

# **Bruker Daltonics Limited**

## **Report and Financial Statements**

31 December 2011

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COMPANIES HOUSE

## **Bruker Daltonics Limited**

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### **Directors**

R F Ladbury  
S Meyer-Plath  
S Ruge

### **Secretary**

R F Ladbury

### **Auditors**

Ernst & Young LLP  
No 1 Colmore Square  
Birmingham B4 6HQ

### **Bankers**

Barclays Bank Plc  
West Midlands Corporate Banking Centre  
PO Box 3333  
One Snowhill  
Birmingham B3 2WN

### **Solicitors**

Newsome Vaughan  
Greyfriars House  
Greyfriars Lane  
Coventry CV1 2GW

### **Registered Office**

Banner Lane  
Coventry CV4 9GH

Registered No 3724725

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

### Results and dividends

The profit for the year amounted to £121,447 (2010 – profit of £159,606) The directors do not recommend a final dividend (2010 – £nil)

### Principal activities and review of the business

The company's principal activity during the year continued to be the distribution of detection equipment

The detection business promises strong growth based on the expected maturity of a number of major initiatives across a broad geographical area

The company's key financial and other performance indicators during the year were as follows

	2011 £	2010 £	Change £	Change %
Turnover	1,431,764	7,072,668	-5,640,904	-79.8%
Operating profit	139,192	223,291	-84,099	-37.7%
Profit after tax	121,447	159,606	-38,159	-23.9%

Current assets as a % of current liabilities	123%	135%	-12%
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Turnover reduced by 79.8% during the year, due mainly to two factors, the life science business, which was discontinued in 2010, generated £3.42m of turnover in 2010, zero in 2011 and also several large contracts of detection equipment were completed in 2010 £3.4m

Operating profit reduced by 37.7% due mainly to the above factors but also reduction of administration expenses of £823k as part of the company restructuring

Profit after tax also reduced by £38,159 due to the above factor

Current assets as a % of current liabilities has reduced by 12% due largely to the increase of inter-company creditors of £1.61m, this has been offset by an increase of stock purchased in advance of customer orders of £1.15m

### Going Concern

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The directors have received written confirmation from the ultimate parent undertaking that they will if required assist Bruker Daltonics Limited in meeting liabilities as and when they fall due for a period of at least 12 months from the signing of these financial statements. The directors have gained assurance that the parent company is in a position to provide this support if required. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

## Directors' report (continued)

### Principal risks and uncertainties

A proportion of the company's purchases and sales transaction are denominated in Euro's. The company did not participate in any form of hedging transactions during the current financial year, therefore, all foreign currency risk is incurred by the company.

There is no other material exposure of the company relating to price risk, credit risk, liquidity risk, and cash flow risk which is material for the assessment of the assets, liabilities, financial position and profit for the company.

### Directors and their interests

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

R F Ladbury  
J Franzen (resigned 6 July 2011)  
F Laukien (resigned 6 July 2011)  
S Meyer-Plath  
S Ruge

There are no directors' interests requiring disclosure under the Companies Act 2006

### Directors' indemnities

The ultimate parent company, Bruker Corporation Inc, has indemnified all directors and officers of their subsidiary companies against liability in respect of proceedings brought by third parties, subject to conditions set of in section 234 of the Companies Act 2006. Such qualifying indemnity insurance was in force in the year.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Re-appointment of auditors

The directors have an elective resolution in place which dispenses with the need to hold an Annual General Meeting and appoint auditors annually.

By order of the Board



R F Ladbury  
Secretary

17/09/ 2012

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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.

# **Independent auditors' report**

**to the members of Bruker Daltonics Limited**

We have audited the financial statements of Bruker Daltonics Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

## **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its 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.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report (continued)**

**to the members of Bruker Daltonics Limited**

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

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

*Ernst & Young LLP*

Susan Broughton (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

Birmingham

*27th September* 2012

## Profit and loss account

for the year ended 31 December 2011

	Notes	2011 £	2010 £
<b>Turnover</b>	2		
Continuing operations		1,431,764	3,646,844
Discontinued operations		-	3,425,824
		<u>1,431,764</u>	<u>7,072,668</u>
<b>Cost of sales</b>			
Continuing operations		1,130,948	3,122,190
Discontinued operations		-	2,459,672
		<u>1,130,948</u>	<u>5,581,862</u>
<b>Gross profit</b>			
Continuing operations		300,816	524,654
Discontinued operations		-	966,152
		<u>300,816</u>	<u>1,490,806</u>
<b>Administrative expenses</b>			
Continuing operations		161,624	444,298
Discontinued operations		-	823,217
		<u>161,624</u>	<u>1,267,515</u>
<b>Operating profit</b>	3		
Continuing operations		139,192	80,356
Discontinued operations		-	142,935
		<u>139,192</u>	<u>223,291</u>
Bank interest receivable	6	77	569
<b>Profit on ordinary activities before taxation</b>		139,269	223,860
Tax on profit on ordinary activities	7	17,822	64,254
<b>Profit for the financial year</b>	14	<u>121,447</u>	<u>159,606</u>

