported by a LINK grant from the Science and Engineering Research Council and the DTI, will study the structure and function of proteins.

Research Instruments

Our Research Instruments business was affected by general cutbacks in science research budgets during the year but in recent months order intake has improved, stimulated by an increase in resources in sales and marketing.

The new facility for large magnets established during the year has made a promising start with good progress on the building of a $6.5 million magnet system for the continuous electron beam accelerator facility (CEBAF) at Newport News, Virginia. A high level of enquiries reflects increased recognition of Oxford Instruments in this market.

In December the Cambridge based thin film superconductivity activity of Cryogenic Consultants Limited, a UK competitor, was acquired from its receivers. Although small at present the business, whose technology allows highly sensitive detection of magnetic fields, x-rays, voltage and electrical currents, offers good future growth prospects.

A cross section of multifilamentary superconducting wire for Brookhaven National Laboratory.

Looking ahead, the decision by the US Government to establish a new national magnet laboratory at Tallahassee, Florida should provide new impetus for magnet based research and future business for Oxford Instruments.

Superconducting Technology

Superconducting Technology had another good year, benefiting in part from the strong performance of the Oxford Magnet Technology Limited joint venture with Siemens AG. As reported earlier it was selected as one of seven international suppliers of superconducting wire to the US Government's Superconducting Super Collider (SSC) programme in Dallas, Texas. Good progress has been made on the initial order and this programme, subject to US Government funding, offers the potential for a substantial volume of future business.

'We are working with Nobel prizewinners at the leading edge of science'

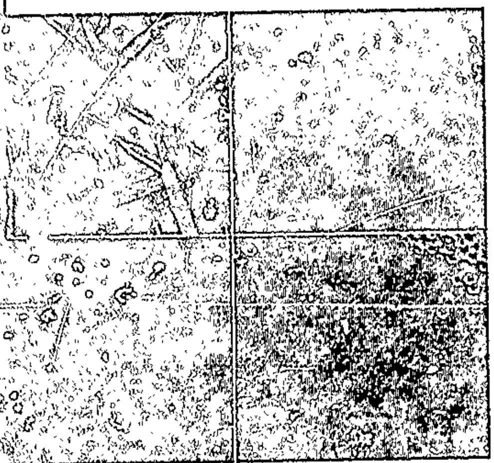
Superconducting Technology was also the winner of a $6.8 million contract to deliver 1.8 million feet of superconducting cable to Brookhaven National Laboratory in Long Island, New York to be used for nuclear physics research. The unique volume production experience of the fine multifilamentary niobium titanium conductor that this programme involves will position it well in bidding for future government programmes.

To match these opportunities the facilities at the Carteret, New Jersey site are being steadily upgraded.

Preparing to wind the first coil of the unique six coil CEBAF magnet.

Micro Analysis Group

Capital expenditure deferral decisions worldwide affected volume at the Micro Analysis Group last year. European business held up but demand was weak in USA, the Far East and Eastern Europe. Staff numbers have been reduced as a result and changes to strengthen the management team and to improve the operating systems of the business have now been completed.



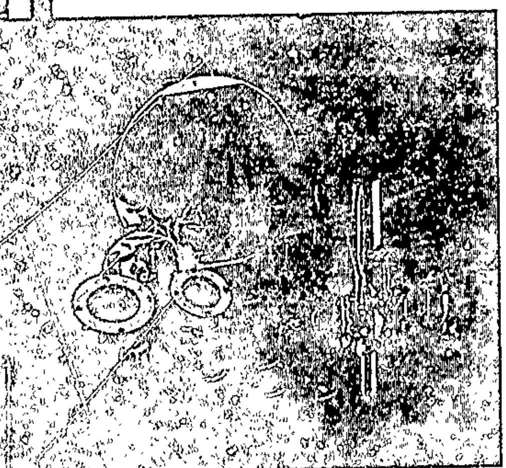
Electron microscope images from mineral samples as acquired by the Link 'eXL II' microanalysis system.

A cost engineered version of the very successful 'eXL' analysis system was launched in February 1992 and will be followed by other product releases in the near term.

Nuclear Measurements Group

Cutbacks by the US Government on nuclear radiation detection equipment had an impact on our Oak Ridge, Tennessee, business and despite cost reductions the lower level of demand meant a loss for the Nuclear Measurements Group for the year.

However a number of management actions have been taken to improve the business for the future. The existing product range has been rationalised and refreshed and the development activity has been reoriented to put emphasis on systems, particularly those for environmental measurement applications. Management and systems have been strengthened.



Silicon charged particle detectors for alpha spectroscopy, air monitoring and environmental measurements.

The business has maintained its proprietary position in the manufacture of the hyper pure germanium needed for sensitive detection of x-rays.

Industrial Analysis Group

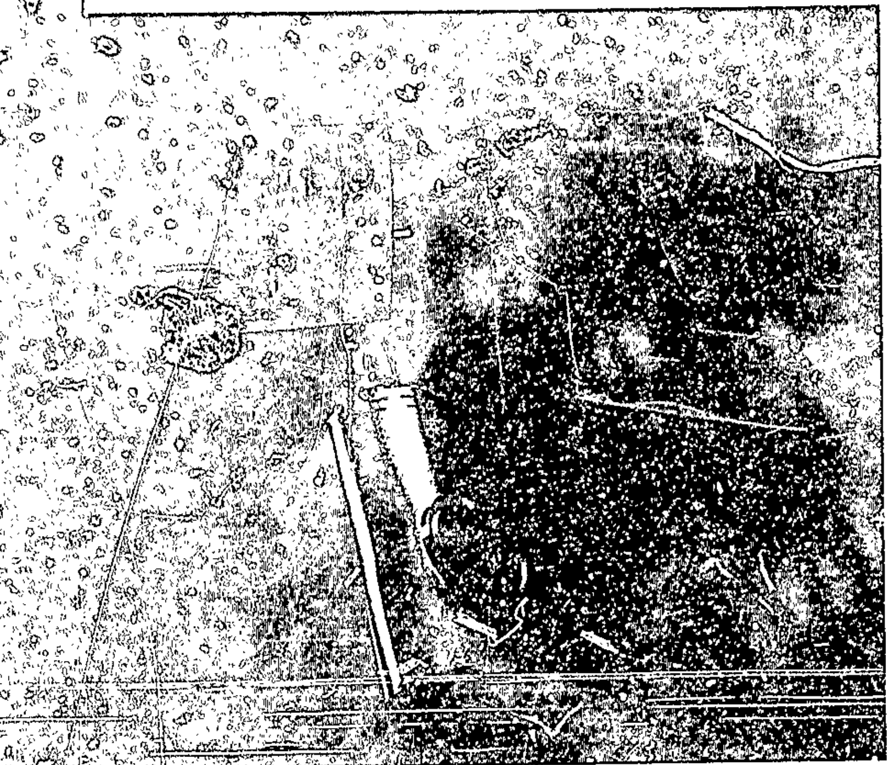
The Industrial Analysis Group had a record year with turnover and profit both significantly higher than last year. This was helped by a substantially improved performance in the USA where both the XRF and NMR analysers for quality control were in demand.

