

Company Registration No. 00964834 (England and Wales)

**OXLEY GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**



# OXLEY GROUP LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mrs J A Kelly Mr M E Sloan Mrs M Madrona Mr D M Cavan Mr P G W Bedwin
<b>Company number</b>	00964834
<b>Registered office</b>	Priory Park Ulverston Cumbria LA12 9QG
<b>Auditor</b>	Azets Audit Services Fleet House New Road Lancaster LA1 1EZ

---

# OXLEY GROUP LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 32

---

# OXLEY GROUP LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

---

The directors present the strategic report for the year ended 30 September 2020.

#### **Fair review of the business**

The Group continues to focus on designing and manufacturing innovative and state of the art technology, recognising the increasing complexity of the products and services required by our customers. The key aim of the Group is to build a resilient, agile business with increased profitability.

The approval of the US Defence budget in 2020 released funds into the market. Positive signs of recovery in the markets have been experienced by Oxley Group with increased levels of enquiries. Oxley Group has reported a post-tax profit of £1,416,170 which is higher than last year (2019: £1,197,058) due to the increased turnover, improved Gross Margins partially offset by the recruitment of additional resources in Design & Development to support future growth. Oxley Developments Company has engaged in a Government funded Regional Growth Program, Sharing in Growth providing funding for training and process improvements across the business. Over the next two years, this program will enhance product line profitability in the UK and overall Oxley Group product margins. This program is delivering tangible positive results to the business.

The Group's view is that 2021 looks set to maintain the 2020 level of revenue, as defence spending is maintained. Commercial opportunities are expected to be delayed due to market conditions in the commercial aerospace sector which has been heavily affected by the COVID-19 pandemic. The Middle East and South East Asia have growing Defence and Aerospace markets and strategic sales opportunities have been developed either directly or through in-country representatives. Operating profits are anticipated to stabilise within the Group. Investment in resources and capital equipment are planned to support the long-term growth strategy.

#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the business relate to changes in government defence spending policies in key markets, including the USA. The Group has a broad customer base across many countries throughout the world that provides a degree of protection against this risk.

Significant investment in technological developments are generating firm orders and volume production from an expanding global customer base.

The Group is planning to make further progress selling variants of established and new product lines particularly into aerospace applications and military land vehicles. Growth in these sectors is forecast to increase over the coming decade.

The impact of Brexit has been considered by the Directors; given the nature of the products supplied and the long-term nature of contracts with key customers in the European Union, the impact on Oxley Group is anticipated to be limited.

The Covid-19 pandemic is affecting all businesses and individuals across the globe. Oxley's customers and suppliers have been largely unaffected so far as they operate and support the Defence & Aerospace Sector which is categorised as essential manufacturing. As a result, Oxley employees are designated as key workers. All necessary health and safety steps have been taken with staff working from home where possible and via the implementation of strict distancing and other protective protocols. In terms of financial support, Oxley Inc. in the US has taken advantage of support from the US Government in the Paycheck Protection Program whereby the government provides loans of 2.5 multiples of payroll and running costs of the business. Most, if not all of the loan will be forgiven if the funds are used for approved purposes. Meanwhile Oxley Developments Company has received support from the UK government by deferring the payment of taxes and it has access to the other support schemes available which it will use if needed. Additional financial modelling has been performed for a range of different scenarios which demonstrates that the business is still viable.

# OXLEY GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**



---

### Key performance indicators

The directors monitor key performance indicators at a group and company level to review the development, performance or position of the business. These include:

- Sales growth
- Gross margin
- Operating profit
- Cash balance position
- Head count evolution

On behalf of the board

  
Mrs J A Kelly  
Director  


# OXLEY GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

---

The directors present their annual report and financial statements for the year ended 30 September 2020.

#### Principal activities

The principal activity of the company and group continued to be that of the design, development and manufacture of components, systems and technologies for the electronics and avionic industries. Oxley Group Limited acts as a holding company for Oxley Developments Company Limited and Oxley Inc.

