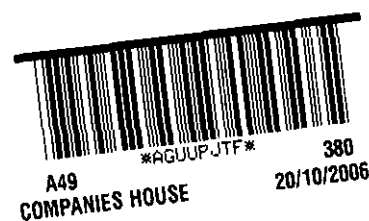


**PANALYTICAL (UK) LIMITED  
FINANCIAL STATEMENTS  
FOR  
31 DECEMBER 2005**



**THE KINNAIRD PARTNERSHIP**  
Chartered Accountants & Registered Auditors  
Anglia House  
285 Milton Road  
Cambridge  
CB4 1XQ

**PANALYTICAL (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

<b>CONTENTS</b>	<b>PAGE</b>
The directors' report	1
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	18
Notes to the detailed profit and loss account	19

# **PANALYTICAL (UK) LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2005**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2005.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is the marketing, sale and support of x-ray analytical equipment in the UK and Ireland.

The profit for the year after taxation amounted to £161,348 (2004 - £110,005). PANalytical Ltd is wholly owned by Spectris plc, the ultimate parent company.

Our continued development of highly regarded technologically advanced products combined with our unrivalled dedication to customer care, will sustain our position as the UK's preferred supplier of X-ray analysis equipment.

Research and development is conducted on behalf of our controlling party, PANalytical BV.

### **RESULTS AND DIVIDENDS**

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial risk management objectives and policies

The company is a wholly owned subsidiary of Spectris plc, its management of financial risks are controlled at group level. The group's financial risk management objectives and policies are fully disclosed in the accounts of Spectris plc.

### **RESEARCH AND DEVELOPMENT**

The company undertakes long term research concentrating on future opportunities in the field of expertise and core competences of the PANalytical Group worldwide. Activities include innovations associated with X-ray scattering equipment, the physics thereof and the applicability to solving problems.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors who served the company during the year were as follows:

G E J Eggermont  
Dr R J Nicholls  
R J Stephens  
J J Van Rijn  
J C Webster

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

# PANALYTICAL (UK) LIMITED

## THE DIRECTORS' REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2005

#### DIRECTORS AND DIRECTORS' INTERESTS - *continued*

The interests of Mr R J Stephens in the share capital of Spectris plc are set out below:

	Ordinary shares of 5p nominal value	Executive options	Savings related options
As at 1 January 2005	39,463	176,147	1,969
As at 31 December 2005	30,063	227,857	1,969

#### Share options

Directors	No. of options at 01.01.05	Options Granted	Exercised	No. of options at 31.12.05	Exercise Price	Market price at date of exercise	Date from which exercise- able	Expiry Date
RJ Stephens	10,259	-	-	10,259	618.9p	-	Oct-00	Oct-07
	4,924	-	-	4,924	550.7p	-	Mar-01	Mar-08
	10,259	-	10,259	-	321.7p	586.1757p	Mar-02	Mar-09
	19,485	-	-	19,485	513.18p	-	Mar-03	Mar-10
	12,220	-	-	12,220	498.5p	-	Mar-04	Mar-11
	40,000	-	-	40,000	279p	-	Mar-06	Mar-13
	28,000	-	-	28,000	468.5p	-	Sep-06	Sep-13
	26,000	-	-	26,000	462p	-	Mar-07	Mar-14
	25,000	-	-	25,000	406.25p	-	Oct-07	Oct-14
	-	60,000	-	60,000	589p	-	Sep-08	Sep-15
	176,147	60,000	10,259	225,888				
SAYE	1,969	-	-	1,969	468.5p	-	Dec-06	Jun-07
	<b>178,116</b>	<b>60,000</b>	<b>10,259</b>	<b>227,857</b>				

None of the directors had any interest directly or indirectly in the shares of subsidiary undertakings of Spectris plc.

Entitlement to exercise options granted under the Spectris 1996 Executive Share Plan is conditional upon the achievement of growth in normalised earnings per share (EPS) over three consecutive financial years between grant and exercise of at least 2% per annum in excess of growth in the retail price index.

