

2004

## Bruker BioSpin Limited

Report and Financial Statements

31 December 2004

 ERNST & YOUNG



# Bruker BioSpin Limited

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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  
No. 1 Colmore Square  
Birmingham  
B4 6HQ

## **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

## Directors' report

The directors submit their report and the financial statements of Bruker BioSpin Limited for the year ended 31 December 2004.

### Results and dividends

The group trading profit for the year, after taxation was £598,114 (2003: £634,294). The directors have proposed a dividend of £300,000 (2003: £350,000).

### 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

Delays in the release of committed research funds in the public sector led to slow first and second quarter sales in this market sector. Very strong third and fourth quarter sales confirmed the Company's position as leader in the magnetic resonance market, although customers' building projects prevented conversion of several sales into revenue. A very strong order book, combined with advances in product performance and new marketing initiatives will lead to positive growth.

### 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.

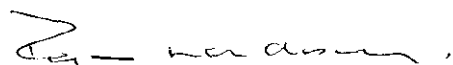
R F Ladbury  
Dr D Schmalbein (Chairman)  
V I P Jones

None of the directors held a beneficial interest in the shares of the company at 31 December 2004, or at any time during the year.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



R F Ladbury  
Secretary

Dated

25 May 2005

## **Statement of directors' responsibilities in respect of the financial statements**

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 2004, 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 2004 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

*23 June 2005*

## Consolidated profit and loss account

for the year ended 31 December 2004

	Notes	2004 £	2003 £
<b>Turnover</b>	2	11,801,988	13,238,486
Cost of sales		8,163,804	9,375,176
<b>Gross profit</b>		3,638,184	3,863,310
Administrative expenses		2,961,756	2,948,944
<b>Operating profit</b>	3	676,428	914,366
Bank interest receivable		82,184	34,527
<b>Profit on ordinary activities before taxation</b>	2	758,612	948,893
Tax on profit on ordinary activities	6	160,498	314,599
<b>Profit for the financial year</b>	16	598,114	634,294
Dividends	7	(300,000)	(350,000)
<b>Profit retained for the financial year</b>		298,114	284,294


## Consolidated statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £598,114 attributable to the shareholders for the year ended 31 December 2004 (2003: £634,294).

## Consolidated balance sheet

at 31 December 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	8	1,950,253	2,181,237
Investments	9	1	1
		<u>1,950,254</u>	<u>2,181,238</u>
<b>Current assets</b>			
Stocks	10	4,922,488	2,680,908
Debtors - falling due within one year	11	3,057,237	3,153,747
- falling due after one year	11	-	138,664
Cash at bank and in hand		5,904,942	2,110,343
		<u>13,884,667</u>	<u>8,083,662</u>
<b>Creditors: amounts falling due within one year</b>	12	10,902,338	5,646,069
<b>Net current assets</b>		<u>2,982,329</u>	<u>2,437,593</u>
<b>Total assets less current liabilities</b>		<u>4,932,583</u>	<u>4,618,831</u>
<b>Provisions for liabilities and charges</b>	14	115,676	100,038
		<u>4,816,907</u>	<u>4,518,793</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000,000	1,000,000
Profit and loss account	16	3,816,907	3,518,793
<b>Equity shareholders' funds</b>	16	<u>4,816,907</u>	<u>4,518,793</u>