'Today's powerful computers have made sophisticated instrumentation readily accessible to the analytical chemist'

The main new product introduction in the year was a pulsed NMR instrument, the 'QP20', which complements and extends the NMR analyser range and will allow development of new sophisticated applications.

The business continues to find new users for its products, particularly in the field of environmental monitoring. Examples include lead in fuel, waste oil incineration, sulphur contamination of oil and lead in soils arising from paint leaching.

The 'QN1000V' analyser used for measuring alcohol levels in drinks.



Use of CAD and electron optics programmes at X-Ray Technology Group to reduce product development cycles.

Medical Systems

Sales of Medical Systems' ECG, EEG, fetal and sleep monitoring products were on target but lower margins led to a reduced profit for the year. A higher level of activity in Germany was offset by weak demand in Eastern Europe, affected by the recent political instability in that region.

'We are the driving force in ambulatory EEG monitoring, a niche in the fast moving medical electronics market'

The result of successful product development programmes over the last two years means that Medical Systems now has comprehensive 'state of the art' product ranges in all its business areas.

The introduction of new fetal monitoring products has stimulated sales of multiple units to home pregnancy monitoring service organisations in the US. The service and consumables business has continued to grow steadily.

The new Sonicaid 'Team' fetal monitor being used in the home.

X-Ray Technology Group

The X-Ray Technology Group has successfully developed several new products for new Original Equipment Manufacturer (OEM) markets. This has helped offset recessionary pressures on the 'one off' special products supplied to its traditional customers. An example is the new mini focus x-ray source now being sold in quantity to electroplating thickness gauging customers.

The result of product innovation and a marketing programme is a rising order book and there is still the potential to supply more x-ray tubes to other Oxford Instruments' businesses.

A product redesign programme is underway to improve existing product margins.

Synchrotron Group

Following installation and acceptance of the first synchrotron ring at IBM's East Fishkill site operating performance has exceeded expectations with little downtime occurring. IBM have awarded Oxford Instruments an operations contract to manage the ring throughout 1992.

A computer graphic illustration of synchrotron light intensity derived from monitors at the IBM facility.

No new synchrotron sale has yet been achieved. However due to the long manufacturing lead time the building of a second ring is under way. Technical success of the first ring and industry difficulties experienced in the planning of 64 megabyte chip production mean that use of synchrotrons for the manufacture of 256 megabyte chips is still a realistic goal. Clearly the present economic climate has reduced the sales of computer chips and hence has affected the speed at which new development programmes are being introduced. However, Oxford Instruments continues to lead the world with this unique and highly exploitable technology.

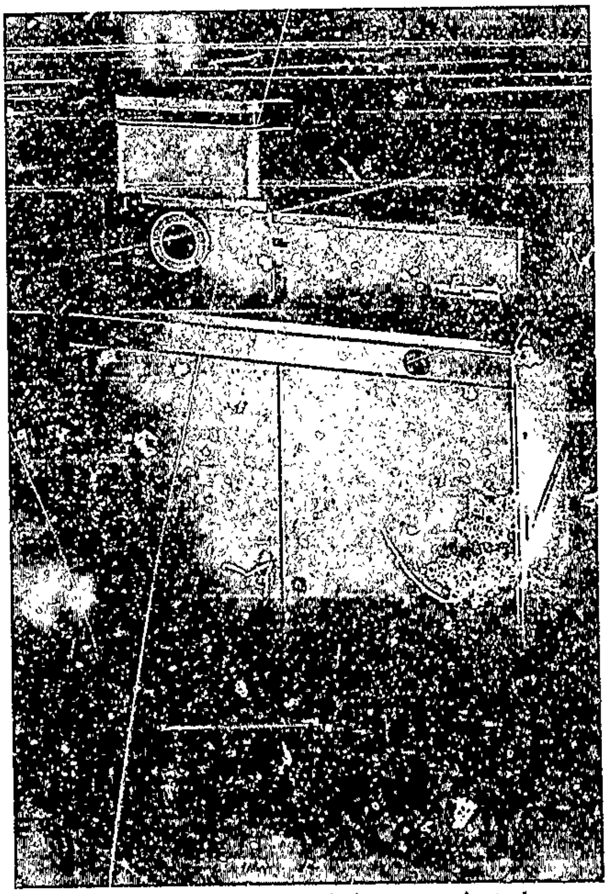
The skills of the Synchrotron Group have been recognised with successful bids for complementary work including a beam line for IBM to attach to the synchrotron and further special accelerator magnets for other customers. Our other compact accelerator project, the cyclotron, which requires similar skills to the synchrotron, has been transferred to the synchrotron site. Work to install the second and third cyclotrons in Japan is proceeding.

'We recognise the paramount importance to the customer of quality, reliability and service'

Plasma Technology

In a difficult year for all suppliers of etching and deposition equipment Plasma Technology performed disappointingly. Overhead costs were reduced further but nevertheless due to low margins and volume shortfall a significant loss was made. However, good progress was achieved on some major systems with the successful installation of a ceramic cleaning system for IBM and substantial completion of a fully automated follow on system order.

There was good demand for the 'System 90' plasma product launched last year and some new processes have been developed for this product. Introduction of the new 'Plasmalab 80Plus' at the US Semicon West show in June 1992 continued the programme of updating mainstream plasma products.



