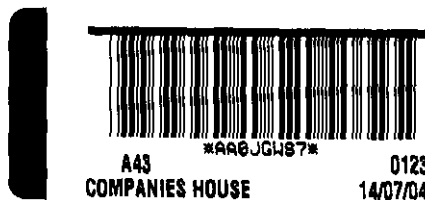


Bruker BioSpin Limited

Report and Financial Statements

31 December 2003

Registered Number: 923986



Bruker BioSpin Limited

Registered No. 923986

DIRECTORS

D Schmalbein
R F Ladbury
V I P Jones

SECRETARY

R F Ladbury

REGISTERED OFFICE

Banner Lane
Coventry
CV4 9GH

AUDITORS

Ernst & Young LLP
One Colmore Row
Birmingham
B3 2DB

BANKERS

Barclays Bank plc
West Midlands Corporate Banking Centre
P.O. Box 5960
15 Colmore Row
Birmingham
B3 2ED

SOLICITORS

Newsome Vaughan
Greyfriars House
Greyfriars Lane
Coventry
CV1 2GW

Bruker BioSpin Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Bruker BioSpin Limited for the year ended 31 December 2003.

RESULTS AND DIVIDENDS

The group trading profit for the year, after taxation was £634,294 (2002: £932,990). The directors have proposed a dividend of £350,000 (2002: £750,000).

PRINCIPAL ACTIVITY

The principal activities of the group during the year were the manufacture and distribution of scientific instruments and the hydrostatic extrusion of non-ferrous metal composites.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company has maintained its prominent position in the magnetic resonance market. Continued investment in technology to embrace new and emerging application areas is designed to advance the company's opportunities in its market area.

RESEARCH AND DEVELOPMENT

The group maintains a research and development centre. In the opinion of the directors, continuity of investment in this area is essential for the maintenance of the group's market position and for future growth.

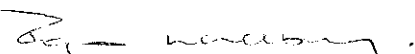
DIRECTORS AND THEIR INTERESTS

The following directors have held office during the year.

R F Ladbury
Dr D Schmalbein (Chairman)
V I P Jones

None of the directors held a beneficial interest in the shares of the company at 31 December 2003, or at any time during the year.

By order of the board



R F Ladbury
Secretary

Dated 26/04/04

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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. They 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRUKER BIOSPIN LIMITED

We have audited the group's financial statements for the year ended 31 December 2003, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Total Recognised Gains and Losses, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and the related notes 1 to 23. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

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 United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 December 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
Birmingham

Ernst & Young LLP

Dated

28 April 2004

Bruker BioSpin Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2003

		2003	2002
	Notes	£	£
TURNOVER	2	13,238,486	16,920,421
Cost of sales		9,375,176	13,017,669
Gross profit		3,863,310	3,902,752
Administrative expenses		2,948,944	2,693,854
OPERATING PROFIT	3	914,366	1,208,898
Bank interest receivable		34,527	120,772
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	948,893	1,329,670
Tax on profit on ordinary activities	6	314,599	396,680
PROFIT FOR THE FINANCIAL YEAR	16	634,294	932,990
Dividends	7	(350,000)	(750,000)
PROFIT RETAINED FOR THE FINANCIAL YEAR		284,294	182,990

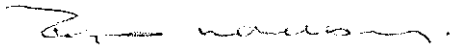
CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

	2003	2002
	£	£
Profit for the financial year	284,294	182,990
Total recognised gains and losses relating to the year	284,294	182,990
Prior year adjustment (see note 16)	-	20,477
Total gains and losses recognised since the last annual report	284,294	203,467

Bruker BioSpin Limited

CONSOLIDATED BALANCE SHEET at 31 December 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	8	2,181,237	2,345,067
Investments	9	1	1
		<u>2,181,238</u>	<u>2,345,068</u>
CURRENT ASSETS			
Stocks	10	2,680,908	3,958,940
Debtors - falling due within one year	11	3,153,747	2,194,381
- falling due after one year	11	138,664	-
Cash at bank and in hand		2,110,343	3,346,602
		<u>8,083,662</u>	<u>9,499,923</u>
CREDITORS: amounts falling due within one year	12	<u>5,646,069</u>	<u>7,468,437</u>
NET CURRENT ASSETS		<u>2,437,593</u>	<u>2,031,486</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,618,831</u>	<u>4,376,554</u>
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>100,038</u>	<u>142,055</u>
		<u>4,518,793</u>	<u>4,234,499</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000,000	1,000,000
Profit and loss account	16	3,518,793	3,234,499
EQUITY SHAREHOLDERS' FUNDS	16	<u>4,518,793</u>	<u>4,234,499</u>


