

Registered No 3724725

Bruker Daltonics Limited

Report and Financial Statements

31 December 2009

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COMPANIES HOUSE

Brüker Daltonics Limited

Registered No 3724725

Directors

R F Ladbury
J Franzen
F Laukien
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 5960
15 Colmore Row
Birmingham
B3 2EP

Solicitors

Newsome Vaughan
Greyfriars House
Greyfriars Lane
Coventry
CV1 2GW

Registered office

Banner Lane
Coventry
CV4 9GH

Bruker Daltonics Limited

Registered No 3724725

Director's report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The profit for the year amounted to £78,637 (2008 profit of £25,280) The directors recommend no dividend for the year (2008 £nil)

Principal activities and review of the business

The principal activity of the company in the year under review was the manufacture and distribution of mass spectrometer equipment

Faced with the twin challenges of a deteriorating economic climate and increased competition the Company has nevertheless grown its year on year revenue significantly Despite some erosion of margin due to competitive effects the final outcome is considered satisfactory

At the end of 2009, the trade of the life sciences and certain other non detection business related parts of the Company were transferred to an associated company Bruker UK Limited The detection business promises strong growth based on the expected maturity of a number of major initiatives across abroad geographical area

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Bruker Daltonics Limited to continue as a going concern, or its ability to continue with the current banking arrangements

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Financial instruments

The company did not participate in any form of hedging transactions during the current financial year Also, the company did not use forward exchange contracts relating to foreign currency transactions as the company purchases the majority of goods from fellow group companies Therefore, all foreign currency risk is incurred by the company

Principal risks and uncertainties

There are 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

F Laukien

D Schmalbein (resigned 31st December 2009)

S Meyer-Plath (appointed 22nd December 2009)

S Ruge (appointed 22nd December 2009)

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

Directors' indemnities

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

Bruker Daltonics Limited

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Director's report (continued)

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.

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

10 SEPTEMBER 2010

Statement of Directors' responsibilities

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

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 its profit or loss for that period. 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,
- 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 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 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 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 (APB'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.

Opinion on 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 2009 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
- 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

Steven Bagworth (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

20 September 2010

Profit and loss account
for the year ended 31 December 2009

	<i>Notes</i>	<i>2009</i> £	<i>2008</i> £
Turnover	2	7,794,182	6,057,589
Cost of sales		6,316,572	4,843,295
Gross profit		<u>1,477,610</u>	<u>1,214,294</u>
Administrative expenses		1,364,581	1,191,671
Operating profit	3	<u>113,029</u>	<u>22,623</u>
Bank interest receivable	5	720	26,967
Profit on ordinary activities before taxation		<u>113,749</u>	<u>49,590</u>
Tax on profit on ordinary activities	6	35,112	24,310
Profit for the financial year transferred to reserves		<u><u>78,637</u></u>	<u><u>25,280</u></u>

The profit and loss account is prepared in respect of continuing operations

Statement of total recognised gains and losses

There were no recognised gains or losses other than the profit attributable to shareholders of the company of £78,637 in the year ended 31 December 2009 and of £25,280 in the year ended 31 December 2008

Bruker Daltonics Limited

Registered No 3724725

Balance sheet

at 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	7	14,271	-
Current assets			
Stocks	8	361,625	490,416
Debtors	9	2,443,821	2,738,737
Cash at bank and in hand		438,351	820,581
		3,243,797	4,049,734
Creditors: amounts falling due within one year	10	2,822,165	3,680,568
Net current assets		421,632	369,166
Total assets less current liabilities		435,903	369,166
Provisions for liabilities and charges	12	135,028	146,928
		300,875	222,238
Capital and reserves			
Called up share capital	15	50,000	50,000
Profit and loss account	16	250,875	172,238
Equity shareholders' funds	16	300,875	222,238

The financial statements were approved by the Board of Directors on 10 September 2010



R F Ladbury
Director

Notes to the financial statements

at 31 December 2009

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and on a going concern basis

Cash flow statement

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 and depreciation

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

Freehold buildings	-	5%
Plant and equipment	-	20%
Motor vehicles	-	25%
Computer equipment	-	33%

The carrying value of tangible assets are reviewed for impairment when events or changes in circumstances indicate that a carrying value may not be recoverable.

Stocks

Stock 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.

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 or events 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, 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 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.

Notes to the financial statements

for the year ended 31 December 2009

1. Accounting policies (continued)

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

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pension costs

The company operates a defined contribution scheme Contributions are charged in 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 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

An analysis of turnover by geographical market is given below

	2009	2008
	£	£
United Kingdom	5,358,575	5,490,599
Europe	601,463	462,492
Rest of World	1,834,144	104,498
	<u>7,794,182</u>	<u>6,057,589</u>

3. Operating profit

This is stated after charging/(crediting)

	2009	2008
	£	£
Auditors' remuneration - audit services	<u>7,375</u>	<u>6,355</u>
Depreciation of owned fixed assets	<u>2,436</u>	<u>-</u>
Operating lease rental - plant and machinery	47,503	41,387
Net (profit)loss on foreign currency translation	<u>(81,349)</u>	<u>73,758</u>

Notes to the financial statements

for the year ended 31 December 2009

4 Staff costs

	2009	2008
	£	£
Wages and salaries	1,033,865	861,495
Social security costs	118,344	97,993
Other pension costs (note 11)	29,659	29,067
	<u>1,181,868</u>	<u>988,555</u>