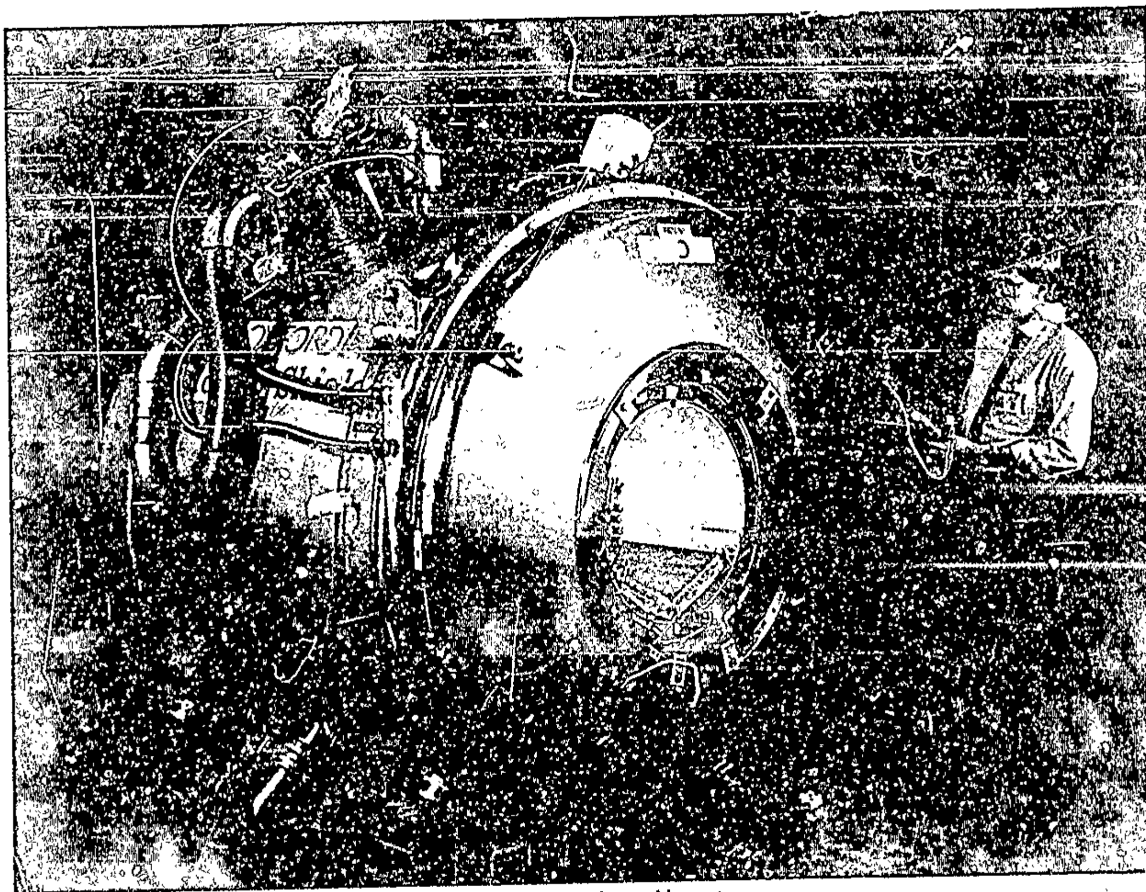
The latest 'Plasmalab System 90' research plasma processing tool.

Diagnostic Imaging

Oxford Magnet Technology Limited (OMT), our joint venture with Siemens AG, continued to progress very satisfactorily last year, with a strong growth in unit volume. The market for MRI systems remained buoyant contrary to the general economic recession. This strength, an increase in market share and control of costs have more than offset both price erosion and cost inflation enabling profit growth to be maintained. OMT has adopted 'Just in Time' principles of operation that have significantly reduced working capital as well as increasing the capacity of the facility.

'Our partnership of shared resource and expertise has brought stability and new opportunities in this important medical sector'

Following increased R & D funding, two new 'Active-Shield' magnets were introduced. OMT's technology leadership in its market sector was well illustrated by its 1 Tesla 'Active-Shield' magnet which became market leader within 18 months of its introduction. This was due to its unequalled performance in ease of siting, field uniformity and total cost of ownership. The electronics accessory business benefited from the strong performance of the magnet activity and contributed significantly to overall profitability. The year ended with OMT being awarded the Queen's Award for Export Achievement.



Final inspection of a second generation 1 Tesla 'Active-Shield' magnet prior to shipment.

Report of the Directors

The Directors present their Report and the Financial Statements of Oxford Instruments plc for the year ended 29 March 1992.

Principal activity and business review

The principal activity of the Company and its subsidiary undertakings ('the Group') throughout the year was the research, development, manufacture and sale of advanced instrumentation. A full Review of Operations is on pages 8 to 13.

Results and dividends

The results for the year are shown in the Consolidated Profit and Loss Account on page 17. The Directors recommend a final dividend of 2.9p per ordinary share, which together with the interim dividend of 1.4p per ordinary share paid on 25 March 1992 makes a total of 4.3p per ordinary share for the year.

Changes in and re-election of Directors

Dr D O Ellis and Sir Rex Richards resigned as Directors on 15 May 1991.

In accordance with Article 84, M Lamaison will retire by rotation and, being eligible, offers himself for re-election to the Board. M Lamaison has a service contract which can be terminated on three years notice.

Substantial shareholdings

The following are interests, of which the Directors are aware, in excess of 3% of the Company's issued share capital, other than those of the Directors, at 16 June 1992:

Confederation Life Group	6.1%
St James's Place Capital plc and its subsidiaries	4.9%
Scottish Amicable Investment Managers Limited	4.8%
3i Group plc	4.6%
V.F. Investments (Cayman) Limited	4.6%
UBS (UK) Limited and its subsidiary Phillips and Drew Fund Management Limited	4.1%
British Steel Pension Fund	3.8%
Midland Bank (Overseas) Nominees Limited (see Note below)	3.0%

Note: Held on behalf of offshore funds for which J Rothschild Investment Management Limited, a subsidiary of St James's Place Capital plc, act as delegates to the investment advisers.

Directors' interests

The beneficial interests of the Directors in the Company's share capital at the respective year ends were:

	Ordinary shares		Options				
	1992	1991	1992	Granted in year	Exercised in year	Expired in year	1991
Sir John Fairclough	1,316	—	—	—	—	—	—
M Lamaison	9,611	8,767	110,541	4,639	—	2,016	107,918
Sir Alfred Shepperd	—	—	—	—	—	—	—
P M Williams	55,208	53,950	168,727	4,639	—	—	164,088
Sir Martin Wood	3,390,760	3,510,760	—	—	—	—	—
J M Woodgate	62,008	61,188	79,000	—	—	—	79,000

Notes:
All interests are in fully paid ordinary shares. Options relate to the Executive Share Option Scheme or the Savings Related Share Option Scheme.

As Trustees of the Company's Pension and Share Participation Schemes, M Lamaison, Sir Martin Wood and J M Woodgate had a non beneficial interest in 1,865,640 ordinary shares at 29 March 1992 (1991 1,959,956 shares). Between the year end and 16 June 1992 Sir Alfred Shepperd increased his holding by 2,000 ordinary shares and the Trustees of the Share Participation Scheme decreased their holding by 4,651 as a result of participants transferring ordinary shares into their own names.

Fixed assets

The Directors believe the open market value of freehold land and buildings exceeds the book value by approximately £4.5 million, which if realised through disposal would create a tax liability of approximately £0.5 million. Substantial movements in fixed assets are disclosed in Note 14 on the Financial Statements.

Legal liability insurance

The Group paid a premium in respect of Directors' and Officers' legal liability insurance. This covers all Directors and Officers of the Company and its subsidiary undertakings.

Research and development

Research and development is an integral part of the Group's business as described in the Review of Operations. Expenditure on research and development is set out in Note 3 on the Financial Statements.

Donations

Charitable donations in the UK during the year amounted to £28,268 (1991 £27,032). There were no political donations.