#### Directors

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

Mrs J A Kelly  
Mr M E Sloan  
Mrs M Madrona  
Mr D M Cavan  
Mr P G W Bedwin

#### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### Research and development

The directors recognise that to retain the Groups's competitive advantage in the industries that it operates, investment in research and development is essential. Equipment and people in the Group's design and development team is one of the key areas benefitting from the continued investment in the business.

#### Auditor

The auditor, Azets Audit Services (previously trading as Baldwins Audit Services), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# OXLEY GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

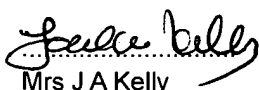
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mrs J A Kelly

Director

Date: 12/02/21

# OXLEY GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF OXLEY GROUP LIMITED

---

#### Opinion

We have audited the financial statements of Oxley Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# OXLEY GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OXLEY GROUP LIMITED

---

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **OXLEY GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OXLEY GROUP LIMITED**

---

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

**Susanna Cassey (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Chartered Accountants**

**23 February 2021**  
.....

**Statutory Auditor**

**Fleet House  
New Road  
Lancaster  
LA1 1EZ**

# OXLEY GROUP LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	19,182,038	17,809,755
Cost of sales		(9,788,921)	(10,000,357)
<b>Gross profit</b>		9,393,117	7,809,398
Distribution costs		(687,240)	(641,567)
Administrative expenses		(6,784,150)	(5,607,373)
Other operating income		189,534	92,394
Exceptional item	<b>4</b>	(185,028)	(207,479)
<b>Operating profit</b>	<b>5</b>	1,926,233	1,445,373
Interest receivable and similar income		-	73
Interest payable and similar expenses	<b>9</b>	(99,227)	(101,663)
<b>Profit before taxation</b>		1,827,006	1,343,783
Tax on profit	<b>10</b>	(410,836)	(146,725)
<b>Profit for the financial year</b>		1,416,170	1,197,058
<b>Other comprehensive income</b>			
Currency translation differences		(115,709)	165,597
<b>Total comprehensive income for the year</b>		1,300,461	1,362,655

Total comprehensive income for the year is all attributable to the owners of the parent company.

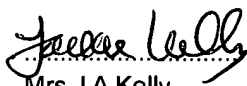
# OXLEY GROUP LIMITED


## GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020		2019 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		1,375,142		1,541,315
Tangible assets	12		1,738,243		1,764,553
			<u>3,113,385</u>		<u>3,305,868</u>
<b>Current assets</b>					
Stocks	15	5,947,387		6,226,251	
Debtors	16	4,423,906		3,814,710	
Cash at bank and in hand		3,607,067		2,416,376	
		<u>13,978,360</u>		<u>12,457,337</u>	
<b>Creditors: amounts falling due within one year</b>	17	(3,337,651)		(5,096,641)	
<b>Net current assets</b>			<u>10,640,709</u>		<u>7,360,696</u>
<b>Total assets less current liabilities</b>			<u>13,754,094</u>		<u>10,666,564</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(2,754,330)		(1,269,798)
<b>Provisions for liabilities</b>	19		(302,537)		-
<b>Net assets</b>			<u><u>10,697,227</u></u>		<u><u>9,396,766</u></u>
<b>Capital and reserves</b>					
Called up share capital	21	5,031,848		5,031,848	
Share premium account		2,624,530		2,624,530	
Capital redemption reserve		228,332		228,332	
Other reserves		5,551		5,551	
Profit and loss reserves		2,806,966		1,506,505	
<b>Total equity</b>			<u><u>10,697,227</u></u>		<u><u>9,396,766</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12/02/21 and are signed on its behalf by:

  
Mrs J A Kelly  
Director

  
Mr D M Cavan  
Director

# OXLEY GROUP LIMITED


## COMPANY BALANCE SHEET


AS AT 30 SEPTEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	13		3,050,156		3,050,156
<b>Current assets</b>					
Debtors	16	3,898,273		4,334,860	
Cash at bank and in hand		859,169		559,918	
		<u>4,757,442</u>		<u>4,894,778</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(348,727)</u>		<u>(2,072,948)</u>	
<b>Net current assets</b>			4,408,715		2,821,830
<b>Total assets less current liabilities</b>			7,458,871		5,871,986
<b>Creditors: amounts falling due after more than one year</b>	18		(2,595,000)		(1,000,000)
<b>Net assets</b>			<u>4,863,871</u>		<u>4,871,986</u>
<b>Capital and reserves</b>					
Called up share capital	21		5,031,848		5,031,848
Share premium account			2,624,530		2,624,530
Other reserves			5,551		5,551
Profit and loss reserves			<u>(2,798,058)</u>		<u>(2,789,943)</u>
<b>Total equity</b>			<u>4,863,871</u>		<u>4,871,986</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £8,115 (2019 - £125,565 loss).