At 31 December 2005 the mid share price of Spectris plc shares on the London Stock Exchange was 633.5p (2004 - 382p). The highest share price in the year was 644p and the lowest was 389p. At 31 December 2005 each of the directors were deemed to have a non-beneficial interest in 1,133,395 (2004 - 3,212,330) ordinary shares held by the trustees of the Spectris plc Employee Benefit Trust of which the directors are among the class of discretionary beneficiaries.

# PANALYTICAL (UK) LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2005

### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 8 to 9, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

there is no relevant audit information of which the group's auditors are unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### DONATIONS

During the year the company made the following contributions:

	2005	2004
	£	£
Charitable	<u>200</u>	<u>150</u>

### AUDITOR

A resolution to re-appoint The Kinnaird Partnership as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Philips House  
Cambridge Business Park  
Cowley Road  
Cambridge  
CB4 0HA

Signed by order of the directors



P P STRUCKS  
Company Secretary

Approved by the directors on 12/10/06.

# **PANALYTICAL (UK) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PANALYTICAL (UK) LIMITED *(continued)***

### **YEAR ENDED 31 DECEMBER 2005**

We have audited the financial statements of PANalytical (UK) Limited for the year ended 31 December 2005 on pages 6 to 16 which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **BASIS OF AUDIT OPINION**

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

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

# PANALYTICAL (UK) LIMITED

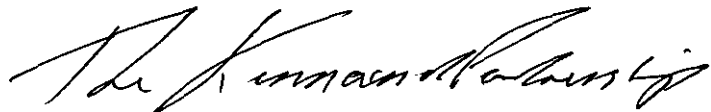
## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PANALYTICAL (UK) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2005

### OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



THE KINNAIRD PARTNERSHIP  
Chartered Accountants  
& Registered Auditors

Anglia House  
285 Milton Road  
Cambridge  
CB4 1XQ

12/10/06

**PANALYTICAL (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2005**

	Note	2005 £	2004 £
<b>TURNOVER</b>	<b>2</b>	<b>4,726,371</b>	<b>4,323,825</b>
Cost of sales		<u>3,207,536</u>	<u>3,046,364</u>
<b>GROSS PROFIT</b>		<b>1,518,835</b>	<b>1,277,461</b>
Distribution Costs		44,168	50,847
Administrative expenses		1,128,739	974,739
Other operating income	<b>3</b>	<u>(11,013)</u>	<u>(15,666)</u>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>356,941</b>	<b>267,541</b>
Interest receivable		—	53,828
Interest payable and similar charges	<b>7</b>	<u>(43,593)</u>	<u>(117,364)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>313,348</b>	<b>204,005</b>
Tax on profit on ordinary activities	<b>8</b>	<u>152,000</u>	<u>94,000</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>161,348</b>	<b>110,005</b>
Balance brought forward		<u>615,411</u>	<u>505,406</u>
Balance carried forward		<u><u>776,759</u></u>	<u><u>615,411</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 16 form part of these financial statements.



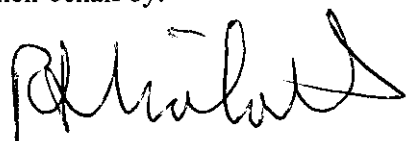
# PANALYTICAL (UK) LIMITED

## BALANCE SHEET

31 DECEMBER 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Intangible assets	9	1,958,017	2,075,403
Tangible assets	10	60,914	84,719
		<u>2,018,931</u>	<u>2,160,122</u>
<b>CURRENT ASSETS</b>			
Stocks	11	456,415	363,924
Debtors	12	399,793	751,872
Cash at bank		130,607	32,039
		<u>986,815</u>	<u>1,147,835</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>1,964,524</u>	<u>2,432,535</u>
<b>NET CURRENT LIABILITIES</b>		<u>(977,709)</u>	<u>(1,284,700)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,041,222</u>	<u>875,422</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14	<u>72,093</u>	<u>41,011</u>
		<u>969,129</u>	<u>834,411</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Other provisions	16	92,370	119,000
		<u>876,759</u>	<u>715,411</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	100,000	100,000
Profit and loss account		776,759	615,411
<b>SHAREHOLDERS' FUNDS</b>	20	<u>876,759</u>	<u>715,411</u>

These financial statements were approved by the directors on the 22/10/06 and are signed on their behalf by:



Dr R J Nicholls  
Director

The notes on pages 8 to 16 form part of these financial statements.

