

Spectris UK Holdings Limited
Annual Report and Unaudited Financial Statements

Year ended 31 December 2020

Registered number: 4451903



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Directors' report for the year ended 31 December 2020

The Directors present their report and the unaudited Financial Statements for Spectris UK Holdings Limited (the "Company") for the year ended 31 December 2020. The Company has taken advantage of the exemptions available under Sections 415A and 414B of the Companies Act 2006 and has not prepared a strategic report, nor given certain disclosures in the Directors' report from which it is exempt.

The Company is a wholly owned subsidiary of Spectris Group Holdings Limited and acts to facilitate group funding arrangements.

On 27 October 2020, the Company undertook a capital reduction via the director's solvency statement process to cancel, in full, the share premium account recorded on the issuance of the redeemable ordinary shares at a value of £123,695,005. The distributable profits/retained earnings reserve was increased by this amount as a result. The Company subsequently redeemed 6,900 of its €1 redeemable ordinary shares at a premium of €69,000,000 (£62,454,743) on the same day, settled by letter of direction with Spectris Group Holdings Limited, its parent company.

There have not been any significant changes in the Company's activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Dividends

The Directors did not propose an interim dividend for the year ended 31 December 2020 (2019: nil). The Directors have not proposed a final dividend (2019: nil).

Results

The Company made a profit after tax in the year of £5,401,000 (2019: £6,268,000).

Post balance sheet events

The Company redeemed 7,575 of its €1 redeemable ordinary shares at a premium of €75,750,000 (£65,133,276) on 14 May 2021.

Directors' report continued

Directors

The following served as Directors during the year and up to the date of this report, unless otherwise shown:

A W Dumbleton

R L Dunn (resigned 5 June 2020)

I A Johnson (appointed 21 January 2020)

E M Unwin (appointed 9 June 2020)

Company Secretary

The following served as Company Secretary during the year and up to the date of this report, unless otherwise shown:

R L Dunn (resigned 5 June 2020)

E M Unwin (appointed 9 June 2020)

By order of the Board



A W Dumbleton
Director

Registered Office:

Heritage House

Church Road

Egham

Surrey

TW20 9QD

12 July 2021

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 they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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 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 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.

Income statement

For the year ended 31 December 2020

	Note	2020 £000	2019 £000
Interest receivable and similar income	3	10,442	8,357
Interest payable and similar expenses	4	(3,774)	(619)
Profit before taxation		6,668	7,738
Taxation charge	5	(1,267)	(1,470)
Profit for the year		5,401	6,268

The results for the year are derived solely from continuing operations.

There was no other comprehensive income and therefore the total comprehensive income is the same as that present in the income statement.

The notes on pages 8 to 12 form part of these Financial Statements.

Balance sheet

As at 31 December 2020

	Note	2020 £000	2019 £000
Non-current assets			
Loans owed by Group undertakings		106,180	102,275
Current assets			
Loans owed by Group undertakings		97,241	153,525
Current liabilities			
Other payables	6	(72,148)	(129,725)
Current tax liability		(1,267)	(1,470)
		(73,415)	(131,195)
Net current assets		23,826	22,330
Net assets		130,006	124,605
Equity			
Share capital	7	77,225	77,225
Capital redemption reserve		6	-
Other reserve		(64,732)	-
Retained earnings		117,507	47,380
Total equity		130,006	124,605

The notes on pages 8 to 12 form part of these Financial Statements.

For the financial year ending 31 December 2020, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

The Financial Statements were approved on 12 July 2021 by the Board of Directors and were signed on its behalf by:



A W Dumpleton

Director

Company Registration No. 4451903

Statement of changes in equity

	Share capital	Capital redemption Reserve	Other reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	77,225	-	-	47,380	124,605
Profit for the year	-	-	-	5,401	5,401
Total comprehensive income for the year	-	-	-	5,401	5,401
Capital reduction	-	-	(123,695)	123,695	-
Redeemable ordinary share redemption	-	6	58,963	(58,969)	-
At 31 December 2020	77,225	6	(64,732)	117,507	130,006

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2019	77,225	41,112	118,337
Profit for the year	-	6,268	6,268
Total comprehensive income for the year	-	6,268	6,268
At 31 December 2019	77,225	47,380	124,605

Notes to the accounts

1. Basis of preparation and summary of significant accounting policies

Spectris UK Holdings Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 4451903.

a) Basis of preparation

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated Financial Statements of Spectris plc, available to the public as set out in note 9, include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

The Financial Statements have been prepared on the historical cost basis, except for revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies are set out below.

Going concern

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future.

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Significant accounting judgements and estimates

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported amounts of assets, liabilities, income and expenses, should it later be determined that a different choice be more appropriate. Estimates and assumptions are reviewed on an on-going basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

In the course of preparing these Financial Statements in accordance with the Company's accounting policies, no judgements or estimates that have a significant effect on the amounts recognised in the Financial Statements have been made.

Notes to the accounts

1. Basis of preparation and summary of significant accounting policies continued

b) Summary of significant accounting policies

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the Income statement except to the extent that it relates to items recognised either in other comprehensive income or directly in equity, in which case tax is recognised in the Statement of comprehensive income or the Statement of changes in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of prior years.