Discontinued operations were in respect of the life sciences and other non-detection business transferred to the associated company Bruker UK Limited in 2010

## Statement of total recognised gains and losses

for the year ended 31 December 2011

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £121,447 in the year ended 31 December 2011 and of £159,606 in the year ended 31 December 2010


## Balance sheet

at 31 December 2011

Registered Number 3724725

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	8	28,757	10,095
<b>Current assets</b>			
Stocks	9	2,224,450	1,074,270
Debtors	10	536,037	664,420
Cash at bank and in hand		130,347	291,322
		2,890,834	2,030,012
<b>Creditors</b> amounts falling due within one year	11	2,337,663	1,494,005
<b>Net current assets</b>		553,171	536,007
<b>Total assets less current liabilities</b>		581,928	546,102
<b>Provisions for liabilities</b>	12	-	85,621
<b>Net assets</b>		581,928	460,481
<b>Capital and reserves</b>			
Called up share capital	13	50,000	50,000
Profit and loss account	14	531,928	410,481
<b>Shareholders' funds</b>	14	581,928	460,481

The financial statements were approved by the Board of Directors and signed on their behalf by



R F Ladbury

Director

17/09/ 2012

## Notes to the financial statements

at 31 December 2011

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and on a going concern basis as described in the Directors' Report

#### *Statement of cash flows*

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

#### *Tangible fixed assets*

All fixed assets are initially recorded at cost. The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate that a carrying value may not be recoverable.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Plant and equipment	—	20%
Motor vehicles	—	25%
Computer equipment	—	33%

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

#### *Revenue recognition*

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must be met before revenue is recognised

Sales of goods - revenue from the sales of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on delivery or signed customer acceptance

#### *Stocks*

Stocks 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 on estimated selling price less any further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items. Demo stock is held for resale and is amortised over its useful life, the value is at net realisable value

## Notes to the financial statements

at 31 December 2011

### 1. Accounting policies (continued)

#### *Deferred taxation*

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

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

#### *Pensions*

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 provisions*

Provision is made for liabilities arising in respect of potential warranty claims based on the historical experience of warranty claims made

### 2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report

An analysis of turnover by geographical market is given below

	2011 £	2010 £
UK	740,651	3,637,251
Europe	-	27,505
Rest of World	691,113	3,407,912
	<u>1,431,764</u>	<u>7,072,668</u>

## Notes to the financial statements

at 31 December 2011

### 3. Operating profit

This is stated after charging / (crediting)

	2011 £	2010 £
Auditors' remuneration – audit services	5,000	5,000
Depreciation of owned fixed assets	8,076	4,176
Operating lease rentals – plant and machinery	4,615	4,562
Net (profit)/loss on foreign currency translation	(69,419)	141,849

### 4. Directors' remuneration

	2011 £	2010 £
Emoluments	4,000	4,000

Certain of the directors are directors of other group companies or play a role in group management. Their roles within the company are deemed to be incidental to their role as group directors and therefore the company bears no cost in relation to these directors.

### 5. Staff costs

	2011 £	2010 £
Wages and salaries	369,576	362,756
Social security costs	43,064	42,071
Other pension costs	8,023	8,035
	420,663	412,862

The average monthly number of employees during the year was made up as follows

	No	No
Directors	4	4
Selling and distribution	7	7
	11	11

### 6. Interest receivable

	2011 £	2010 £
Bank interest receivable	77	569

## Notes to the financial statements

at 31 December 2011

### 7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2011 £	2010 £
<b>Current tax:</b>		
UK corporation tax on the profit for the year	38,950	64,345
Adjustments in respect of previous periods	(19,916)	418
Total current tax (note 7(b))	19,034	64,763
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(1,651)	(509)
Adjustment in respect of previous periods	(184)	-
Effect of changes in tax rates	623	-
Tax on profit on ordinary activities	17,822	64,254

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26.5% (2010 – 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	139,269	223,860
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 – 28%)	36,906	62,681
<b>Effects of</b>		
Expenses not deductible for tax purposes	393	731
Capital allowances in excess of depreciation	1,651	933
Adjustments to tax charge in respect of previous years	(19,916)	418
Current tax for the year (note 7(a))	19,034	64,763

