

# **Bruker Daltonics Limited**

## **Strategic Report, Directors' Report and Financial Statements**

31 December 2015



**Directors**

M Holmes

S Ruge

M Knell

**Auditors**

Ernst & Young LLP

No 1 Colmore Square

Birmingham B4 6HQ

**Bankers**

Deutsche Bank AG London

6 Bishopsgate

London

EC2N 4DA

**Solicitors**

Newsome Vaughan

Greyfriars House

Greyfriars Lane

Coventry CV1 2GW

**Registered Office**

Banner Lane

Coventry CV4 9GH

## Strategic Report

The directors present their strategic report and the financial statements for the year ended 31 December 2015.

### Principal activity 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:

	2015	2014	Change
	£	£	%
Turnover	984,447	1,046,293	-5.91%
Operating (loss)/Profit	(39,661)	54,969	-172.15%
Loss after tax	(40,585)	26,520	-253.03%
Current assets as a % of current liabilities	172%	223%	-51%

Turnover decreased by 5.91% during the year, due mainly to the decrease in sales to Asia, which generated £826k of turnover in 2014, compared to £789k in 2015.

Operating loss of £39,661 in 2015 was due mainly to the exchange rate loss of £6k in 2015 compared to a profit of £19k in 2014. Also increase of salary costs of £20k due to severance payments and increase of exhibition costs of £23k

Loss after tax also increased by £67k due to the above factor.

Current assets as a % of current liabilities has decreased by 51% between 2015 and 2014 due mainly to the increase of the group creditor balance by £131k and also the increase of accrued expenses and deferred income of £184k between 2015 and 2014.


### Principal risks and uncertainties

The principal risk and uncertainty faced by the company is a cut in public funding. Given that our client base currently is fundamentally consisting of public bodies, a severe public sector moratorium or public spending cut would be detrimental to our turnover figures.

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.

On behalf of the Board



M Holmes

Director

Date 28/09/2016

Registered No. 3724725

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2015.

### Results and dividends

The loss for the year after taxation amounted to £40,585 (2014 – profit of £26,520). The directors do not recommend a final dividend (2014 – £nil).

### Going concern

The directors have received written confirmation from the ultimate parent undertaking that they will if required assist the Company 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 undertaking 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

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

S Meyer-Plath (resigned 8 June 2016)

S Ruge

Subsequent to the year end, the following were appointed as directors to the company:

M Holmes (appointed 8 June 2016)

M Knell (appointed 8 June 2016)

### Directors' indemnity

The ultimate parent undertaking, Bruker Corporation, has put in place qualifying indemnity insurance covering 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.

### 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.

### Auditors

Following a change of auditors at the group, Ernst & Young LLP has been asked to resign following completion of the audit of these financial statements. A resolution will be made to appoint PricewaterhouseCoopers as replacement auditors. This will be put to the members at the Annual General Meeting.

On behalf of the Board



M Holmes

Director

Date 28/09/2016

## Statement of directors' responsibilities

The directors are responsible for preparing the annual 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.

The directors are responsible for keeping adequate 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 2015 which comprise the Income Statement, the Statement of other comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Independent auditors' report

to the members of Bruker Daltonics Limited (continued)

## 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*

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

Date: *29 September 2016*

## Income Statement

for the year ended 31 December 2015

	Notes	2015 £	2014 £
<b>Turnover</b>	3	984,447	1,046,293
Cost of sales		(808,778)	(1,003,108)
<b>Gross profit</b>		175,669	43,185
Administrative expenses		(639,079)	(723,633)
Other operating income		423,749	735,417
<b>Operating profit/ (loss)</b>	4	(39,661)	54,969
Interest receivable and similar income	7	34	19
<b>Profit/ (loss) on ordinary activities before taxation</b>		(39,627)	54,988
Tax	8	(958)	(28,468)
<b>Profit/ (loss) for the financial year</b>		<u>(40,585)</u>	<u>26,520</u>

All amounts relate to continuing activities.