The financial statements were approved by the board of directors and authorised for issue on 12/10/21 and are signed on its behalf by:

  
Mrs J A Kelly  
Director

  
Mr D M Cavan  
Director

Company Registration No. 00964834

# OXLEY GROUP LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
<b>As restated for the period ended 30 September 2019:</b>						
<b>Balance at 1 October 2018</b>	5,031,848	2,124,530	228,332	5,551	163,655	7,553,916
Reclassification of related party balance to share premium	-	500,000	-	-	(19,805)	480,195
<b>As restated</b>	5,031,848	2,624,530	228,332	5,551	143,850	8,034,111
<b>Year ended 30 September 2019:</b>						
Profit for the year	-	-	-	-	1,197,058	1,197,058
Other comprehensive income:						
Currency translation differences	-	-	-	-	165,597	165,597
Total comprehensive income for the year	-	-	-	-	1,362,655	1,362,655
<b>Balance at 30 September 2019</b>	5,031,848	2,624,530	228,332	5,551	1,506,505	9,396,766
<b>Year ended 30 September 2020:</b>						
Profit for the year	-	-	-	-	1,416,170	1,416,170
Other comprehensive income:						
Currency translation differences	-	-	-	-	(115,709)	(115,709)
Total comprehensive income for the year	-	-	-	-	1,300,461	1,300,461
<b>Balance at 30 September 2020</b>	5,031,848	2,624,530	228,332	5,551	2,806,966	10,697,227

# OXLEY GROUP LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
<b>As restated for the period ended 30 September 2019:</b>					
<b>Balance at 1 October 2018</b>	5,031,848	2,124,530	5,551	(2,644,573)	4,517,356
Reclassification of related party balance to share premium	-	500,000	-	(19,805)	480,195
<b>As restated</b>	<u>5,031,848</u>	<u>2,624,530</u>	<u>5,551</u>	<u>(2,664,378)</u>	<u>4,997,551</u>
<b>Year ended 30 September 2019:</b>					
Loss and total comprehensive income for the year	-	-	-	(125,565)	(125,565)
<b>Balance at 30 September 2019</b>	<u>5,031,848</u>	<u>2,624,530</u>	<u>5,551</u>	<u>(2,789,943)</u>	<u>4,871,986</u>
<b>Year ended 30 September 2020:</b>					
Loss and total comprehensive income for the year	-	-	-	(8,115)	(8,115)
<b>Balance at 30 September 2020</b>	<u><u>5,031,848</u></u>	<u><u>2,624,530</u></u>	<u><u>5,551</u></u>	<u><u>(2,798,058)</u></u>	<u><u>4,863,871</u></u>

# OXLEY GROUP LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	1,501,317		1,101,957	
Interest paid		(99,227)		(101,663)	
Income taxes refunded		146,753		163,183	
<b>Net cash inflow from operating activities</b>		<b>1,548,843</b>		<b>1,163,477</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(80,199)		(9,869)	
Purchase of tangible fixed assets		(450,936)		(376,156)	
Interest received		-		73	
<b>Net cash used in investing activities</b>		<b>(531,135)</b>		<b>(385,952)</b>	
<b>Financing activities</b>					
Movement in borrowings		148,850		(170,000)	
Payment of finance leases obligations		-		(11,032)	
<b>Net cash generated from/(used in) financing activities</b>		<b>148,850</b>		<b>(181,032)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>1,166,558</b>		<b>596,493</b>	
Cash and cash equivalents at beginning of year		2,416,376		1,682,243	
Effect of foreign exchange rates		(67,533)		137,640	
<b>Cash and cash equivalents at end of year</b>		<b>3,515,401</b>		<b>2,416,376</b>	
<b>Relating to:</b>					
Cash at bank and in hand		3,607,067		2,416,376	
Bank overdrafts included in creditors payable within one year		(91,666)		-	



# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

---

### 1 Accounting policies

#### Company information

Oxley Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Priory Park, Ulverston, Cumbria, LA12 9QG.

