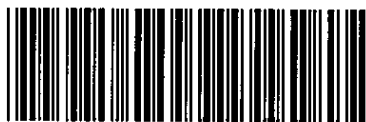


Company Registration Number 6488105

**Report of the Directors and
Financial Statements
For the period from incorporation on 30 January 2008 to 31 December 2008
For
PI (Physik Instrumente) Limited**

THURSDAY



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PI (Physik Instrumente) Limited

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for the period ended 31 December 2008**

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PI (Physik Instrumente) Limited

**Company Information
for the period ended 31 December 2008**

DIRECTORS: Dr. Karl Spanner
Kevin Grimley

SECRETARY: Adrian Harrison

REGISTERED OFFICE: Lambda House
Batford Mill
Harpenden
Hertfordshire
AL5 5BZ

REGISTERED NUMBER: 6488105

AUDITOR: Rödl & Partner Limited
1506-1508 Coventry Road
Yardley
Birmingham
B25 8AD

PI (Physik Instrumente) Limited

Report of the Directors for the period ended 31 December 2008

The directors present their first report with the financial statements of the company for the period from incorporation on 30 January 2008 to 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the sales, service and support of piezo products and high precision positioning equipment for application in research and industry.

REVIEW OF BUSINESS

The company was incorporated as PI (Physik Instrumente) Limited on 30 January 2008.

On 1 May 2008 the company acquired part of the trade of Lambda Photometrics Limited, a related party, and certain stock and fixed assets. The consideration of £124,156 was satisfied by an intercompany loan.

The results for the year and financial position of the company are as shown in the annexed financial statements.

As shown in the company's profit and loss account, the company recorded turnover of £1,435,473 which has resulted in a gross profit of £290,392 and a loss on ordinary activities before tax of £55,206.

The formation of the company on 30 January 2008 was followed by a transition period, with official trading only beginning on 1 May 2008. The trading figures between 1 May 2008 and 31 December 2008 represent a turnover well in excess of budget and expectation and reflect the continuing strength in our core markets. The reported loss is as a result of the rapid decline in the strength of sterling in combination with one off costs associated with the set up of the business.

In 2009 the company plans to move to new premises which will allow it to increase personnel and provide enhanced facilities for customer meetings and product demonstrations. Activity in the company's core markets continues to be strong and with the current United Kingdom Government stating its commitment to continued investment in the research sector the company expects to be profitable in 2009 and 2010.

DIVIDENDS

No dividends have been paid and none are proposed for the period ended 31 December 2008.

DIRECTORS

During the period following directors held office;

	Date of Appointment
Dr. Karl Spanner	30 January 2008
Kevin Grimley	30 January 2008

PI (Physik Instrumente) Limited

**Report of the Directors
for the period ended 31 December 2008**

PRINCIPAL RISKS AND UNCERTAINTIES

Financial and exchange rate risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates and credit risk. The company is exposed to currency exchange fluctuations from its suppliers as the company acquires its core components in euros. An agreement is in place with the parent company to fix the exchange rate of purchases from the parent company with effect from 1 January 2009 to 31 May 2009. Customers are typically quoted sales prices in sterling for the UK based operations.

Credit, Liquidity and cash flow risk

The company operates a policy of appropriate credit checks on potential customers before sales are made.

The company receives its short term cash requirements from its parent organisation and monitors requirements through the use of cash flow forecasts. This policy is designed to ensure that there are sufficient funds available for the current operations of the company and its future plans.

Continued financial support

The directors are delighted to report the continued financial support in the company by the ultimate holding company, Physik Instrumente (PI) GmbH & Co. KG.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 period. 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). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information (as defined by Section 2341A of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PI (Physik Instrumente) Limited

**Report of the Directors
for the period ended 31 December 2008**

AUDITOR

The auditor, Rödl & Partner Limited, accepted a casual vacancy during the period. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Rödl & Partner Limited will therefore continue in office.

Approved by the board of directors and signed on behalf of the board by:

Mr. K. Grimley
Director



Date 9th July 2009

Lambda House
Batford Mill
Harpenden
Hertfordshire
AL5 5BZ

Report of the independent auditor to the members of PI (Physik Instrumente) Limited

We have audited the financial statements of PI (Physik Instrumente) Limited for the period from incorporation on 30 January 2008 to 31 December 2008, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors' is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors' 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 International Standards on Auditing (UK and Ireland) 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 company'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.