## Statement of other comprehensive income

for the year ended 31 December 2015

There is no other comprehensive income other than the loss attributable to the shareholders of the company of £40,585 in the year ended 31 December 2015 (2014 – Profit £26,520).

## Statement of financial position

at 31 December 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	9	-	-
<b>Current assets</b>			
Inventories	10	576,229	312,921
Debtors	11	526,166	346,820
Cash at bank and in hand		179,498	384,565
		<u>1,281,893</u>	<u>1,044,306</u>
<b>Creditors:</b> amounts falling due within one year	12	<u>(745,559)</u>	<u>(467,387)</u>
<b>Net current assets</b>		<u>536,334</u>	<u>576,919</u>
<b>Net assets</b>		<u>536,334</u>	<u>576,919</u>
<b>Capital and reserves</b>			
Called up share capital	13	50,000	50,000
Profit and loss account		<u>486,334</u>	<u>526,919</u>
<b>Shareholders' funds</b>		<u>536,334</u>	<u>576,919</u>

## Statement of changes in equity

For the year ended 31 December 2015

	Share capital £	Retained earnings £	Total share- holders' funds £
At 1 January 2014	50,000	500,399	550,399
Profit for the year	-	26,520	26,520
At 1 January 2015	50,000	526,919	576,919
Loss for the year	-	(40,585)	(40,585)
At 31 December 2015	<u>50,000</u>	<u>486,334</u>	<u>536,334</u>

The financial statements of Bruker Daltonics Limited were approved for issue by the board and signed on their behalf by:



M Holmes

Director

Dated: 28/09/2016

Registered No. 3724725

## Notes to the financial statements

at 31 December 2015

### 1. Compliance with Accounting Standards

The accounts have been prepared in accordance with FRS 102. The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 17. There were no material departures from that standard.

### 2. Accounting policies

#### *Basis of preparation*

These financial statements for the year ending 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2014.

The nature of these changes and their impact on opening equity and profit for the comparative period are explained in notes and below.

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The functional currency is £ sterling.

#### *Going concern*

The directors have received written confirmation from the ultimate parent undertaking that they will if required assist UK 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 undertaking is in a position to provide this support if required. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### *Statement of cash flows*

The directors have taken advantage of the exemption in FRS 102 (Chapter 5) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes group financial statements.

#### *Property, plant and equipment*

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 are recognised when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on delivery or signed customer acceptance.

#### *Inventories*

Inventories are valued at the lower of cost and estimated selling price less costs to sell. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture.

## Notes to the financial statements

at 31 December 2015

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 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 following exception:

- 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 on an undiscounted basis 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.

### **Operating leases**

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

### **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.

## 3. 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:

	2015 £	2014 £
UK	198,078	219,965
Rest of world	789,369	826,328
	<u>987,447</u>	<u>1,046,293</u>

## Notes to the financial statements

at 31 December 2015

### 4. Profit/ (loss) before tax

This is stated after charging/(crediting):

	2015 £	2014 £
Auditors' remuneration	8,000	7,950
Depreciation of owned fixed assets	-	2,228
Profit on sale of fixed assets	-	5,058
Net loss/(profit) on foreign currency translation	5,874	(18,821)

### 5. Directors' remuneration

	2015 £	2014 £
Remuneration	-	1,500

The directors are remunerated by Bruker Daltonik GmbH. The directors consider that the level of their services as directors of this company is incidental compared to their wider group management roles and therefore no amount is allocated for their services as directors of the company.