Disabled persons

It is the policy of the Group to give full and fair consideration to applications for employment from disabled persons and to continue wherever possible the employment of members of staff who may become disabled.

Employee participation

The Group has always recognised the importance of good communications and relations with its employees. The Group operates from a number of sites and employee practices are appropriate to each location. Employees are kept informed of activities which are of concern to them or which are likely to affect their interests, typically through their line management and a system of representative committees. Regular company meetings are held by individual companies. Each employee receives a copy of the Report and Accounts.

Interest in the Group's well-being is encouraged by profit sharing and bonus schemes and employees have the opportunity to acquire shares under the Company's Share Participation and Share Option Schemes.

Special business

It is proposed that at the forthcoming Annual General Meeting there will be considered certain changes to each of the Company's Employee Share Schemes so as to provide for equal treatment of men and women in accordance with recent developments in European law.

In particular, men as well as women will, if they are retiring, be entitled to acquire shares under any scheme in which they are participators at the age of 60.

Auditors

A resolution to re-appoint KPMG Peat Marwick as Auditors will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

M Lamaison
Company Secretary
16 June 1992

Report of the Auditors

Auditors' Report to the Members of Oxford Instruments plc

We have audited the financial statements on pages 17 to 32 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 29 March 1992 and of the profit and cash flow of the Group for the year then ended and have been propeily prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditor

1 Puddle Dock
Blackfriars
London EC4V 3PD

Chamberlain House
St Aldates Courtyard
Oxford OX1 1BN

16 June 1992

Consolidated Profit and Loss Account

Year ended 29 March 1992

Notes		1992 £000	1991 £000
2	Turnover	103,333	108,458
	Cost of sales	(67,782)	(66,666)
	Gross profit	35,551	41,792
	Distribution costs	(20,812)	(21,088)
3	Research and development costs	(8,069)	(8,027)
	Administrative expenses	(3,574)	(3,968)
	Operating profit	3,096	8,709
4	Interest	357	525
5	Income from interest in associated undertaking	5,103	3,548
6	Profit before exceptional item	8,556	12,782
7	Exceptional item	—	(717)
	Profit on ordinary activities before tax	8,556	12,065
8	Tax on profit on ordinary activities	(1,445)	(3,989)
	Profit on ordinary activities after tax	7,111	8,076
	Loss attributable to minority interest	—	10
	Profit on ordinary activities after tax attributable to shareholders	7,111	8,086
12	Dividends	(2,076)	(1,999)
23	Retained profit for the financial year	5,035	6,087
		pence	pence
13	Earnings per share	14.7	16.8

A statement of the movement on reserves is set out in Note 23.

Balance Sheets

29 March 1992

Oxford Instruments plc

Notes		Group 1992 £000	Group 1991 £000	Company 1992 £000	Company 1991 £000
	Fixed assets				
14	Tangible assets	14,706	14,690	345	404
15	Investments	5,494	3,363	65,839	64,859
		20,200	18,053	66,184	65,263
	Current assets				
17	Stocks	24,362	26,425	—	—
18	Debtors	28,021	33,698	25,535	19,920
19	Cash at bank and in hand	15,220	10,357	14,098	11,412
		67,603	70,480	39,633	31,332
	Creditors: amounts falling due within one year				
20	Bank loans and overdrafts	(10,893)	(10,973)	(12,005)	(10,432)
20	Other	(27,347)	(32,905)	(9,935)	(5,241)
		(38,240)	(43,878)	(21,940)	(15,673)
	Net current assets	29,363	26,602	17,693	15,659
	Total assets less current liabilities	49,563	44,655	83,877	80,922
	Creditors: amounts falling due after more than one year				
	Bank loans	—	(60)	—	—
	Net assets employed	49,563	44,595	83,877	80,922
	Capital and reserves				
22	Called up share capital	2,415	2,412	2,415	2,412
23	Share premium account	13,854	13,724	13,854	13,724
23	Other reserves	—	—	7,593	7,593
23	Profit and loss account	33,294	28,459	60,015	57,193
	Shareholders' funds	49,563	44,595	83,877	80,922

The financial statements were approved by the Board of Directors on 11 June 1992 and signed on its behalf by:

P M Williams
Director

M Lamaison
Director

Consolidated Cash Flow Statement

Year ended 29 March 1992

Oxford Instruments plc

Notes		1992 £000	1991 £000
	Operating activities		
	Operating profit	3,096	8,709
	Exceptional item	—	(717)
	Depreciation	2,701	2,804
	(Profit) loss on sale of fixed assets	(85)	108
	Change in:		
	Debtors	7,375	1,986
	Stocks	2,127	(3,306)
	Creditors	(4,222)	(275)
	Net cash inflow from operating activities	10,992	9,309
	Returns on investments and servicing of finance		
	Interest received	1,191	1,115
	Interest paid	(853)	(1,006)
	Dividend from associate	1,304	838
	Dividends paid	(2,025)	(1,949)
	Net cash outflow from returns on investments and servicing of finance	(383)	(1,002)
	Taxation		
	UK corporation tax paid	(1,944)	(4,960)
	Overseas taxes paid	(822)	(170)
	Tax paid	(2,766)	(5,130)
	Investing activities		
	Purchase of fixed assets	(3,249)	(3,947)
	Sale of fixed assets	637	405
15	Purchase of investments net of cash acquired	(228)	(196)
	Net cash outflow from investing activities	(2,840)	(3,738)
	Net cash inflow (outflow) before financing	5,003	(561)
	Financing		
	Shares issued	133	85
	Long term loan repaid	(60)	(67)
	Net cash inflow from financing	73	18
24	Increase (decrease) in cash and cash equivalents	5,076	(543)

Notes on the Financial Statements

Year ended 29 March 1992

1 Accounting policies

Year end

The Group's financial year ends on the last Sunday in March. Accordingly, references to a specified year 'ended March' are to be treated as references to the financial year ended on the last Sunday of March in that year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

The consolidated accounts incorporate the accounts of the Company and its subsidiary undertakings. All significant intra-group transactions have been eliminated on consolidation.

By virtue of Section 230 of the Companies Act 1985 the Company is exempt from presenting a profit and loss account.

The results of subsidiary undertakings acquired during the ear are included from their date of acquisition. Goodwill, the difference between the consideration and the fair value of net tangible assets acquired, is written off against reserves in the year of acquisition.

Associated undertakings

An associated undertaking is one in which the Group has a long term interest and over which it exercises significant influence. The Group's share of the profits of associated undertakings is included in the profit and loss account and its interest in their net assets is included in investments in the consolidated balance sheet.

Turnover

Group turnover represents external sales, excluding value added tax and similar sales based taxes, and is stated before commissions payable to agents.

Turnover includes the value of work carried out during the year in respect of long term contracts including amounts not invoiced to customers.

Stocks

Stocks and work in progress are valued at the lower of cost, including attributable labour and overheads, and net realisable value, net of payments on account.