The Group consists of Oxley Group Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

---

#### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Oxley Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

The Directors have prepared a three year business plan for the Group based on the remaining facilities which show that they expect the Group to be profitable over this period and remain within its existing facilities.

The Group Board has reasonable expectation of the continuing viability of the group during this Covid-19 health crisis. Customers are keen to receive and in some cases expedite deliveries and suppliers are delivering in most cases as normal, resulting from the fact that they all operate and support the Defence & Aerospace Sector which is key to all governments' military requirements.

The Directors originally prepared a three year business plan based on the remaining facilities which showed that they expect the group to be profitable over this period and remain within its facilities. Since the Covid-19 pandemic, additional financial modelling has been performed for the group, for a range of different scenarios, to establish the scope of the stresses that could impact the business and this has shown that the business is still viable. Government backed loans are available and have been taken up in the US, whilst the UK company has received support from the government by deferring the payment of taxes and it has access to the other support schemes available which it will use if needed.

Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	10 years straight line
-------------------	------------------------

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20 years straight line
Plant and equipment	5 years straight line
Fixtures and fittings	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

---

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

---

#### 1 Accounting policies

(Continued)

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

---

#### 1 Accounting policies

(Continued)

##### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

###### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

###### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### 1.18 Government grants

Government grants are recognised at the fair value of the asset received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 1 Accounting policies

(Continued)

##### 1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Directors consider the key judgements and uncertainties relevant to the Financial Statements to be in respect to the carrying value of stock, debtors and intangible assets. The Directors apply their experience and knowledge of the industry to determine whether the carrying values and where relevant, useful economic lives, are appropriate, and make provisions to reduce the carrying value where necessary.

#### 3 Turnover and other revenue

	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	-	73
Grants received	89,983	19,985
Research & development tax credits	74,217	59,208
Other scrap sales	9,701	12,851
	<u>          </u>	<u>          </u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	3,673,395	3,247,775
Rest of European Union	3,949,622	3,906,860
Rest of world	11,559,021	10,655,120
	<u>          </u>	<u>          </u>
	19,182,038	17,809,755
	<u>          </u>	<u>          </u>

Grants received this year relate to government job retention scheme grants for furloughed staff.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

4	Exceptional costs/(income)	2020 £	2019 £
	Redundancy costs	185,028	-
	Restructuring costs	-	207,479
		<u>          </u>	<u>          </u>

The exceptional items are in relation to redundancy costs incurred in the year.

5	Operating profit	2020 £	2019 £
	Operating profit for the year is stated after charging/(crediting):		
	Exchange losses/(gains)	90,582	(117,137)
	Research and development costs	790,524	705,505
	Depreciation of owned tangible fixed assets	463,829	409,636
	Depreciation of tangible fixed assets held under finance leases	-	7,602
	Amortisation of intangible assets	211,613	147,839
	Operating lease charges	45,503	44,121
		<u>          </u>	<u>          </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £90,582 (2019: £117,137).

6	Auditor's remuneration	2020 £	2019 £
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	9,250	8,950
	Audit of the financial statements of the company's subsidiaries	36,075	35,100
		<u>          </u>	<u>          </u>
		45,325	44,050
		<u>          </u>	<u>          </u>

## 7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Office and Management	49	46	3	3
Manufacturing	153	147	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	202	193	3	3
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 7 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	6,500,433	6,024,478	284,031	328,409
Social security costs	832,840	688,888	31,784	35,513
Pension costs	265,603	248,012	15,643	16,193
	<u>7,598,876</u>	<u>6,961,378</u>	<u>331,458</u>	<u>380,115</u>

### 8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	613,049	647,066
Company pension contributions to defined contribution schemes	36,675	34,205
	<u>649,724</u>	<u>681,271</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	198,028	193,418
Company pension contributions to defined contribution schemes	15,208	14,332
	<u>213,236</u>	<u>207,750</u>