### 6. Staff costs

	2015 £	2014 £
Wages and salaries	366,532	341,198
Social security costs	30,231	40,297
Other pension costs	18,568	13,399
	415,331	394,894

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

	No.	No.
Directors	2	2
Selling and distribution	4	6
	6	8

## Notes to the financial statements

at 31 December 2015

### 7. Interest receivable and similar income

	2015	2014
	£	£
Bank interest receivable	34	19

### 8. Tax

(a) Tax on the profit on ordinary activities

The tax charge is made up as follows:

	2015	2014
	£	£
<b>Current tax:</b>		
UK corporation tax on the loss for the year	–	10,464
Adjustments in respect of previous periods	–	–
Total current tax	–	10,464
<b>Deferred tax:</b>		
Origination and reversal of timing differences	528	1,261
Adjustment in respect of previous periods	–	16,743
Effect of changes in tax rates	430	–
Total deferred tax	958	18,004
Tax on (loss)/profit on ordinary activities	958	28,468

(b) Factors affecting the total tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014 – 21.49%). The differences are explained below:

	2015	2014
	£	£
(Loss)/profit on ordinary activities before tax	(39,627)	54,988
(Loss)/profit/ on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.49%)	(8,023)	11,819
Adjustment in respect of previous periods	–	16,743
Effect of changes in tax rates	364	(94)
Group relief surrendered	8,617	–
Total tax expense	958	28,468

## Notes to the financial statements

at 31 December 2015

### 8. Tax (continued)

#### (c) Deferred tax

The deferred tax included in the Balance Sheet is as follows:

	2015	2014
	£	£
Included in debtors (note 10)	3,347	4,305

	2015	2014
	£	£
Depreciation in excess of capital allowances	3,347	4,305
Deferred tax asset	3,347	4,305

*Deferred tax  
asset  
£*

At 1 January 2015	4,305
Deferred tax in profit and loss account (note 7(a))	(958)
At 31 December 2015	3,347

#### (d) Factors that may affect future tax charges

In his summer budget of 8 July 2015, the chancellor of the exchequer proposed a decrease in the rate of the UK corporation taxation from 20% to 18%, falling by 1% in 2017 and a further 1% in 2020. These reductions in rates were not substantively enacted at the balance sheet date and so they are not reflected in these financial statements. The impact of the rate reduction is not considered material.

### 9. Property, plant and equipment

	<i>Plant and equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2015	13,641	16,707	30,348
At 31 December 2015	13,641	16,707	30,348
At 1 January 2015	13,641	16,707	30,348
At 31 December 2015	13,641	16,707	30,347
At 31 December 2015	—	—	—
At 1 January 2015	—	—	—

## Notes to the financial statements

at 31 December 2015

### 10. Inventories

	2015	2014
	£	£
Work in progress	270,954	299,134
Finished goods	305,275	13,787
	<u>576,229</u>	<u>312,921</u>

### 11. Debtors

	2015	2014
	£	£
Trade debtors	365,600	91,278
Amounts owed by group undertakings	147,984	249,437
Prepayment and accrued income	868	1,800
Other debtors	8,367	-
Deferred taxation (note 7(c))	3,347	4,305
	<u>526,166</u>	<u>346,820</u>

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

	2015	2014
	£	£
Trade creditors	3,151	2,624
Amounts owed to group undertakings	388,999	257,952
Corporation tax	7,915	7,915
Other taxes and social security costs	5,456	47,731
Accruals and deferred income	340,038	151,165
	<u>745,559</u>	<u>467,387</u>

### 13. Issued share capital

	2015		2014	
<i>Allotted, called up and fully paid</i>	No.	£	No.	£
Ordinary shares of £1 each	50,000	<u>50,000</u>	50,000	<u>50,000</u>

## Notes to the financial statements

at 31 December 2015

### 14. 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 £18,568 (2014 – £13,399). There were no unpaid contributions outstanding at the year ended (2014 – £nil).

### 15. Related party transactions

Under FRS 102 (Chapter 28), 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.

### 16. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Bruker Daltonics Inc. at 31 December 2015, a company incorporated in the United States of America.

The company regards Bruker Corporation, a company incorporated in the United States, as its 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. A copy of the group financial statements are available from 40 Manning Road, Billerica, MA01821, USA.

### 17. Transition to FRS 102

For all periods up to and including the year ended 31 December 2014, the company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). The financial statements for the year ended 31 December 2015 are the first the company has prepared in accordance with FRS 102. The company's date of transition to FRS 102 is therefore 1 January 2014. As a result of the transition there were no GAAP differences identified for any of the periods presented.