R F Ladbury
Director

Dated 26/04/04

Bruker BioSpin Limited

COMPANY BALANCE SHEET

at 31 December 2003

	Notes	2003	2002
		£	£
FIXED ASSETS			
Tangible assets	8	2,018,603	2,160,312
Investments	9	101	101
		<u>2,018,704</u>	<u>2,160,413</u>
CURRENT ASSETS			
Stocks	10	2,473,744	3,756,354
Debtors - falling due within one year	11	3,050,998	2,042,002
- falling due after one year	11	627,455	807,428
Cash at bank and in hand		2,092,275	3,208,013
		<u>8,244,472</u>	<u>9,813,797</u>
CREDITORS: amounts falling due within one year	12	5,642,805	7,420,594
		<u>2,601,667</u>	<u>2,393,203</u>
NET CURRENT ASSETS			
		<u>4,620,371</u>	<u>4,553,616</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>4,620,371</u>	<u>4,553,616</u>
PROVISIONS FOR LIABILITIES AND CHARGES	14	100,038	138,792
		<u>4,520,333</u>	<u>4,414,824</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000,000	1,000,000
Profit and loss account	16	3,520,333	3,414,824
EQUITY SHAREHOLDERS' FUNDS	16	<u>4,520,333</u>	<u>4,414,824</u>

R F Ladbury
Director

Dated 26/04/04

Bruker BioSpin Limited

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	<i>Notes</i>	<i>2003</i> £	<i>2002</i> £
Net cash flow from operating activities	17(a)	(49,753)	235,213
Returns on investments and servicing of finance	17(b)	34,527	120,772
Taxation		(332,532)	(450,625)
Capital expenditure and financial investment	17(b)	(138,501)	(375,426)
Equity dividends paid		(750,000)	(750,000)
DECREASE IN CASH IN THE YEAR		<u>(1,236,259)</u>	<u>(1,220,066)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	<i>Notes</i>	<i>2003</i> £	<i>2002</i> £
Decrease in cash in the year	17(c)	(1,236,259)	(1,220,066)
NET FUNDS AT 1 JANUARY	17(c)	<u>3,346,602</u>	<u>4,566,668</u>
NET FUNDS AT 31 DECEMBER	17(c)	<u>2,110,343</u>	<u>3,346,602</u>

NOTES TO THE ACCOUNTS

at 31 December 2003

1. ACCOUNTING POLICIES

Basis of preparation

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

Basis of consolidation

The consolidated financial statements incorporate those of Bruker BioSpin Limited and all of its subsidiary undertakings for the year. All financial statements are made up to 31 December 2003.

Research and development

All research and development costs are written off as incurred.

Tangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	5%
Plant and machinery	20%
Motor vehicles	25%
Computer equipment	20% and 33.33%

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

Demonstration stock is written off to the profit and loss account evenly over its expected useful life of three years.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Operating lease agreements

Rental payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

NOTES TO THE ACCOUNTS
at 31 December 2003

1. ACCOUNTING POLICIES (continued)

Pensions contributions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Warranty provision

Provision is made for liabilities arising in respect of warranty claims.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover represents goods sold and services provided, net of value added tax, in respect of contracts accepted by customers. Amounts invoiced on account of contracts that are not accepted are included in deferred income.

The group's turnover and profit before taxation were all derived from its principal activities as shown below:

	Profit/(loss) before taxation		Profit/(loss) before taxation	
	Turnover 2003	2003	Turnover 2002	2002
	£	£	£	£
Manufacture and distribution of scientific equipment	12,406,640	1,087,800	16,015,647	1,520,491
Hydrostatic extrusion of non-ferrous metal composites	831,846	(138,906)	904,774	(190,821)
	<u>13,238,486</u>	<u>948,893</u>	<u>16,920,421</u>	<u>1,329,670</u>

Sales were made in the following geographical markets:

	2003 £	2002 £
United Kingdom	12,359,497	15,992,300
Rest of Europe	850,081	876,565
Rest of World	28,908	51,556
	<u>13,238,486</u>	<u>16,920,421</u>

3. OPERATING PROFIT

	2003 £	2002 £
Operating profit is stated after charging/(crediting):		
Rent receivable (net of outgoings)	(5,200)	(5,200)
Profit on disposal of tangible fixed assets	(7,900)	(14,603)
Depreciation on owned assets	304,531	314,660
Auditors' remuneration:		
audit fees	23,000	24,000
non-audit services	11,000	10,000
Operating lease rentals - other	9,940	863

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS

at 31 December 2003

4. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	1,832,770	1,700,706
Social security costs	186,638	163,882
Other pension costs (see note 18)	70,998	63,611
	<u>2,090,406</u>	<u>1,928,199</u>