**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published financial statements.

**Related parties transactions**

As the company is a wholly owned subsidiary of Spectris plc, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Spectris plc, within which this company is included, can be obtained from the address given in note 22.

**Turnover**

Turnover represents the amounts, excluding value added tax, derived from the provision of goods and services to customers.

System sales are recognised when the customer has accepted ownership of the system. Service contract income is recognised at equal monthly instalments over the term of the service contract. All other sales are recognised upon delivery to the customer.

**Goodwill**

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. The estimated useful life of goodwill is 20 years, which is equivalent to the life cycle of PANalytical X-ray analysis equipment.

**Post – retirement benefits**

*Defined benefit schemes*

Until 31 March 2002, the company participated in the Spectris Pension Plan scheme providing benefits based on final pensionable pay operated by Spectris Plc. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

*Defined contribution schemes*

Until 31 March 2002, the company participated in defined contribution pension schemes operated by Spectris Plc. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Since 1 January 2003, the company participated in defined contribution pension schemes operated by Spectris Plc. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**1. ACCOUNTING POLICIES** *(continued)*

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	-	Life of lease
IT Equipment	-	33% straight line method

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Research and development**

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

**Deferred taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatments of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.  
 An analysis of turnover is given below:

	2005 £	2004 £
United Kingdom and Ireland	<u>4,726,371</u>	<u>4,323,825</u>

**3. OTHER OPERATING INCOME**

	2005 £	2004 £
Other operating income	<u>11,013</u>	<u>15,666</u>

**4. OPERATING PROFIT**

Operating profit is stated after charging:

	2005 £	2004 £
Amortisation	117,386	111,985
Research and development expenditure written off	318,319	314,000
Depreciation of owned fixed assets	32,716	28,323
Auditor's remuneration		
- as auditor	8,000	7,000
Operating lease costs:		
Leasehold premises	47,012	47,015
Other	91,883	109,000
Net loss on foreign currency translation	<u>4,328</u>	<u>60,530</u>

**5. PARTICULARS OF EMPLOYEES**

The average number of persons employed by the company during the financial year, including the directors, amounted to 26 (2004 - 25).

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	846,787	792,139
Social security costs	98,008	101,587
Other pension costs	54,250	52,461
	<u>999,045</u>	<u>946,187</u>

**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**6. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Emoluments receivable	62,580	62,764
Value of company pension contributions to money purchase schemes	3,739	3,665
	<u>66,319</u>	<u>66,429</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2005	2004
	£	£
Other similar charges payable	<u>43,593</u>	<u>117,364</u>

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2005	2004
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	152,000	103,000
Total current tax	152,000	103,000
Deferred tax:		
Origination and reversal of timing differences	-	(9,000)
Tax on profit on ordinary activities	<u>152,000</u>	<u>94,000</u>

**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**8. TAXATION ON ORDINARY ACTIVITIES** *(continued)*

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<b><u>313,348</u></b>	<b><u>204,005</u></b>
Profit/(loss) on ordinary activities by rate of tax	<b>94,004</b>	<b>61,201</b>
Expenses not deductible for tax purposes	<b>55,057</b>	<b>45,178</b>
Excess of capital allowances over depreciation	<b>16,858</b>	<b>12,156</b>
Enhanced tax relief	<b><u>(13,919)</u></b>	<b><u>(15,535)</u></b>
Total current tax (note 8(a))	<b><u>152,000</u></b>	<b><u>103,000</u></b>

A deferred tax asset of £28,000 (2004 - £11,000) has not been provided in these accounts.