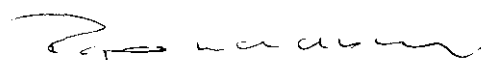
R F Ladbury  
Director

Dated 25 May 2005

# Company balance sheet

at 31 December 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	8	1,794,500	2,018,603
Investments	9	101	101
		<u>1,794,601</u>	<u>2,018,704</u>
<b>Current assets</b>			
Stocks	10	4,653,920	2,473,744
Debtors - falling due within one year	11	3,006,176	3,050,998
- falling due after one year	11	552,720	627,455
Cash at bank and in hand		5,770,756	2,092,275
		<u>13,983,572</u>	<u>8,244,472</u>
<b>Creditors: amounts falling due within one year</b>	12	10,844,540	5,642,805
<b>Net current assets</b>		<u>3,139,032</u>	<u>2,601,667</u>
<b>Total assets less current liabilities</b>		<u>4,933,633</u>	<u>4,620,371</u>
<b>Provisions for liabilities and charges</b>	14	115,676	100,038
		<u>4,817,957</u>	<u>4,520,333</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000,000	1,000,000
Profit and loss account	16	3,817,957	3,520,333
<b>Equity shareholders' funds</b>	16	<u>4,817,957</u>	<u>4,520,333</u>



R F Ladbury  
Director

Dated 25 May 2005



## Consolidated cash flow statement

for the year ended 31 December 2004

	Notes	2004 £	2003 £
<i>Net cash inflow/(outflow) from operating activities</i>	17(a)	4,366,366	(49,753)
<i>Returns on investments and servicing of finance</i>	17(b)	82,184	34,527
<i>Taxation</i>		(283,487)	(332,532)
<i>Capital expenditure and financial investment</i>	17(b)	(20,464)	(138,501)
<i>Equity dividends paid</i>		(350,000)	(750,000)
<i>Increase/(decrease) in cash in the year</i>		<u>3,794,599</u>	<u>(1,236,259)</u>

### Reconciliation of net cash flow to movement in net funds

	Notes	2004 £	2003 £
Increase/(decrease) in cash in the year	17(c)	3,794,599	(1,236,259)
Net funds at 1 January	17(c)	2,110,343	3,346,602
Net funds at 31 December	17(c)	<u>5,904,942</u>	<u>2,110,343</u>

## Notes to the financial statements

at 31 December 2004

### 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 2004.

#### **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 financial statements

at 31 December 2004

### 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:

	Turnover 2004 £	Profit before taxation 2004 £	Turnover 2003 £	Profit/(loss) before taxation 2003 £
Manufacture and distribution of scientific equipment	10,947,043	945,733	12,406,640	1,087,800
Hydrostatic extrusion of non-ferrous metal composites	854,945	(187,121)	831,846	(138,907)
	<u>11,801,988</u>	<u>758,612</u>	<u>13,238,486</u>	<u>948,893</u>

Sales were made in the following geographical markets:

	2004 £	2003 £
United Kingdom	11,003,452	12,359,497
Rest of Europe	754,531	850,081
Rest of World	44,005	28,908
	<u>11,801,988</u>	<u>13,238,486</u>

### 3. Operating Profit

	2004 £	2003 £
Operating profit is stated after charging/(crediting):		
Rent receivable (net of outgoings)	(5,200)	(5,200)
Profit on disposal of tangible fixed assets	(14,799)	(7,900)
Depreciation on owned assets	266,247	304,531
Auditors' remuneration:		
audit fees	23,900	23,000
non-audit services	11,440	11,000
Operating lease rentals - other	30,852	9,940
Net loss on foreign currency translation	84,755	79,560

## Notes to the financial statements

at 31 December 2004

### 4. Staff costs

	2004 £	2003 £
Wages and salaries	1,916,490	1,832,770
Social security costs	199,661	186,638
Other pension costs (see note 18)	72,719	70,998
	<u>2,188,870</u>	<u>2,090,406</u>

	2004 No.	2003 No.
The average monthly number of persons (including directors) employed by the company during the year was:		
Service	24	23
Manufacturing	15	13
Administration	17	17
Selling and distribution	14	14
	<u>70</u>	<u>67</u>

### 5. Directors' remuneration

	2004 £	2003 £
Emoluments	<u>223,340</u>	<u>232,446</u>
Company contributions paid to money purchase pension schemes	<u>10,231</u>	<u>10,997</u>