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

	2009	2008
	No	No
Directors	4	4
Selling and distribution	22	20
	<u>26</u>	<u>24</u>

None of the directors received any emoluments from the company during the year

5 Interest receivable

	2009	2008
	£	£
Bank interest receivable	720	26,967

6 Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2009	2008
	£	£
<i>Current tax</i>		
UK Corporation tax	36,926	19,022
Adjustments in respect of previous periods	186	5,347
Total current tax (note 6(b))	<u>37,112</u>	<u>24,369</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(2,000)	(59)
	<u>35,112</u>	<u>24,310</u>

Notes to the financial statements

for the year ended 31 December 2009

6. Tax (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 28% (2008 28.5%). The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	113,749	49,590
Profit on ordinary activities before taxation multiplied by standard rate of tax	31,850	14,133
Expenses not deductible for tax purposes	3,685	4,829
Capital allowances in excess of depreciation	1,392	60
Adjustments to tax charge in respect of previous period	186	5,347
Total current tax (note 6(a))	37,113	24,369

(c) Deferred tax

The deferred tax included in the Balance Sheet is as follows

	2009 £	2008 £
Included in debtors (note 9)	4,253	2,253
Depreciation in excess of capital allowances	4,253	2,253
Deferred tax asset	4,253	2,253
		<i>Deferred tax asset</i>
		£
At 1 January 2009		2,253
Deferred tax charge in profit and loss account (note 6(a))		2,000
At 31 December 2009		4,253

(d) Factors affecting future tax changes

In his budget of 22 June 2010, the Chancellor of the Exchequer announced Budget tax changes, which, if enacted in the proposed manner, will have a significant effect on the Company's future tax position. As at the balance sheet date, the tax changes announced in the Budget were not 'substantively enacted' and as such, in accordance with accounting standards, the changes have not been reflected in the Company's financial statements as at 31 December 2009.

The budget proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year, from April 2011, which will be enacted annually. The budget also proposed a decrease in the capital allowance rates available on plant and machinery and integral fixtures from 20% to 18% and 10% to 8% respectively from 1 April 2012. The above changes to the capital allowance and tax rates will impact the amount of the future cash tax payment to be made by the Company.

Notes to the financial statements

for the year ended 31 December 2009

7. Tangible fixed assets

	<i>Plant and equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£
Cost			
1 January 2009	16,851	-	16,851
Additions	-	16,707	16,707
31 December 2009	<u>16,851</u>	<u>16,707</u>	<u>33,558</u>
Depreciation	16,851	-	16,851
Charged in year	-	2,436	2,436
31 December 2009	<u>16,851</u>	<u>2,436</u>	<u>19,287</u>
Net book value 31 December 2009	<u>-</u>	<u>14,271</u>	<u>14,271</u>
Net book value 1 January 2009	<u>-</u>	<u>-</u>	<u>-</u>

8. Stocks

	<i>2009</i>	<i>2008</i>
	£	£
Work in progress	68,955	102,412
Finished goods	292,669	388,004
	<u>361,625</u>	<u>490,416</u>

9. Debtors

	<i>2009</i>	<i>2008</i>
	£	£
Trade debtors	2,097,479	2,386,104
Amounts owed by group undertakings	277,211	272,513
Prepayments and accrued income	64,878	77,867
Deferred taxation (note 6)	4,253	2,253
	<u>2,443,821</u>	<u>2,738,737</u>

10. Creditors: amounts falling due within one year

	<i>2009</i>	<i>2008</i>
	£	£
Trade creditors	384,728	306,326
Amounts owed to group undertakings	433,809	987,125
Corporation tax	56,662	19,550
Other taxation and social security costs	114,466	134,911
Accruals and deferred income	1,832,500	2,232,657
	<u>2,822,165</u>	<u>3,680,568</u>

Notes to the financial statements

for the year ended 31 December 2009

11 Pensions

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company and amounted to £29,659 (2008 £29,067). There were no unpaid contributions outstanding at the year end.

12 Provisions for liabilities and charges

	<i>Maintenance warranties</i>
	£
At 1 January 2009	146,928
Profit and loss account movement during the year	(11,900)
At 31 December 2009	<u>135,028</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.

13 Commitments under operating leases

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

	<i>Other than land and buildings</i>	
	2009	2008
	£	£
Operating leases which expire		
In one year	4,974	7,793
In two to five years	20,152	33,675
	<u>25,126</u>	<u>41,468</u>

14. Related party transactions

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

Notes to the financial statements

for the year ended 31 December 2009

15 Share capital

			2009 £	2008 £
<i>Authorised</i>				
Ordinary shares of £1 each			50,000	50,000
<i>Allotted, called up and fully paid</i>				
	2009 No	2008 No	2009 £	2008 £
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

16 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2008	50,000	146,958	196,958
Profit for the financial period	-	25,280	25,280
At 31 December 2008	50,000	172,238	222,238
Profit for the financial period	-	78,637	78,637
At 31 December 2009	50,000	250,875	300,875

17 Ultimate parent company

The company is a wholly owned subsidiary of Bruker Daltonics Inc at 31 December 2009, 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 accounts are prepared in the publicly traded company of Bruker Daltonics Inc. A copy of the group financial statements are available from 15 Fortune Drive, Billerica, MA01821, USA