**9. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b>
	<b>£</b>
<b>COST</b>	
At 1 January 2005 and 31 December 2005	<b><u>2,347,718</u></b>
<b>AMORTISATION</b>	
At 1 January 2005	<b>272,315</b>
Charge for the year	<b><u>117,386</u></b>
At 31 December 2005	<b><u>389,701</u></b>
<b>NET BOOK VALUE</b>	
At 31 December 2005	<b><u>1,958,017</u></b>
At 31 December 2004	<b><u>2,075,403</u></b>

**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**10. TANGIBLE FIXED ASSETS**

	Short Leasehold Property £	Equipment £	Total £
<b>COST</b>			
At 1 January 2005	96,115	43,640	139,755
Additions	-	8,911	8,911
<b>At 31 December 2005</b>	<u>96,115</u>	<u>52,551</u>	<u>148,666</u>
<b>DEPRECIATION</b>			
At 1 January 2005	35,166	19,870	55,036
Charge for the year	15,564	17,152	32,716
<b>At 31 December 2005</b>	<u>50,730</u>	<u>37,022</u>	<u>87,752</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2005</b>	<u>45,385</u>	<u>15,529</u>	<u>60,914</u>
At 31 December 2004	<u>60,949</u>	<u>23,770</u>	<u>84,719</u>

**11. STOCKS**

	2005 £	2004 £
Raw materials and service stock	<u>456,415</u>	<u>363,924</u>

**12. DEBTORS**

	2005 £	2004 £
Trade debtors	361,501	650,087
Amounts owed by group undertakings	-	38,754
Other debtors	1,022	17,010
Prepayments and accrued income	37,270	46,021
	<u>399,793</u>	<u>751,872</u>

**13. CREDITORS: Amounts falling due within one year**

	2005 £	2004 £
Trade creditors	35,319	44,569
Amounts owed to group undertakings	862,868	1,296,111
Other creditors including taxation and social security:		
Corporation tax	217,147	126,356
PAYE and social security	47,894	40,104
VAT	84,108	139,174
Other creditors	717,188	786,221
	<u>1,964,524</u>	<u>2,432,535</u>

**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**14. CREDITORS: Amounts falling due after more than one year**

	2005 £	2004 £
Other creditors	<u>72,093</u>	<u>41,011</u>

**15. PENSIONS**

***Defined benefit schemes***

Until 31 March 2002, the company was a member of the Spectris Pension Plan scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits' the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme.

The latest full actuarial valuation was carried out at 31 December 2002 and was updated for FRS 17 purposes to 31 December 2003 by a qualified independent actuary.

The Spectris Pension Plan was closed to new members from 1 January 1996. The contribution for 2005 was £nil (2004: £nil).

Further details are set out in the accounts of Spectris Plc.

***Defined contribution schemes***

Until 31 March 2002, the company participated in a Fairey Nuclear Ltd defined contribution pension scheme operated by Spectris Plc. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £nil in 2005 (2004: £nil). Since 1 January 2003, the company participated in a PANalytical Ltd defined contribution pension scheme operated by Spectris Plc. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £67,668 (2004: £66,244). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.



**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**16. OTHER PROVISIONS**

	2005 £
<b>Warranty provision:</b>	
Balance brought forward	119,000
Movement for year	<u>(26,630)</u>
	<u>92,370</u>

**17. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	9,056	-	3,000
Within 2 to 5 years	<u>68,000</u>	<u>58,880</u>	<u>97,000</u>	<u>86,000</u>
	<u>68,000</u>	<u>67,936</u>	<u>97,000</u>	<u>89,000</u>

**18. CONTINGENCIES**

With other members of the group the company has guaranteed facilities made available to Spectris plc, in respect of which £4,600,000 were outstanding at the year end (2004 - £4,893,000).

**19. SHARE CAPITAL**

**Authorised share capital:**

	2005 £	2004 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

**Allotted, called up and fully paid:**

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
<b>Equity shares</b>				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

**PANALYTICAL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2005	2004
	£	£
Profit for the financial year	161,348	110,005
Opening shareholders' funds	<u>715,411</u>	<u>605,406</u>
Closing shareholders' funds	<u>876,759</u>	<u>715,411</u>

**21. CONTROLLING PARTY**

The controlling party is PANalytical BV, a company incorporated in The Netherlands. The smallest level of consolidation is Panalytical EMEA region and these accounts are available from PANalytical BV, Twentepoort Oost 26, NL – 7609 RG Almelo.

**22. ULTIMATE PARENT COMPANY**

The ultimate holding company and parent undertaking is Spectris plc, which is incorporated in Great Britain and registered in England. Copies of their accounts are available from the company's registered office at Station Road, Egham, Surrey, TW20 9NP.