Report of the independent auditor to the members of PI (Physik Instrumente) Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors' is consistent with the financial statements.

Rödl & Partner Limited

Rödl & Partner Limited
Chartered Certified Accountants
Registered Auditor
1506-1508 Coventry Road
Yardley
Birmingham
B25 8AD

Date...*9th July* 2009

PI (Physik Instrumente) Limited

PROFIT AND LOSS ACCOUNT

for the period from incorporation on 30 January 2008 to 31 December 2008

		30.01.2008 to 31.12.2008
	Note	£
TURNOVER	2	1,435,473
Cost of sales		(1,145,081)
GROSS PROFIT		290,392
Administrative expenses		(328,861)
OPERATING LOSS	4	(38,469)
Interest payable and similar charges	5	(16,737)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION AND LOSS FOR THE FINANCIAL PERIOD		(55,206)

CONTINUING OPERATIONS

All turnover and operating results were derived from acquired and continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period.

PI (Physik Instrumente) Limited

BALANCE SHEET
At 31 December 2008

	Note	31 December 2008	
		£	£
FIXED ASSETS			
Tangible assets	7		49,015
CURRENT ASSETS			
Stocks	8	16,435	
Debtors	9	577,624	
Cash at bank and in hand		97,956	
		<u>692,015</u>	
CREDITORS:			
Amounts falling due within one year	10	<u>(620,479)</u>	
NET CURRENT ASSETS			71,536
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>120,551</u>
CREDITORS:			
Amounts falling due after more than one year	11		(174,757)
NET LIABILITIES			<u>(54,206)</u>
CAPITAL AND RESERVES			
Called up share capital	12		1,000
Profit and loss account	13		<u>(55,206)</u>
SHAREHOLDERS' DEFICIT	14		<u>(54,206)</u>

The financial statements were approved by the directors on 9/7/09 and were signed on its behalf by



Mr. K. Grimley
 Director

PI (Physik Instrumente) Limited

**Notes to the Financial Statement
for the period ended 31 December 2008**

1 ACCOUNTING POLICIES

Accounting convention

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

The company has net liabilities of £54,206. Physik Instrumente (PI) GmbH & Co. KG, the company's ultimate parent undertaking, has indicated that it will provide or procure such funds as are necessary to enable the company to settle all external liabilities as they fall due for at least a period of twelve months.

Cash flow statement

In accordance with FRS 1 "Cash flow statements", the company is exempt from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods and the provision of services, excluding value added tax. Turnover is recognised on the despatch of goods or the provision of services.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost of each asset to their estimated residual values over their estimated useful lives.

Fixtures and fittings	- 10 % on cost
Motor vehicles	- 25 % on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken to the profit and loss account.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

PI (Physik Instrumente) Limited

**Notes to the Financial Statements - continued
 for the period ended 31 December 2008**

Deferred Taxation

The charge for taxation is based on the result for each period and takes into account deferred taxation calculated in accordance with the requirements of FRS 19 "Deferred tax".

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold, gains on disposals of fixed assets which will be rolled over into replacement assets and earnings of overseas subsidiaries that are not intended to be remitted to the UK. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

2 TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below;

	Period to 31.12.2008 £
United Kingdom	1,420,071
Europe	15,402
	<u>1,435,473</u>

3 STAFF COSTS

	Period to 31.12.2008 £
Wages and salaries	125,866
Social security costs	15,177
Other pension costs	9,359
	<u>150,402</u>

The average monthly number of employees (including directors) during the period was as follows;

	31.12.2008 Number
Sales and administration	<u>5</u>

PI (Physik Instrumente) Limited

**Notes to the Financial Statements - continued
 for the period ended 31 December 2008**

4 OPERATING LOSS

The operating loss is stated after charging/ (crediting)

	Period to 31.12.2008 £
Depreciation - owned assets	5,881
Exchange rate losses	12,644
Fees payable to the company's auditors for the audit of the company's annual accounts	<u>4,500</u>
Directors' emoluments	42,388
Directors' pension contributions to money purchase schemes	<u>4,355</u>

The number of directors to whom retirement benefits were accruing
 was as follows;

Money purchase schemes	<u>1</u>
------------------------	----------

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Period to 31.12.2008 £
Bank interest	1,957
Interest payable to group undertakings	<u>14,780</u>
	<u>16,737</u>

6 TAXATION

There is no current tax or deferred tax for the period.