### 9 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	12,322	8,760
Interest payable to group undertakings	84,957	92,608
Other interest on financial liabilities	1,948	-
Interest on finance leases and hire purchase contracts	-	295
	<u>99,227</u>	<u>101,663</u>
Total finance costs	<u>99,227</u>	<u>101,663</u>

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 10 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	(114,514)
Adjustments in respect of prior periods	(5,331)	-
Total UK current tax	(5,331)	(114,514)
Foreign current tax on profits for the current period	57,794	15,926
Total current tax	52,463	(98,588)
<b>Deferred tax</b>		
Origination and reversal of timing differences	358,373	245,313
Total tax charge	410,836	146,725

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,827,006	1,343,783
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	347,131	255,319
Tax effect of expenses that are not deductible in determining taxable profit	9,298	14,449
Tax effect of utilisation of tax losses not previously recognised	(58,611)	173,314
Unutilised tax losses carried forward	65,129	(8,516)
Losses on discontinued operations not recognised	1,000	-
Permanent capital allowances in excess of depreciation	-	(944)
Depreciation on assets not qualifying for tax allowances	8,696	-
Amortisation on assets not qualifying for tax allowances	19,000	19,000
Research and development tax credit	(244,646)	(403,279)
Other non-reversing timing differences	(476)	(423)
Other permanent differences	-	(3)
Effect of overseas tax rates	(146,521)	(163,431)
Under/(over) provided in prior years	(5,331)	-
Foreign current tax on profits for the current period	57,794	15,926
Deferred tax asset in respect of losses not previously recognised	-	245,313
Deferred tax adjustments in respect of timing differences	358,373	-
Taxation charge	410,836	146,725

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 11 Intangible fixed assets

Group	Development costs £
<b>Cost</b>	
At 1 October 2019	2,108,999
Additions	80,199
Exchange adjustments	(38,818)
At 30 September 2020	2,150,380
<b>Amortisation and impairment</b>	
At 1 October 2019	567,684
Amortisation charged for the year	211,613
Exchange adjustments	(4,059)
At 30 September 2020	775,238
<b>Carrying amount</b>	
At 30 September 2020	1,375,142
At 30 September 2019	1,541,315

The company had no intangible fixed assets at 30 September 2020 or 30 September 2019.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 12 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 October 2019	1,002,657	5,712,328	1,868,471	8,583,456
Additions	181,485	223,343	46,108	450,936
Disposals	-	(44,947)	-	(44,947)
Exchange adjustments	(12,861)	(33,827)	(30,424)	(77,112)
At 30 September 2020	1,171,281	5,856,897	1,884,155	8,912,333
<b>Depreciation and impairment</b>				
At 1 October 2019	293,357	4,923,956	1,601,590	6,818,903
Depreciation charged in the year	50,824	269,948	143,057	463,829
Eliminated in respect of disposals	-	(44,947)	-	(44,947)
Exchange adjustments	(10,642)	(24,542)	(28,511)	(63,695)
At 30 September 2020	333,539	5,124,415	1,716,136	7,174,090
<b>Carrying amount</b>				
At 30 September 2020	837,742	732,482	168,019	1,738,243
At 30 September 2019	709,300	788,372	266,881	1,764,553

The company had no tangible fixed assets at 30 September 2020 or 30 September 2019.

The carrying value of leasehold improvements comprises:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Short leasehold	837,742	709,300	-	-

### 13 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	14	-	-	3,050,156	3,050,156

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 October 2019 and 30 September 2020

11,044,548

#### Impairment

At 1 October 2019 and 30 September 2020

7,994,392

#### Carrying amount

At 30 September 2020

3,050,156

At 30 September 2019

3,050,156

### 14 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Arun Systems Limited	United Kingdom	Dormant	Ordinary	100.00
Beck Electronics Limited	United Kingdom	Dormant	Ordinary	100.00
Oxley Avionics Limited	United Kingdom	Dormant	Ordinary	100.00
Oxley Developments Company Limited	United Kingdom	Design and development of electronic technology	Ordinary	100.00
Oxley Incorporated	United States	Design and development of electronic technology	Ordinary	100.00
Oxley Systems Limited	United Kingdom	Dormant	Ordinary	100.00