Work in progress on long term contracts is valued at cost, net of amounts taken to cost of sales, after deducting foreseeable losses and progress payments not matched with turnover. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Depreciation

Depreciation is calculated on a straight line basis to write off the cost less residual value of tangible fixed assets in equal instalments over their estimated useful lives using the following annual rates:

Freehold buildings, long leasehold land and buildings	2%
Machinery and computer and other equipment	20%
Furniture and fittings	10%
Vehicles	25%

Leasehold land and buildings where the period of the lease is less than 50 years are written off on a straight line basis over the remaining period of the lease. Freehold land is not depreciated.

Deferred tax

Deferred tax is provided using the liability method in respect of the tax effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

Research and development

Research and development expenditure, net of the relevant proportion of grants receivable, is charged to the profit and loss account in the year in which it is incurred, unless it is recoverable under a customer contract when it is carried forward as work in progress at the lower of cost and net realisable value.

Leases

Operating lease rentals are charged to the profit and loss account on an accruals basis. The Group has no significant leases of a capital nature.

Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account as a constant percentage of employees' earnings over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the schemes is shown as an asset or liability in the balance sheet.

Foreign currencies

Transactions in foreign currencies are converted into sterling at appropriate forward contract rates or the rate ruling on the date of transaction where no forward cover exists. Assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date or at appropriate forward contract rates. Exchange profits and losses arising from the above are dealt with in the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance the net assets of foreign subsidiaries. These are taken directly to reserves together with the exchange difference on the net assets of the related investments.

2 Geographical analysis

1992	Europe £000	North America £000	Far East £000	Rest of World £000	Total £000
Turnover by destination					
Sales to third parties	49,791	35,899	13,035	4,608	103,333
Turnover by origin					
Total sales	85,479	19,870	—	—	105,349
Sales between manufacturing operations	—	(2,016)	—	—	(2,016)
Sales to third parties	85,479	17,854	—	—	103,333
Profit before tax					
Operating profit	2,280	816	—	—	3,096
Net interest					357
Group share of the profit before tax of associated undertaking					5,103
Group profit before tax					8,556
Net assets employed	41,090	8,473	—	—	49,563

1991	Europe £000	North America £000	Far East £000	Rest of World £000	Total £000
Turnover by destination					
Sales to third parties	55,583	35,178	8,499	9,198	108,458
Turnover by origin					
Total sales	81,800	19,274	—	—	111,074
Sales between manufacturing operations	—	(2,616)	—	—	(2.616)
Sales to third parties	81,800	16,658	—	—	108,458
Profit before tax					
Operating profit	6,800	1,909	—	—	8,709
Net interest					525
Group share of the profit before tax of associated undertaking					3,548
Exceptional item					(717)
Group profit before tax					12,065
Net assets employed	36,467	8,128	—	—	44,595

3 Research and development costs

In addition to the £8,069,000 (1991 £8,027,000) charged against research and development, a further £545,000 (1991 £2,381,000) has been charged to cost of sales in respect of funded projects. These figures are stated net of grants receivable of £18,000 (1991 £416,000).

The total research and development costs, gross of funding and stock movements, were £8,632,000 (1991 £10,801,000).

4 Interest

	1992 £000	1991 £000
Receivable on deposits at short call	1,230	1,494
Payable on bank loans and overdrafts	(873)	(969)
	357	525

5 Income from interest in associated undertaking

	1992 £000	1991 £000
The amount included in the profit and loss account represents the Group's share of the profit for the year of Oxford Magnet Technology Limited	5,103	3,548

The Group owns 49% of the issued share capital of Oxford Magnet Technology Limited of 3,000,000 £1 ordinary shares.

Turnover of Oxford Magnet Technology Limited for the year ended 31 March 1992 amounted to £73,732,000 (1991 £57,641,000). It is engaged in advanced instrumentation and is registered in England.

6 Profit before exceptional item

	1992 £000	1991 £000
Profit before exceptional item is stated after (charging) crediting:		
Depreciation	(2,701)	(2,714)
Net profit (loss) on disposal of fixed assets	85	(108)
Hire of plant and machinery under operating leases	(208)	(164)
Other operating leases	(1,328)	(1,000)
Auditors' remuneration	(190)	(202)

7 Exceptional item

	1992 £000	1991 £000
The exceptional item was:		
Costs of relocating businesses	—	(717)

The exceptional item in 1991 included depreciation of £90,000.

8 Tax on profit on ordinary activities

	1992 £000	1991 £000
Tax based on Group profit for year:		
UK corporation tax at 33% (1991 34%)	1,072	2,712
Adjustments relating to prior years	(1,312)	(239)
Tax on share of profit of associated undertaking	1,694	1,230
Overseas tax	256	392
	1,710	4,095
Deferred tax	(265)	(106)
	1,445	3,989

The adjustments relating to prior years have benefited from a £1,145,000 release of provisions relating to prior year disposals of assets.

9 Directors

	1992 £000	1991 £000
Executive remuneration	416	371
Pension contributions	55	43
Fees	75	119
	546	533
Chairman and highest paid Director (1991 Chairman)	176	58
Highest paid Director	—	150

Number of Directors, including the Chairman and highest paid Director, whose emoluments, excluding pension contributions, were within the following annual ranges:

	1992	1991
£1—£5,000	2	1
£5,001—£10,000	—	2
£10,001—£15,000	—	1
£15,001—£20,000	1	—
£20,001—£25,000	1	—
£30,001—£35,000	—	1
£35,001—£40,000	1	—
£55,001—£60,000	—	1
£105,001—£110,000	—	2
£110,001—£115,000	1	—
£125,001—£130,000	1	—
£155,001—£160,000	—	1
£175,001—£180,000	1	—

Apart from service agreements and related matters at no time during the year has any Director been materially interested in any contract of significance in relation to the Group's business.

10 Employees

	1992	1991
The average number of people employed by the Group (including Directors) during the year was as follows:		
Production	967	1,029
Sales and marketing	276	296
Research and development	195	219
Administration	63	76
	1,501	1,620

	1992 £000	1991 £000
The aggregate payroll costs were as follows:		
Wages and salaries	29,770	29,983
Social security costs	2,530	2,664
Other pension costs	1,378	1,266
	33,678	33,913

11 Pensions

The Group operates a number of pension schemes throughout the world. The major schemes, covering 72% of the Group's employees, are of the defined benefit type. The assets of the schemes are held in separate trustee administered funds.

	1992 £000	1991 £000
The total pension cost for the Group was as follows:		
Oxford Instruments Pension Scheme	1,036	909
Other schemes	342	357
	1,378	1,266

In the UK, with the exception of Link Analytical Limited, the Group and its employees contribute to the Oxford Instruments Pension Scheme. The cost of this scheme is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The last actuarial valuation of this scheme was at 5 April 1991 when the actuary advised that the long term funding rate for the Scheme should be 13.8% (previously 13%). The principal assumptions underlying this valuation were that the investment return would be 9% per annum, salary increases would average 7% per annum and future pensions would increase at 3% per annum.