PI (Physik Instrumente) Limited

**Notes to the Financial Statements - continued
 for the period ended 31 December 2008**

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 28%. The difference is explained below;

	31.12.2008 £
Loss on ordinary activities before tax	(55,206)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28%	(15,458)
Effects of	
Unrelieved tax losses carried forward	15,458
Current tax charge	-

Factors that may effect future charges

The company has tax losses available to carry forward against future profits from the same trade of £ 55,000 which would reduce future tax payments.

7 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
COST			
Additions	10,209	44,687	54,896
At 31 December 2008	<u>10,209</u>	<u>44,687</u>	<u>54,896</u>
DEPRECIATION			
Charge for period	976	4,905	5,881
At 31 December 2008	<u>976</u>	<u>4,905</u>	<u>5,881</u>
NET BOOK VALUE			
At 31 December 2008	<u>9,233</u>	<u>39,782</u>	<u>49,015</u>

8 STOCKS

	31.12.2008 £
Finished goods	16,435

The replacement cost of the above stocks would not be significantly different from the values stated.

PI (Physik Instrumente) Limited

**Notes to the Financial Statements - continued
 for the period ended 31 December 2008**

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2008
	£
Trade debtors	576,624
Amounts due from group undertakings	1,000
	<u>577,624</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2008
	£
Payments in advance	36,000
Trade creditors	4,532
Amounts due to group undertakings	386,694
Loan due to parent undertaking (see note 11)	19,418
Amounts due to associated undertakings	38,317
Social security and other taxes	72,093
Accruals	63,425
	<u>620,479</u>

11 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR:

	£
Loan due to parent undertaking	<u>174,757</u>
Analysis of maturity of loan to parent undertaking:	
Within one year or on demand	19,418
Between one and two years	19,418
Between two and five years	58,254
After five years	97,085
	<u>194,175</u>

The loan due to the parent undertaking is repayable in 10 equal annual instalments to May 2018. Interest is charged at a rate linked to the 3 month EURIBOR.

PI (Physik Instrumente) Limited

**Notes to the Financial Statements - continued
 for the period ended 31 December 2008**

12 CALLED UP SHARE CAPITAL

Authorised number	Class	Nominal value	31.12.2008 £
10,000	Ordinary	£ 1	<u>10,000</u>

Allotted, issued and fully paid;

Number	Class	Nominal value	31.12.2008 £
1,000	Ordinary	£ 1	<u>1,000</u>

On 30 January 2008 1,000 ordinary shares of £1 each were issued at par to capitalise the company.

13 RESERVES

	31.12.2008 £
Loss for financial period	(55,206)
At end of period	<u>(55,206)</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	31.12.2008 £
Loss for the financial period	(55,206)
Share capital subscribed	1,000
Net reduction to shareholders' funds and shareholders' deficit	<u>(54,206)</u>

15 PENSIONS

The company operated a defined contribution pension scheme for the benefit of its employees. The pension cost charged for the period represents contributions payable by the company to the scheme and amounts to £9,359. There were no outstanding contributions at the end of the financial period.

16 RELATED PARTY DISCLOSURES

During the period the company sold and purchased goods and services to associated companies as follows;

	Purchased 2008 £	Sold 2008 £
Physik Instrumente (PI) GmbH & Co KG	1,292,300	Nil
PI Ceramic GmbH	44,194	Nil

PI (Physik Instrumente) Limited

**Notes to the Financial Statements - continued
 for the period ended 31 December 2008**

The balances due from and to associated companies are as follows;

	Debtor	Creditor
	2008	2008
	£	£
Lambda Photometrics Limited	Nil	38,317
Physik Instrumente (PI) GmbH & Co KG	Nil	551,637
PI Ceramic GmbH	Nil	29,232
Physik Instrumente Investment GmbH	1,000	Nil

17 ULTIMATE PARENT COMPANY

The ultimate holding company is Physik Instrumente (PI) GmbH & Co. KG a limited partnership incorporated in Germany. Copies of the group financial statements of Physik Instrumente (PI) GmbH & Co. KG are available from Auf der Römerstr. 1, 76228 Karlsruhe/ Palmbach, Germany.