### 15 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	2,167,021	2,370,204	-	-
Work in progress	2,384,705	2,517,620	-	-
Finished goods and goods for resale	1,395,661	1,338,427	-	-
	<u>5,947,387</u>	<u>6,226,251</u>	<u>-</u>	<u>-</u>

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 16 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	3,603,187	2,527,755	-	-
Corporation tax recoverable	108,483	310,378	-	-
Amounts owed by group undertakings	-	-	3,898,273	4,334,860
Other debtors	172,189	385,847	-	-
Prepayments and accrued income	540,047	537,573	-	-
	<u>4,423,906</u>	<u>3,761,553</u>	<u>3,898,273</u>	<u>4,334,860</u>
<b>Amounts falling due after more than one year:</b>				
Deferred tax asset (note 19)	-	53,157	-	-
	<u>-</u>	<u>53,157</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>4,423,906</u>	<u>3,814,710</u>	<u>3,898,273</u>	<u>4,334,860</u>

Included within prepayments and accrued income is £319,770 (2019 - £319,750) of amounts due from customers for contract work as an asset.

### 17 Creditors: amounts falling due within one year

	Group 2020	2019	Company 2020	2019
Notes	£	£	£	£
Bank loans and overdrafts	91,666	-	-	-
Other borrowings	333,850	1,780,000	5,778	1,780,000
Trade creditors	1,099,492	1,742,683	-	-
Other taxation and social security	215,665	98,408	24,268	9,697
Other creditors	359,272	295,710	3,116	12,919
Accruals and deferred income	1,237,706	1,179,840	315,565	270,332
	<u>3,337,651</u>	<u>5,096,641</u>	<u>348,727</u>	<u>2,072,948</u>

### 18 Creditors: amounts falling due after more than one year

	Group 2020	2019	Company 2020	2019
Notes	£	£	£	£
Other borrowings	2,595,000	1,000,000	2,595,000	1,000,000
Other creditors	159,330	269,798	-	-
	<u>2,754,330</u>	<u>1,269,798</u>	<u>2,595,000</u>	<u>1,000,000</u>

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
<b>Group</b>				
Accelerated capital allowances	302,537	-	-	-
Tax losses	-	-	-	53,157
	<u>302,537</u>	<u>-</u>	<u>-</u>	<u>53,157</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
<b>Movements in the year:</b>		
Asset at 1 October 2019	(53,157)	-
Charge to profit or loss	358,373	-
Credit to other comprehensive income	(2,679)	-
	<u>302,537</u>	<u>-</u>
Liability at 30 September 2020		

The deferred tax liability of £302,537 relates to timing differences (2019: asset of £53,157 relates to tax losses) in Oxley Inc and is not in relation to UK operations where no tax asset has been recognised.

### 20 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	265,603	248,012

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 21 Share capital

	Group and company	
	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
3,488,747 'A' Ordinary Shares of 1p each	34,887	34,887
3,351,900 Ordinary Shares of 1p each	33,519	33,519
169,726,800 Deferred Shares of 1p each	1,697,268	1,697,268
3,200,505 'B' Ordinary Shares of £1 each	3,200,505	3,200,505
6,566,900 'C' Ordinary Shares of 1p each	65,669	65,669
	<u>5,031,848</u>	<u>5,031,848</u>

Deferred shares have a right to £0.01 (for all deferred shares) for each £100,000,000 of dividends distributed. On a winding up or return of capital, all deferred shares carry an aggregate value of £0.01 for each £100,000,000 of capital to be returned. The company has the right to buy back all deferred shares for £1.00 at any time. Deferred shares carry no voting rights.

Ordinary shares and 'A' Ordinary shares carry the same right to dividends once any preference dividends due has been paid. On a winding up, Ordinary shares and 'A' Ordinary shares carry the same rights. 'A' Ordinary shares and Ordinary shares carry equal voting rights. Ordinary 'B' and 'C' shares have no rights of control.