At the date of the last actuarial valuation the market value of the assets of this scheme was £21.7 million, representing 156% of the benefits that had accrued to members at that date after allowing for assumed future increases in earnings. This surplus is being spread over the remaining working life of the scheme members and has resulted in a long term pension cost to the Group of 8.1% (1991 7%) of pensionable salary. The Group presently contributes to the scheme at a rate of 8.2% of pensionable salary.

The latest actuarial valuations of the other Group schemes show those funds to have sufficient assets to meet current accrued obligations to existing members and pensioners. No significant surpluses existed.

Prepayments include £206,000 (1991 £193,000) in respect of the overfunding of the Oxford Instruments Pension Scheme.

12 Dividends

	1992 £000	1991 £000
Interim paid of 1.4p (1991 1.35p) per share	674	648
Final proposed of 2.9p (1991 2.80p) per share	1,402	1,351
	2,076	1,999

Subject to approval of the Annual General Meeting, the proposed final dividend will be paid on 1 October 1992 to shareholders registered at the close of business on 4 September 1992.

13 Earnings per share

Earnings per share is calculated on earnings of £7,111,000 (1991 £8,086,000) and on the weighted average of 48,257,796 shares in issue during the year (1991 48,204,536 shares). The effect of share options on earnings per share is not material.

14 Tangible fixed assets

	Freehold land and buildings £000	Long leasehold land and buildings £000	Short leasehold land and buildings £000	Machinery computers fittings & vehicles £000	Group Total £000
Cost					
At 31 March 1991	7,279	1,623	239	16,304	25,445
Exchange adjustments	1	—	1	35	37
Additions	592	—	29	2,628	3,249
Disposals	(148)	(13)	(8)	(1,229)	(1,398)
At 29 March 1992	7,724	1,610	261	17,738	27,333
Depreciation					
At 31 March 1991	847	292	184	9,432	10,755
Exchange adjustments	—	—	—	17	17
Amount provided	143	32	26	2,500	2,701
Disposals	(4)	(1)	(6)	(835)	(846)
At 29 March 1992	986	323	204	11,114	12,627
Net book value					
At 31 March 1991	6,432	1,3[illegible]	55	6,872	14,690
At 29 March 1992	6,738	1,287	57	6,624	14,706

Included in the above is freehold land at a cost of £1,167,000 (1991 £1,100,000).

14 Tangible fixed assets (continued)

	Freehold buildings £000	Machinery computers fittings & vehicles £000	Company Total £000
Cost			
At 31 March 1991	246	315	561
Group transfers	—	13	13
Additions	—	16	16
Disposals	—	(33)	(33)
At 29 March 1992	246	311	557
Depreciation			
At 31 March 1991	17	140	157
Group transfers	—	7	7
Amount provided	5	69	74
Disposals	—	(26)	(26)
At 29 March 1992	22	190	212
Net book value			
At 31 March 1991	229	175	404
At 29 March 1992	224	121	345

15 Investments

	Group Investment in associated undertakings £000	Shares in subsidiary undertakings £000	Shares in associated undertaking £000	Company Total £000
Cost or valuation				
At 31 March 1991	3,363	63,225	1,634	64,859
Share of retained profit for the year	2,105	—	—	—
Additions	26	1,585	—	1,585
Amounts written off	—	(605)	—	(605)
At 29 March 1992	5,494	64,205	1,634	65,839
Representing:				
Investments at cost less amounts written off	1,496	63,855	1,634	65,489
Investments at Directors' valuation	—	350	—	350
Share of post acquisition retained profit	3,998	—	—	—
	5,494	64,205	1,634	65,839

On 1st October 1990 the Group acquired 100% of the issued share capital of Microtronics Inc. for a cash consideration of £397,651. During the year a further £106,532 was paid under the terms of the purchase agreement and was written off as goodwill (see also Note 23). In addition during the year the Group acquired 39.5% of the issued share capital of New Clinical Entities (Brainwaves) Limited for a consideration of £26,000 and the thin film business of Cryogenic Consultants Limited for £95,000. Goodwill in respect of these transactions amounted to £95,000.
To date approximately £50 million of goodwill has been written off other reserves and the profit and loss account.

16 Principal subsidiary undertakings

	Owned by the Company %	Owned by subsidiary companies %	Country of incorporation or registration and principal operations
Oxford Instruments (UK) Limited	100	—	England
Oxford Medical Limited	100	—	England
Oxford Analytical Instruments Limited	100	—	England
Oxford Plasma Technology Limited	100	—	England
Link Analytical Limited	100	—	England
Oxford (Holding) Inc	100	—	USA
Oxford Instruments North America Inc	—	100	USA
Oxford Superconducting Technology	—	100	USA
Oxford Medical Inc	—	100	USA
Oxford Analytical Inc	—	100	USA
PT Technology Inc	—	100	USA
Tennelec/Nucleus Inc	—	100	USA
X-Ray Technologies Inc	—	75	USA
Oxford Instruments GmbH	100	—	West Germany
Oxford Instruments SARL	—	100	France
Oxford Instruments BV	100	—	The Netherlands
Oxford Instruments Pty Limited	—	100	Australia
Oxford Instruments KK	100	—	Japan

With the exception of Oxford (Holding) Inc, which is a holding company, all the above undertakings are engaged in advanced instrumentation.

17 Stocks

	1992 £000	1991 £000
Raw materials and consumables	9,455	8,862
Work in progress	7,937	11,835
Finished goods and goods for resale	3,969	4,893
	21,361	25,590
Less payments on account	(1,190)	(1,022)
	20,171	24,568
Long term contracts comprising:		
Costs less foreseeable losses	4,191	1,884
Less progress payments receivable	—	(27)
	24,362	26,425

At 29 March 1992 work in progress included approximately £3.8 million in respect of synchrotron construction.