	2004 No.	2003 No.
Members of defined contribution pension schemes	<u>2</u>	<u>2</u>

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

	2004 £	2003 £
Emoluments	<u>129,051</u>	<u>136,769</u>
Company contributions paid to money purchase pension schemes	<u>6,083</u>	<u>6,902</u>

## Notes to the financial statements

at 31 December 2004

### 6. Tax on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2004 £	2003 £
<i>Current tax:</i>		
UK corporation tax	177,318	301,878
Group relief	65,081	24,584
Adjustments in respect of prior periods	(9,358)	(5,997)
Total current tax (note 6(b))	233,041	320,465
<i>Deferred tax</i>		
Origination and reversal of timing differences	(9,258)	(5,866)
Adjustment in respect of prior periods	(63,285)	-
Tax on profit on ordinary activities	160,498	314,599

(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% (2003: 30%). The differences are reconciled below:

	2004 £	2003 £
Profit on ordinary activities before taxation	758,612	948,893
Profit on ordinary activities multiplied by standard rate of tax	227,584	284,668
Expenses not deductible	5,558	34,749
Depreciation in excess of capital allowances	9,257	7,045
Adjustments in respect of prior periods	(9,358)	(5,997)
Total current tax (note 6 (a))	233,041	320,465

## Notes to the financial statements

at 31 December 2004

### 6. Tax on ordinary activities (continued)

(c) Deferred tax

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

	2004	Group 2003	2004	Company 2003
	£	£	£	£
At 1 January	(2,603)	3,263	(16,035)	(11,357)
Movement in the year (note 6(a))	(72,543)	(5,866)	(72,676)	(4,678)
At 31 December	(75,146)	(2,603)	(88,711)	(16,035)

Deferred taxation assets provided in the accounts are as follows:

	2004	Group 2003	2004	Company 2003
	£	£	£	£
Excess of depreciation over tax allowances	75,146	2,603	88,711	16,035

### 7. Dividends

	2004	2003
	£	£
Ordinary shares		
Final proposed	300,000	350,000

## Notes to the financial statements

at 31 December 2004

### 8. Tangible fixed assets

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
<i>Group</i>				
Cost:				
At 1 January 2004	3,034,606	2,698,214	438,552	6,171,372
Additions	-	39,664	-	39,664
Disposals	-	-	(139,208)	(139,208)
At 31 December 2004	3,034,606	2,737,878	299,344	6,071,828
Depreciation:				
At 1 January 2004	1,226,677	2,444,827	318,631	3,990,135
Charged in the year	98,071	101,874	66,302	266,247
Disposals	-	-	(134,807)	(134,807)
At 31 December 2004	1,324,748	2,546,701	250,126	4,121,575
Net book value:				
At 31 December 2004	1,709,858	191,177	49,218	1,950,253
At 31 December 2003	1,807,929	253,387	119,921	2,181,237

Included within freehold land and buildings is land at a cost of £1,064,912 (2003: £1,064,912) which is not depreciated.

## Notes to the financial statements

at 31 December 2004

### 8. Tangible fixed assets (continued)

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
<i>Company</i>				
Cost:				
At 1 January 2004	2,734,606	1,768,937	419,232	4,922,775
Additions	-	26,585	-	26,585
Disposals	-	-	(139,208)	(139,208)
At 31 December 2004	2,734,606	1,795,522	280,024	4,810,152
Depreciation:				
At 1 January 2004	1,068,733	1,536,128	299,311	2,904,172
Charged in the year	84,899	95,086	66,302	246,287
Disposals	-	-	(134,807)	(134,807)
At 31 December 2004	1,153,632	1,631,214	230,806	3,015,652
Net book value:				
At 31 December 2004	1,580,974	164,308	49,218	1,794,500
At 31 December 2003	1,665,873	232,809	119,921	2,018,603

Included within freehold land and buildings is land at a cost of £1,028,332 (2003: £1,028,332) which is not depreciated.