## Notes to the financial statements

at 31 December 2011

### 7. Tax (continued)

#### (c) Deferred tax

The deferred tax included in the Balance Sheet is as follows

	2011 £	2010 £
Included in debtors (note 10)	<u>5,974</u>	<u>4,762</u>
	2011 £	2010 £
Depreciation in excess of capital allowances	5,974	4,762
Deferred tax asset	<u>5,974</u>	<u>4,762</u>
		<i>Deferred tax asset £</i>
At 1 January 2011		4,762
Deferred tax charge in profit and loss account (note 7(a))		1,028
Adjustment in respect of prior years		<u>184</u>
At 31 December 2011		<u>5,974</u>

#### (d) Factors affecting future tax changes

In his budgets of 2010, 2011 and 2012, the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 26% to 22% falling by 2% in 2012 and a further 1% a year in 2013 and 2014. The first 1% reduction to 25% for 2012 was substantively enacted in 2011 and, in accordance with accounting standards, has been reflected in the Company's financial statements. The second 1% reduction to 24% for 2012 was substantively enacted on 26 March 2012 and, in accordance with accounting standards, will be reflected in the Company's financial statements in respect of the year ended 31 December 2012. Further proposed changes will only be reflected once the reductions are substantively enacted.

In addition, the changes to the rates of tax depreciation announced in the 2010 budgets and included in the 2012 Finance Bill are due to become effective from 1 April 2012 later in the year.

The full impact of these combined changes has yet to be ascertained but it is considered likely that the company will have a lower UK effective rate on future taxable profits.

## Notes to the financial statements

at 31 December 2011

### 8. Tangible fixed assets

	<i>Plant and equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£
Cost			
At 1 January 2011	13,641	16,707	30,348
Additions	-	26,738	26,738
At 31 December 2011	13,641	43,445	57,086
Depreciation			
At 1 January 2011	13,641	6,612	20,253
Charged in year	-	8,076	8,076
At 31 December 2011	13,641	14,688	28,329
Net book value			
At 31 December 2011	-	28,757	28,757
At 1 January 2011	-	10,095	10,095

### 9 Stocks

	<i>2011</i>	<i>2010</i>
	£	£
Work in progress	2,079,293	874,574
Finished goods	145,157	199,696
	<u>2,224,450</u>	<u>1,074,270</u>

The difference between purchase price of stocks and their replacement cost is not material

### 10. Debtors

	<i>2011</i>	<i>2010</i>
	£	£
Trade debtors	464,780	520,632
Amounts owed to group undertakings	50,196	95,866
Prepayment and accrued income	15,087	27,325
Other debtors	-	15,835
Deferred taxation (note 7)	5,974	4,762
	<u>536,037</u>	<u>664,420</u>

## Notes to the financial statements

at 31 December 2011

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

	2011	2010
	£	£
Trade creditors	226,090	7,341
Amounts owed to group undertakings	1,954,079	341,094
Corporation tax	103,115	84,081
Other taxation and social security costs	17,322	7,955
Other creditors	-	3,250
Accruals and deferred income	37,057	1,050,284
	<u>2,337,663</u>	<u>1,494,005</u>

### 12. Provisions for liabilities

	Maintenance warranties £
At 1 January 2011	85,621
Profit and loss account movement during the year	(85,621)
At 31 December 2011	<u>-</u>

### 13. Issued share capital

	No	2011 £	No	2010 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	50,000	<u>50,000</u>	50,000	<u>50,000</u>

### 14. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 January 2010	50,000	250,875	300,875
Profit for the financial period	-	159,606	159,606
At 1 January 2011	<u>50,000</u>	<u>410,481</u>	<u>460,481</u>
Profit for the financial period	-	121,447	121,447
At 31 December 2011	<u>50,000</u>	<u>531,928</u>	<u>581,928</u>

## Notes to the financial statements

at 31 December 2011

### 15. Pensions

The company operates a defined contribution pension scheme whose assets are held separately from those of the company as an independently administered fund. The pension charge represents contributions payable by the company and amounted to £8,023 (2010 – £8,035). There were no unpaid contributions outstanding at the year end (2010 - £Nil).

### 16. Other financial commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	<i>Plant &amp; Machinery</i>	
	<i>2011</i>	<i>2010</i>
	£	£
Operating leases which expire		
Within one year	-	-
In two to five years	4,615	4,562
	<u>4,615</u>	<u>4,562</u>

### 17. Related party transactions

Under FRS 8, the company is exempt from the requirement to disclose transactions with other wholly owned group undertakings on the grounds that its results are included in Bruker Corporation group financial statements.

### 18. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Bruker Daltonics Inc at 31 December 2011, a company incorporated in the United States of America.

The company regards Bruker Corporation as its immediate and ultimate parent undertaking and controlling party and is the smallest and largest group of which the company is a member and for which group financial statements are prepared in the publicly traded company of Bruker Daltonics Inc. A copy of the group financial statements are available from 40 Manning Road, Billerica, MA01821, USA.