	2003	2002
	No.	No.
The average monthly number of persons (including directors) employed by the company during the year was:		
Service	23	23
Manufacturing	13	14
Administration	17	17
Selling and distribution	14	12
	<u>67</u>	<u>66</u>

5. DIRECTORS' REMUNERATION:

	2003	2002
	£	£
Emoluments	<u>232,446</u>	<u>212,091</u>
Company contributions paid to money purchase pension schemes	<u>10,997</u>	<u>9,562</u>

	2003	2002
	No.	No.
Members of defined contribution pension schemes	<u>2</u>	<u>2</u>

Amounts in respect of the highest paid director are as follows:

	2003	2002
	£	£
Emoluments	<u>136,769</u>	<u>145,505</u>
Company contributions paid to money purchase pension schemes	<u>6,902</u>	<u>5,591</u>

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS at 31 December 2003

6. TAX

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2003 £	2002 £
<i>Current tax:</i>		
UK corporation tax	301,878	385,000
Group relief	24,584	26,935
Adjustments in respect of prior periods	(5,997)	(20,438)
Total current tax (note 6(b))	<u>320,465</u>	<u>391,497</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(5,866)	5,183
Tax on profit on ordinary activities	<u>314,599</u>	<u>396,680</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are reconciled below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>948,893</u>	<u>1,329,670</u>
Profit on ordinary activities multiplied by standard rate of tax	284,668	398,901
Expenses not deductible	34,749	3,479
Depreciation in excess of capital allowances	7,045	9,555
Adjustments in respect of prior periods	(5,997)	(20,438)
Total current tax (note 6 (a))	<u>320,465</u>	<u>391,497</u>

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS

at 31 December 2003

6. TAX (continued)

(c) Deferred tax

The movements in deferred taxation during the current and previous years are as follows:

	2003	Group 2002	2003	Company 2002
	£	£	£	£
At 1 January	3,263	(1,920)	(11,357)	(20,477)
Movement in the year (note 6(a))	(5,866)	5,183	(4,678)	9,120
At 31 December	(2,603)	3,263	(16,305)	(11,357)

Deferred taxation provided in the accounts are as follows:

	2003	Group 2002	2003	Company 2002
	£	£	£	£
Excess of depreciation over tax allowances	2,603	(3,807)	16,035	11,357
Short term timing differences	-	544	-	-
	2,603	(3,263)	16,035	11,357

7. DIVIDENDS

	2003	2002
	£	£
Ordinary shares		
Final proposed	350,000	750,000

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS at 31 December 2003

8. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
GROUP				
Cost:				
At 1 January 2003	2,956,627	2,635,492	512,237	6,104,356
Additions	77,979	68,422	-	146,401
Disposals	-	(5,700)	(73,685)	(79,385)
At 31 December 2003	3,034,606	2,698,214	438,552	6,171,372
Depreciation:				
At 1 January 2003	1,130,599	2,332,004	296,686	3,759,289
Charged in the year	96,078	112,823	95,630	304,531
Disposals	-	-	(73,685)	(73,685)
At 31 December 2003	1,226,677	2,444,827	318,631	3,990,135
Net book value:				
At 31 December 2003	1,807,929	253,387	119,921	2,181,237
At 31 December 2002	1,826,028	303,488	215,551	2,345,067

Included within freehold land and buildings is land at a cost of £1,064,912 (2002: £1,064,912) which is not depreciated.

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS

at 31 December 2003

8. TANGIBLE FIXED ASSETS *(continued)*

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
COMPANY				
Cost:				
At 1 January 2003	2,656,627	1,713,215	492,917	4,862,759
Additions	77,979	61,422	-	139,401
Disposals	-	(5,700)	(73,685)	(79,385)
At 31 December 2003	2,734,606	1,768,937	419,232	4,922,775
Depreciation:				
At 1 January 2003	985,826	1,439,255	277,366	2,702,447
Charged in the year	82,907	96,873	95,630	275,410
Disposals	-	-	(73,685)	(73,685)
At 31 December 2003	1,068,733	1,536,128	299,311	2,904,172
Net book value:				
At 31 December 2003	1,665,873	232,809	119,921	2,018,603
At 31 December 2002	1,670,801	273,960	215,551	2,160,312

Included within freehold land and buildings is land at a cost of £1,028,332 (2002: £1,028,332) which is not depreciated.