#### 22 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	224,687	240,958	-	-
Between two and five years	159,391	337,094	-	-
	<u>384,078</u>	<u>578,052</u>	<u>-</u>	<u>-</u>

#### 23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Acquisition of tangible fixed assets	-	94,432	-	-
	<u>-</u>	<u>94,432</u>	<u>-</u>	<u>-</u>



# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

---

### 24 Events after the reporting date

For the reasons already outlined in the strategic report and going concern accounting policy, the continuing worldwide coronavirus pandemic in 2020 and 2021 is considered to be a non-adjusting event.

### 25 Related party transactions

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Rental expenses	
	2020	2019
	£	£
<b>Group</b>		
Other related parties	105,400	105,400
	<u>105,400</u>	<u>105,400</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020	2019
	£	£
<b>Group</b>		
Entities with control, joint control or significant influence over the group	2,600,778	2,780,000
	<u>2,600,778</u>	<u>2,780,000</u>

#### Other information

The company has taken advantage of the exemption contained in Section 33 of Financial Reporting Standard 102 'Related Party Disclosures' from disclosing transactions entered into between two or more members of a group, where the entity is wholly owned and included within the consolidated financial statements that are publicly available.

### 26 Controlling party

The company is controlled by Oxley International Inc, a company incorporated in Panama. In the opinion of the Directors this is the company's ultimate party company.

Consolidated financial statements are not prepared by Oxley International Inc and therefore these financial statements are the consolidated financial statements of the smallest and largest group of which the company is a member.

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 27 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,416,170	1,197,058
<b>Adjustments for:</b>		
Taxation charged	410,836	146,725
Finance costs	99,227	101,663
Investment income	-	(73)
Amortisation and impairment of intangible assets	211,613	147,839
Depreciation and impairment of tangible fixed assets	463,829	417,238
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	278,864	(894,500)
Increase in debtors	(864,248)	(146,528)
(Decrease)/increase in creditors	(514,974)	132,535
<b>Cash generated from operations</b>	<b>1,501,317</b>	<b>1,101,957</b>

### 28 Analysis of changes in net funds/(debt) - group

	1 October 2019 £	Cash flows £	Exchange rate movements £	30 September 2020 £
Cash at bank and in hand	2,416,376	1,258,224	(67,533)	3,607,067
Bank overdrafts	-	(91,666)	-	(91,666)
	2,416,376	1,166,558	(67,533)	3,515,401
Borrowings excluding overdrafts	(2,780,000)	(148,850)	-	(2,928,850)
	(363,624)	1,017,708	(67,533)	586,551

### 29 Prior period adjustment

#### Reconciliation of changes in equity - group

	1 October 2018 £	30 September 2019 £
<b>Adjustments to prior year</b>		
Representation from amount owed to other related party to share premium	480,195	480,195
Equity as previously reported	7,553,916	8,916,571
<b>Equity as adjusted</b>	<b>8,034,111</b>	<b>9,396,766</b>

# OXLEY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

<b>29</b>	<b>Prior period adjustment</b>	<b>(Continued)</b>	
	<b>Reconciliation of changes in profit for the previous financial period</b>		<b>2019</b>
			<b>£</b>
	<b>Adjustments to prior year</b>		
	Total adjustments		-
	Profit as previously reported		1,197,058
	Profit as adjusted		<u>1,197,058</u>
	<b>Reconciliation of changes in equity - company</b>		
		<b>1 October 2018</b>	<b>30 September 2019</b>
		<b>£</b>	<b>£</b>
	<b>Adjustments to prior year</b>		
	Representation of creditor	480,195	480,195
	Equity as previously reported	<u>4,517,356</u>	<u>4,391,791</u>
	Equity as adjusted	<u>4,997,551</u>	<u>4,871,986</u>
	<b>Reconciliation of changes in loss for the previous financial period</b>		<b>2019</b>
			<b>£</b>
	<b>Adjustments to prior year</b>		
	Total adjustments		-
	Loss as previously reported		(125,565)
	Loss as adjusted		<u>(125,565)</u>
	<b>Notes to reconciliation</b>		

During the year it was agreed that part of a balance owed to a related party should have been presented as share premium since the balance was first created. This prior year adjustment is to make the appropriate adjustments to creditors and share premium.