18 Debtors

	Group 1992 £000	Group 1991 £000	Company 1992 £000	Company 1991 £000
Amounts falling due within one year				
Trade debtors	23,582	27,839	—	—
Amounts recoverable on contracts	—	1,566	—	—
Amounts owed by subsidiary undertakings	—	—	24,068	18,431
Amounts owed by associated undertakings	661	1,165	—	—
Other debtors	1,657	1,389	595	696
Prepayments and accrued income	1,727	1,674	551	496
	27,627	33,633	25,214	19,623
Amounts falling due after more than one year				
Trade debtors	67	20	—	—
Advance corporation tax recoverable	327	45	321	297
	28,021	33,698	25,535	19,920

19 Cash at bank and in hand

	Group 1992 £000	Group 1991 £000	Company 1992 £000	Company 1991 £000
Deposits held at short call	13,648	8,998	13,648	8,998
Cash at bank and in hand	1,572	1,359	450	2,414
	15,220	10,357	14,098	11,412

20 Creditors: amounts falling due within one year

	Group 1992 £000	Group 1991 £000	Company 1992 £000	Company 1991 £000
Bank loans and overdrafts	10,893	10,973	12,005	10,432
Payments received on account	1,642	1,772	—	—
Trade creditors	9,669	10,736	78	157
Amounts owed to subsidiary undertakings	—	—	7,314	2,340
Amounts owed to associated undertakings	173	508	—	—
Corporation tax	932	3,620	—	—
Other taxes and social security	1,330	1,363	—	—
Other creditors	3,287	3,803	701	936
Accruals and deferred income	8,912	9,752	440	457
Proposed dividend	1,402	1,351	1,402	1,351
Other	27,347	32,905	9,935	5,241

21 Provisions for liabilities and charges

	Group £000	Company £000
Deferred tax		
At 31 March 1991	—	—
Credit for the year	(265)	(6)
Decrease in advance corporation tax recoverable	265	6
At 29 March 1992	—	—

	Group 1992 £000	Group 1991 £000	Company 1992 £000	Company 1991 £000
The amounts provided for deferred tax, which also represent the full potential liability, are set out below:				
Excess of capital allowances over corresponding depreciation	649	682	(18)	(8)
Other timing differences	(509)	(277)	165	161
Advance corporation tax recoverable	(140)	(405)	(147)	(153)
	—	—	—	—

22 Called up share capital

	1992 000 Shares	1992 £000	1991 000 Shares	1991 £000
Authorised				
Ordinary shares of 5p each	58,000	2,900	58,000	2,900
Allotted, called up and fully paid				
Ordinary shares of 5p each	48,307	2,415	48,234	2,412

	Number of shares	Aggregate nominal value	Consideration per share
New issues of ordinary shares of 5p each during the year			
Allocations under Share Participation Scheme	2,069	£103	£2.46
Exercise of Executive Share Options	55,194	£2,760	£1.82
Exercise of Savings Related Share Options	16,361	£818	£1.64 to £2.07

	Number of shares	Option price range	Period when exercisable
Options on ordinary shares of 5p each subsisting at the year end			
Executive Share Option Scheme	1,256,939	£1.82–£5.55	30.3.1992–2.12.2001
Savings Related Share Option Scheme	751,969	£1.64–£4.02	30.3.1992–1.8.1999

23 Reserves

	Share premium account £000	Group Profit and loss account £000
At 31 March 1991	13,724	28,459
Retained profit for the financial year	—	5,035
Premium on shares issued during the year	130	—
Goodwill written off (Note 15)	—	(202)
Movement on foreign currency borrowings	—	3
Other exchange adjustments	—	(1)
At 29 March 1992	13,854	33,294

	Share premium account £000	Other reserves £000	Company Profit and loss account £000
At 31 March 1991	13,724	7,593	57,193
Retained profit for the financial year	—	—	2,816
Premium on shares issued during the year	130	—	—
Exchange adjustments	—	—	6
At 29 March 1992	13,854	7,593	60,015

24 Movement in cash and cash equivalents

	1992 £000	1991 £000
The analysis of changes in cash and cash equivalents was:		
Balance brought forward	(616)	(1,128)
Increase (decrease) in cash and cash equivalents before adjusting for foreign exchange	5,076	(543)
Effects of foreign exchange movements	(133)	1,055
Balance carried forward	4,327	(616)
The closing net cash position was made up as follows:		
Cash at bank and in hand	15,220	10,357
Bank loans and overdrafts	(10,893)	(10,973)
	4,327	(616)

25 Contingent liabilities

	Group 1992 £000	Group 1991 £000	Company 1992 £000	Company 1991 £000
Guarantees in respect of subsidiary undertakings' indebtedness	—	—	454	926
Other bank guarantees and contingent liabilities	1,712	6,482	1,054	5,235
	1,712	6,482	1,508	6,161

Under the agreement to acquire Microtronics Inc further consideration not exceeding $1 million may be payable against the achievement of specific turnover targets over the two years ending on 30 September 1993.

No security has been given in respect of any contingent liability.

26 Other Commitments

		Group 1992 £000	Group 1991 £000	Company 1992 £000	Company 1991 £000
Capital commitments					
Contracted for but not provided		445	526	—	—
Authorised but not contracted for		58	80	—	—
Leasing commitments					
Annual commitments under operating leases expiring within:					
1 year	Land and buildings	213	118	—	—
	Other	29	7	—	—
2 to 5 years	Land and buildings	331	273	—	12
	Other	67	61	—	—
Thereafter	Land and buildings	744	869	—	—
	Other	—	—	—	—

	1992 000	1991 000
Financial commitments		
In accordance with the Group's policy of minimising currency exchange exposure contracts for the forward sale of the following amounts relating to net trading income had been entered into at the year end:		
US Dollar	$19,190	$20,055
Deutsche Mark	DM11,535	DM7,450
French Franc	FF17,250	FF14,000

Shareholder Information

Financial Calendar

Year end	Last Sunday in March	
Dividends		
Interim	Announced	early November
	Paid	end March
Final	Recommended	early June
	Paid	early October

Results		
Interim statement for first half	Announced	early November
Preliminary statement for full year	Announced	early June
Report and Accounts	Circulated	early July
Annual General Meeting	Held	end July

Registrars

Administrative enquiries concerning shareholdings in Oxford Instruments plc, such as the loss of a share certificate, dividend payments or a change of address should be directed, in the first instance, to the Registrar whose address is:

Barclays Registrars
PO Box 34
Octagon House
Gadbrook Park
Northwich
Cheshire CW9 7RD

Telephone (0606) 40440
Telex 667020
Fax (0606) 40067

Correspondence should refer to Oxford Instruments plc and state clearly the registered name and address of the shareholder.

Shareholder Enquiries

Shareholders who have questions relating to the Group's business or who wish to have additional copies of the Report and Accounts or Interim Statement should apply to:

Company Secretary
Oxford Instruments plc
Old Station Way
Eynsham, Witney
Oxon OX8 1TL

Telephone (0865) 881437
Fax (0865) 881944

Shareholders as at 29 March 1992

Size of shareholding	Number of holders	% of total	Total holding	% of total
Up to 5,000 shares	2892	89.3	1,974,470	4.1
5,001 to 50,000 shares	243	7.5	4,507,086	9.3
50,001 to 200,000 shares	56	1.7	6,144,783	12.7
Over 200,000 shares	49	1.5	35,681,034	73.9
	3,240	100.0	48,307,373	100.0

Notice of Annual General Meeting

Notice is hereby given that the twenty-eighth Annual General Meeting of Oxford Instruments plc will be held at 11.00 am on Thursday 30 July 1992 at the offices of Oxford Instruments plc, Old Station Way, Eynsham, Witney, Oxon OX8 1TL to transact the following business:

Ordinary Business

Directors' Report and Accounts–Resolution 1

1. To receive and adopt the Directors' Report and the Financial Statements for the year ended 29 March 1992 and the Report of the Auditors thereon.