9. FIXED ASSETS INVESTMENTS

GROUP	2003	2002
	£	£
Cost and net book value:		
Shares in other undertakings	1	1
	2003	2002
	£	£
COMPANY		
Cost and net book value:		
Shares in subsidiary and other undertakings	101	101

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS

at 31 December 2003

9. FIXED ASSETS INVESTMENTS *(continued)*

INTERESTS IN SUBSIDIARY AND OTHER UNDERTAKINGS

<i>Name of company and country of incorporation and operation</i>	<i>Description of shares held</i>	<i>Proportion of nominal value of shares held</i>	<i>Principal activity</i>
Hydrostatic Extrusions Limited (incorporated in England and operating in Scotland)	100 ordinary shares of £1 each	100%	Extrusion of metals
Oxford Research Systems Limited (England)	1 ordinary share of £1	50%	Dormant

10. STOCKS

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Raw materials and consumables	223,711	339,973	96,980	221,172
Work in progress	1,664,113	3,384,823	1,642,900	3,369,764
Demonstration stocks	99,914	165,418	99,916	165,418
Finished goods for resale	693,170	68,726	633,948	-
	<u>2,680,908</u>	<u>3,958,940</u>	<u>2,473,744</u>	<u>3,756,354</u>

11. DEBTORS

Amounts falling due within one year:

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade debtors	2,829,509	1,627,437	2,715,894	1,480,738
Amounts owed by group undertakings	272,093	482,495	269,974	482,195
Deferred taxation (note 6(c))	2,603	-	16,035	11,357
Other debtors	-	17,976	-	1,624
Prepayments and accrued income	49,542	66,473	49,095	66,088
	<u>3,153,747</u>	<u>2,194,381</u>	<u>3,050,998</u>	<u>2,042,002</u>

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS at 31 December 2003

11. DEBTORS (continued)

Amounts falling due after more than one year:

	<i>Group</i>		<i>Company</i>	
	2003	2002	2003	2002
	£	£	£	£
Trade debtors	138,664	-	138,664	-
Amounts owed by group undertakings	-	-	488,791	807,428
	<u>138,664</u>	<u>-</u>	<u>627,455</u>	<u>807,428</u>

12. CREDITORS: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2003	2002	2003	2002
	£	£	£	£
Trade creditors	159,391	268,383	127,197	185,911
Amounts owed to group undertakings	1,134,937	241,924	1,174,441	295,119
Corporation tax	152,764	170,533	152,764	170,533
Other taxation and social security costs	224,751	74,311	218,182	66,890
Accruals and deferred income	3,624,226	5,963,286	3,620,221	5,952,141
Proposed dividend	350,000	750,000	350,000	750,000
	<u>5,646,069</u>	<u>7,468,437</u>	<u>5,642,805</u>	<u>7,420,594</u>

13. OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Annual commitments under non-cancellable operating leases are as follows:

<i>Group and Company</i>	2003	2002
	£	£
Operating leases which expire:		
In one year	-	3,452
In two to five years	97,637	9,493
	<u>97,637</u>	<u>12,945</u>

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS at 31 December 2003

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2003	Group 2002	2003	Company 2002
	£	£	£	£
Maintenance warranties	100,038	138,792	100,038	138,792
Deferred taxation (note 6)	-	3,263	-	-
	<u>100,038</u>	<u>142,055</u>	<u>100,038</u>	<u>138,792</u>

A provision is recognised for expected warranty claims on goods sold during the last year. It is expected that this expenditure will be incurred in the next financial year in accordance with the terms of the company standard warranty agreement.

15. SHARE CAPITAL

<i>Group and Company</i>	2003 £	2002 £
Authorised: 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Allotted, issued and fully paid: 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000

16. RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
GROUP:			
At 1 January 2002	1,000,000	3,051,509	4,051,509
Profit for the year	-	932,990	932,990
Dividend	-	(750,000)	(750,000)
At 31 December 2002	1,000,000	3,234,499	4,234,499
Profit for the year	-	634,294	634,294
Dividend	-	(350,000)	(350,000)
At 31 December 2003	1,000,000	3,518,793	4,518,793

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS at 31 December 2003

16. RECONCILIATION OF SHAREHOLDERS' FUNDS *(continued)*

COMPANY:

At 1 January 2002	1,000,000	3,098,445	4,098,445
Profit for the year	-	1,066,379	1,066,379
Dividend	-	(750,000)	(750,000)
At 31 December 2002	1,000,000	3,414,824	4,414,824
Profit for the year	-	455,509	455,509
Dividend	-	(350,000)	(350,000)
At 31 December 2003	1,000,000	3,520,333	4,520,333

Shareholders' funds are entirely attributable to equity interests.

On the adoption of FRS 19 Deferred Taxation, consolidated shareholders' funds at 1 January 2002 increased by £20,477 from £4,031,032.