### 9. Fixed assets investments

	<i>2004</i>	<i>2003</i>
	£	£
<i>Group</i>		
Cost and net book value:		
Shares in other undertakings	1	1
	<u>1</u>	<u>1</u>
	<i>2004</i>	<i>2003</i>
	£	£
<i>Company</i>		
Cost and net book value:		
Shares in subsidiary and other undertakings	101	101
	<u>101</u>	<u>101</u>



## Notes to the financial statements

at 31 December 2004

### 9. Fixed assets investments (continued)

Interests in subsidiary and other undertakings are as follows: -

<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 (Incorporated in England)	1 ordinary share of £1	50%	Dormant

### 10. Stocks

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Raw materials and consumables	304,308	223,711	122,336	96,980
Work in progress	3,256,540	1,664,113	3,229,843	1,642,900
Demonstration stocks	203,679	99,914	203,679	99,916
Finished goods for resale	1,157,961	693,170	1,098,062	633,948
	<u>4,922,488</u>	<u>2,680,908</u>	<u>4,653,920</u>	<u>2,473,744</u>

The difference between purchase price or production costs of stocks and their replacement cost is not material.

### 11. Debtors

Amounts falling due within one year:

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade debtors	2,583,973	2,829,509	2,521,121	2,715,894
Amounts owed by group undertakings	346,951	272,093	346,951	269,974
Deferred taxation (note 6(c))	75,146	2,603	88,711	16,035
Prepayments and accrued income	51,167	49,542	49,393	49,095
	<u>3,057,237</u>	<u>3,153,747</u>	<u>3,006,176</u>	<u>3,050,998</u>

## Notes to the financial statements

at 31 December 2004

### 11. Debtors (continued)

Amounts falling due after more than one year:

	<i>Group</i>		<i>Company</i>	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	-	138,664	-	138,664
Amounts owed by group undertakings	-	-	552,720	488,791
	<u>-</u>	<u>138,664</u>	<u>552,720</u>	<u>627,455</u>

### 12. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2004	2003	2004	2003
	£	£	£	£
Trade creditors	139,185	159,391	50,262	127,197
Amounts owed to group undertakings	3,796,279	1,134,937	3,852,548	1,174,441
Corporation tax	102,318	152,764	102,318	152,764
Other taxation and social security costs	105,155	224,751	106,006	218,182
Accruals and deferred income	6,459,401	3,624,226	6,433,406	3,620,221
Proposed dividend	300,000	350,000	300,000	350,000
	<u>10,902,338</u>	<u>5,646,069</u>	<u>10,844,540</u>	<u>5,642,805</u>

### 13. Obligations under leases and hire purchase contracts

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

<i>Group and Company</i>	<i>Assets other than land and buildings</i>	
	2004	2003
	£	£
Operating leases which expire:		
In one year	7,580	-
In two to five years	43,282	97,637
	<u>50,862</u>	<u>97,637</u>

# Notes to the financial statements

at 31 December 2004

## 14. Provisions for liabilities and charges

	2004	Group 2003	2004	Company 2003
	£	£	£	£
<i>Warranty provision:</i>				
At 1 January 2004	100,038	138,792	100,038	138,792
Profit and Loss Account movement during the year	15,638	(38,754)	15,638	(38,754)
At 31 December 2004	<u>115,676</u>	<u>100,038</u>	<u>115,676</u>	<u>100,038</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

	2004	2003
	£	£
<i>Group and Company</i>		
Authorised:		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid:		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

## 16. Reconciliation of shareholders' funds

	Share capital £	Profit and loss account £	Total £
<i>Group</i>			
At 1 January 2003	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	<u>1,000,000</u>	<u>3,518,793</u>	<u>4,518,793</u>
Profit for the year	-	598,114	598,114
Dividend	-	(300,000)	(300,000)
At 31 December 2004	<u>1,000,000</u>	<u>3,816,907</u>	<u>4,816,907</u>

## Notes to the financial statements

at 31 December 2004

### 16. Reconciliation of shareholders' funds (continued)

<i>Company</i>	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 January 2003	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
Profit for the year	-	597,624	597,624
Dividend	-	(300,000)	(300,000)
At 31 December 2004	1,000,000	3,817,957	4,817,957

Shareholders' funds are entirely attributable to equity interests.