Final Dividend–Resolution 2

2. To declare the final dividend for the year to 29 March 1992.

Re-election of Director–Resolution 3

3. To re-elect the following Director who retires by rotation, but being eligible, will be proposed for re-election:

M Lamaison

Re-appointment of Auditors–Resolution 4

4. To re-appoint KPMG Peat Marwick as Auditors to the Company for the period until the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Renewal of Directors' authority to allot shares–Resolution 5

5. To consider as an Ordinary Resolution that the Directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to allot, make offers or agreements to allot or grant the right to subscribe for or convert other securities into, relevant securities (as defined in the said Section 80) provided that:

(i) such authority shall be limited to an aggregate nominal amount of £805,123;

(ii) such authority shall expire at the sooner of the close of the following Annual General Meeting or the expiry of fifteen months from the date of the passing of the Resolution; and

(iii) the Company may before such expiry make such an offer or agreement which would, or might, require relevant securities to be allotted after that expiry.

Partial disapplication of statutory pre-emption rights–Resolution 6

6. To consider as a Special Resolution that the Directors be empowered pursuant to Section 95 of the Companies Act 1985 ("the Act") to exercise their power to allot equity securities (as defined in Section 94 of the Act) as if, in the following cases, sub-section 89 (1) of the Act did not apply:

(i) to the allotment of equity securities whereby there will be an offer of all such securities, whether made by the Company or some other person, open for acceptance for a period fixed or approved by the Directors, to holders of Ordinary Shares on the Register on a fixed record date in proportion to their then holdings of such shares (but subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or overseas shareholders); and

(ii) to the allotment of equity securities up to an aggregate nominal amount of £120,768

but provided in both cases

(a) that the power shall expire at the sooner of the close of the following Annual General Meeting and the expiry of fifteen months following the date of passing of the Resolution; and

(b) that the Company may before such expiry make an offer or agreement thereunder which would or might require equity securities to be allotted after its expiry.

Authority to Purchase in the Stock Market up to 5% of the Company's issued share capital–Resolution 7

7. To consider as a Special Resolution that pursuant to Article 5 of the Articles of Association of the Company and subject to the provisions of the Companies Act 1985 ("the Act") the Company be generally and unconditionally authorised to purchase by market purchase (as defined by Section 163 of the Act) up to 2,415,369 ordinary shares of 5p each in its own capital subject to the following:

(i) the purchase price for any shares so purchased shall not exceed a sum equal to 105% of the average of the middle market quotation for the ten business days preceding the day of purchase (as derived from the London Stock Exchange Daily Official List) and shall not be less than the nominal value of the shares;

(ii) the authority shall expire on the earlier of the close of the next Annual General Meeting or the expiry of fifteen months from the date of the passing of the Resolution;

(iii) the Company may make a contract for purchase which would, or might, be executed wholly or partly after the expiry of the authority;

(iv) any shares purchased pursuant to the authority may be selected by the Directors in any manner as they from time to time deem appropriate.

Special Business

Amendments to Employee Share Schemes–Resolution 8

8. To consider as an Ordinary Resolution that the Directors be authorised to make such amendments (subject to the consent of the Board of Inland Revenue) to the rules of:

(i) the Executive Share Option Scheme (introduced by authority of an Ordinary Resolution of the Company passed on 9 August 1985);

(ii) the Savings Related Share Option Scheme (introduced by authority of an Ordinary Resolution of the Company passed on 28 October 1985); and

(iii) the Share Participation Scheme (introduced by authority of a Special Resolution of the Company passed on 21 October 1980) and the Trust Deed governing the same (as subsequently amended) dated 24 May 1991

as will provide that the same terms and conditions apply to men and women and so that where one class is at present more favourably treated than the other the more favourable treatment shall be applied to both.

By Order of the Board
M Lamaison
Company Secretary
6 July 1992

Notes

1. Copies of the service contracts between the Company and P M Williams, M Lamaison and J M Woodgate respectively will be available for inspection at the registered office of the Company on any weekday, except Saturdays and Public Holidays, during normal business hours and at the place of the meeting, for a period of at least fifteen minutes prior to, and during, the Annual General Meeting.

2. The register of Directors' shareholdings and transactions will also be available for inspection at the commencement of and during the Annual General Meeting.

3. A Member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote, instead of him. A proxy need not be a member of the Company. To be effective a form of proxy must be lodged with the Company's Registrar at the address shown on page 33 no later than forty-eight hours before the time fixed for the meeting.

Ten Year Record

	1983 £000	1984 £000	1985 £000	1986 £000	1987 £000	1988 £000	1989 £000	1990 £000	1991 £000	1992 £000
Profit and loss account										
Turnover	26,153	44,025	59,130	75,914	99,987	89,142	101,128	103,448	108,458	103,333
Profit before exceptional items	2,712	6,144	9,164	17,219	19,651	11,521	14,307	15,537	12,782	8,556
Profit on ordinary activities before tax	2,712	6,144	9,164	17,219	19,651	11,193	11,272	19,851	12,065	8,556
Earnings attributable to shareholders	1,854	3,790	5,432	10,204	12,917	7,159	7,235	12,921	8,086	7,111
Balance Sheet										
Fixed assets	4,726	10,257	13,845	16,809	17,446	18,173	17,081	16,134	18,053	20,200
Net current assets	4,725	15,412	17,395	24,075	40,776	42,965	46,920	23,666	26,602	29,363
Creditors: falling due after more than one year and provisions	(1,396)	(2,739)	(2,651)	(3,271)	(3,910)	(4,448)	(1,468)	(178)	(60)	—
Net assets employed	8,055	22,930	28,589	37,613	54,312	56,690	62,533	39,622	44,595	49,563
Minority interests	(125)	—	—	—	(13)	(14)	(16)	(10)	—	—
Shareholders' funds	7,930	22,930	28,589	37,613	54,299	56,676	62,517	39,612	44,595	49,563

	p	p	p	p	p	p	p	p	p	p
Per ordinary share										
Earnings including exceptional items	4.8	9.1	12.2	22.9	27.4	14.9	15.0	26.8	16.8	14.7
excluding exceptional items	4.8	9.1	12.2	22.9	27.4	15.3	19.1	21.0	17.8	14.7
Dividends	1.0	1.0	1.2	1.8	2.4	2.7	3.2	3.9	4.15	4.3
Net assets attributable to shareholders	20.3	51.7	64.4	84.5	113.2	117.6	129.7	82.2	92.5	102.7