17. CASH FLOWS

	2003 £	2002 £
(a) Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	914,366	1,208,898
Depreciation on tangible fixed assets	304,531	314,660
Profit on sale of fixed assets	(7,900)	(14,603)
Decrease in stocks	1,278,032	3,377,138
(Increase)/decrease in debtors	(1,095,427)	4,681,264
Decrease in creditors	(1,404,601)	(9,333,226)
(Decrease)/increase in warranty provision	(38,754)	1,082
Net cash (outflow)/inflow from operating activities	(49,753)	235,213
	2003 £	2002 £
(b) Analysis of cash flows for headings netted in the cash flow		
Returns on investments and servicing of finance		
Interest received	34,527	120,772
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(146,401)	(390,029)
Sale of tangible fixed assets	7,900	14,603
	(138,501)	(375,426)

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS at 31 December 2003

17. CASH FLOWS (continued)

(c) Analysis of net debt

	At 1 January 2003 £	Cash flow £	At 31 December 2003 £
Cash at bank and in hand	3,346,602	(1,236,259)	2,110,343

18. PENSIONS COMMITMENTS

The company operates a funded defined contribution pension scheme whose assets are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group and amounted to £70,998 (2002: £63,611). The group's accrued pension contributions at the year-end amounted to £nil (2002: £nil)

19. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £nil (2002: £nil) for the group and the company.

20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Bruker BioSpin Invest AG at 31 December 2003, a company incorporated in Switzerland.

The company regards this entity as its immediate and ultimate parent undertaking and controlling party and is the smallest and largest group at which the company is a member and for which group accounts are prepared. A copy of the group financial statements are available from

Gotthardstrasse 18
6304 Zug
Switzerland

21. RELATED PARTY TRANSACTIONS

Transactions and outstanding balances with our group undertakings which are disclosable under FRS8 Related Party Disclosures are as follows:-

	Sales		Purchases	
	2003 £	2002 £	2003 £	2002 £
Bruker BioSpin GmbH	13,504	(8,138)	4,309,741	6,729,580
Bruker BioSpin Corp.	20,161	45,558	28,526	102,001
Bruker Elektronik GmbH	-	414	652,989	497,945
Bruker Daltonik GmbH	-	262	-	1,545
Bruker Optik GmbH	-	8,535	-	-
Bruker BioSpin SA	-	1,445	113,385	131,603
Bruker BioSpin AG	247	9,564	1,503,059	1,343,511
Bruker Daltonics Inc.	-	-	-	18,516
Bruker BioSpin MRI Limited	295,697	167,628	20,910	11,524
Bruker Daltonics Limited	167,550	63,009	11,963	-
Bruker AXS Limited	3,790	3,635	-	-
Bruker Optics Limited	132,755	127,804	-	13,743
Bruker BioSpin Srl	934	-	225	-
Bruker BioSpin NV	1,980	-	-	-
Bruker BioSpin MRI GmbH	-	-	1,572	13,774

Bruker BioSpin Limited

NOTES TO THE ACCOUNTS at 31 December 2003

21. RELATED PARTY TRANSACTIONS *(continued)*

	<i>Debtors</i>		<i>Creditors</i>	
	2003	2002	2003	2002
	£	£	£	£
Bruker BioSpin GmbH	1,949	-	924,807	26,990
Bruker BioSpin Corp.	10,662	36,466	-	93,544
Bruker Elektronik GmbH	-	414	53,004	29,823
Bruker Daltonik GmbH	-	1,097	-	1,572
Bruker BioSpin SA	-	-	10,419	28,764
Bruker BioSpin AG	-	-	100,619	17,456
Bruker BioSpin MRI Limited	255,142	104,374	44,436	26,935
Bruker Daltonics Limited	27,317	37,403	11,963	3,749
Bruker Optics Limited	430,639	302,325	-	-
Bruker AXS Limited	-	135	-	-
Bruker BioSpin Srl	242	281	229	-
Bruker BioSpin NV	1,980	-	-	-
Bruker BioSpin MRI GmbH	-	-	1,423	13,091

The above companies are related by virtue of having common owners.

22. FINANCIAL COMMITMENTS

Bruker BioSpin Limited has confirmed that it will support the operations of its subsidiary Hydrostatic Extrusions Limited, for twelve months from the date of signing of these accounts when the scale of financial support will be reviewed. During this period the company will not seek repayment of monies owing to it.

23. COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s230 Companies Act 1985, the company has not presented its own profit and loss account. The profit after tax (before dividends) dealt with in the accounts of the parent company was £455,509 (2002: £1,066,379).