### 17. Notes to the statement of cash flows

	2004 £	2003 £
(a) Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	676,428	914,366
Depreciation on tangible fixed assets	266,247	304,531
Profit on sale of fixed assets	(14,799)	(7,900)
(Increase)/decrease in stocks	(2,241,580)	1,278,032
Decrease/(increase)/decrease in debtors	307,717	(1,095,427)
Increase/(decrease) in creditors	5,356,715	(1,404,601)
Increase/(decrease)/increase in warranty provision	15,638	(38,754)
Net cash inflow/(outflow) from operating activities	4,366,366	(49,753)
	2004 £	2003 £
(b) Analysis of cash flows for headings netted in the cash flow		
<b>Returns on investments and servicing of finance</b>		
Interest received	82,184	34,527
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(39,664)	(146,401)
Sale of tangible fixed assets	19,200	7,900
	(20,464)	(138,501)

## Notes to the financial statements

at 31 December 2004

### 17. Notes to the statement of cash flows (continued)

(c) Analysis of net debt

	At 1 January 2004 £	Cash flow £	At 31 December 2004 £
Cash at bank and in hand	2,110,343	3,794,599	5,904,942

### 18. Pensions commitments

The company operates a 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 £72,719 (2003: £70,998). The group's accrued pension contributions at the year-end amounted to £nil (2003: £nil).

### 19. Capital commitments

Amounts contracted for but not provided in the accounts amounted to £nil (2003: £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 2004, 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	
	2004	2003	2004	2003
	£	£	£	£
Bruker BioSpin GmbH	-	13,504	6,585,886	4,309,741
Bruker BioSpin Corp.	26,346	20,161	56,520	28,526
Bruker Elektronik GmbH	-	-	160,658	652,989
Bruker BioSpin AB	3,619	-	-	-
Bruker BioSpin MRI Corp	5,097	-	-	-
Bruker BioSpin SA	-	-	133,700	131,385
Bruker BioSpin AG	-	247	1,875,460	1,503,059
Bruker Daltonics Inc.	-	-	-	-
Bruker BioSpin MRI Limited	-	295,697	-	20,910
Bruker Daltonics Limited	-	167,550	94,000	11,963
Bruker AXS Limited	-	3,790	-	-
Bruker Optics Limited	-	132,755	-	-
Bruker BioSpin Srl	261	934	-	225
Bruker BioSpin NV	-	1,980	-	-
Bruker BioSpin MRI GmbH	-	-	4,776	1,572

## Notes to the financial statements

at 31 December 2004

### 21. Related party transactions (continued)

	<i>Debtors</i>		<i>Creditors</i>	
	2004	2003	2004	2003
	£	£	£	£
Bruker BioSpin GmbH	1,949	1,949	3,582,468	924,807
Bruker BioSpin Corp.	33,450	10,662	53,645	-
Bruker Elektronik GmbH	-	-	46,362	53,004
Bruker BioSpin MRI Corp	5,162	-	-	-
Bruker BioSpin SA	-	-	23,438	10,419
Bruker BioSpin AG	3,869	-	-	100,619
Bruker BioSpin MRI Limited	298,452	255,142	84,933	44,436
Bruker Daltonics Limited	-	27,317	-	11,963
Bruker Optics Limited	-	430,639	-	-
Bruker BioSpin AB	3,619	-	-	-
Bruker BioSpin Srl	450	242	-	229
Bruker BioSpin NV	-	1,980	-	-
Bruker BioSpin MRI GmbH	-	-	5,433	1,423

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 £597,624 (2003: £455,509).