Foreign currency translation

The functional currency for the Company is determined with reference to the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency are initially recorded at the functional currency 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. Exchange gains and losses on settlement of foreign currency transactions are translated at the rate prevailing at the date of the transactions, or the translation of monetary assets and liabilities at period end exchange rates, and are charged/credited to the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction.

Financial instruments

Recognition

The Company recognises financial assets and liabilities on its balance sheet when it becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Both the 'redeemable ordinary shares' and the 'redeemable element of the deferred shares' have been classified as 'liabilities' in accordance with IAS 32 due to the redemption entitlements below. The exchange impact arising on the retranslation of foreign currency shares classified as liabilities are expensed or credited to the income statement.

- The issued redeemable ordinary shares of EUR 1 each confer the right to receive notice of and to attend and vote at general meetings of the Company. The holder of these shares may redeem in whole or in part at any time by serving a notice of the proposed redemption. The redemption money payable on each share is the total of (i) the nominal amount and (ii) the premium paid on such redeemable shares; and
- The issued deferred shares carry no voting rights. The holder or holders of deferred shares may at any time give notice in writing to the Company, requiring the Company to redeem all of the deferred shares which have been issued and are fully paid up at a redemption price of not more than US\$ 0.01 per share.

Notes to the accounts

1. Basis of preparation and summary of significant accounting policies continued

b) Summary of significant accounting policies continued

Financial instruments continued

Measurement

When financial assets and liabilities are initially recognised, they are measured at fair value, being the consideration given or received plus directly attributable transaction costs.

The exchange impact arising on the retranslation of foreign currency 'redeemable ordinary shares' and the retranslation of the 'redeemable element of the deferred shares' both classified as financial liabilities is recognised in the income statement.

Loans and debtors comprise loans and advances other than purchased loans. Originated loans and debtors are initially recognised in accordance with the policy stated above and subsequently re-measured at amortised cost using the effective interest method. Allowance for impairment is estimated on a case-by-case basis.

Derecognition

A financial asset is derecognised when the Company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished. Originated loans and debtors are derecognised on the date they are transferred by the Company.

Impairment of financial assets

The Company assesses at each balance sheet reporting date whether there is any objective evidence that a financial asset, or group of financial assets, is impaired. A financial asset, or group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Interest payable and similar charges and interest receivable and similar income

Interest payable and similar charges comprises the interest payable on borrowings calculated using the effective interest method. Interest receivable and similar income comprises interest income on cash and funds invested and is recognised in the profit and loss account as it accrues.

2. Employee numbers and costs

The Company had no employees during the current or previous year.

The Directors received no remuneration for their services to the Company in either year. The present Directors are employed by, and receive remuneration for services from, the ultimate holding company, Spectris plc.

3. Interest receivable and similar income

	2020	2019
	£000	£000
Interest receivable from group undertakings	6,788	7,851
Exchange gain on financial liabilities	3,654	506
	10,442	8,357

Notes to the accounts

4. Interest payable and similar charges

	2020	2019
	£000	£000
Interest payable to group undertakings	120	278
Exchange losses on retranslation of loan balances with group undertakings	3,654	506
Other exchange losses	-	113
	3,774	619

5. Taxation charge

a) Tax charged in the Income statement

	2020	2019
	£000	£000
Taxation charge		
UK corporation tax	1,267	1,470
Taxation charge	1,267	1,470

b) Reconciliation of the total tax charge

The tax charge in the income statement for the year is equal to (2019: equal to) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2020	2019
	£000	£000
Profit before taxation	6,668	7,738
Corporation tax at standard rate of 19% (2019: 19%)	1,267	1,470
Total tax charge reported in the income statement	1,267	1,470

c) Change in corporation tax rate

It was announced in the Budget 2021 that corporation tax rates will increase from 19% to 25% (effective from 1 April 2023).

6. Other payables

	2020	2019
	£000	£000
Current		
Loans owed to Group undertakings	4,001	6,503
Redeemable ordinary shares classified as liability (see Note 7)	68,127	123,201
Deferred shares classified as liability (see Note 7)	20	21
	72,148	129,725

Both the redeemable ordinary shares and the redeemable element of the deferred shares have been classified as financial liabilities in accordance with IAS 32 due to the redemption entitlements attached.

Notes to the accounts

7. Share capital

Total issued share capital:

	22,628 \$1 ordinary shares	2,737,200 \$50 deferred shares	Total
	£000	£000	£000
Allotted, called up and fully paid			
At 1 January and 31 December 2020	15	77,226	77,241

Redeemable ordinary shares of €10,000 each and nominal value of €1 each

Allotted, called up and fully paid	No.	£000
At 1 January 2020	14,475	123,707
Redeemed during the year	(6,900)	(58,969)
At 31 December 2020	7,575	64,738

Issued share capital classified as equity:

	22,628 \$1 ordinary shares	2,737,200 \$49.99 deferred shares	Total
	£000	£000	£000
At 1 January and 31 December 2020	15	77,210	77,225

Issued share capital classified as liability:

a) Redeemable element of deferred shares

The deferred shares carry no voting rights. The holder or holders of deferred shares may at any time give notice in writing to the Company, requiring the Company to redeem all the deferred shares which have been issued and are fully paid up at a redemption price of not more than US\$ 0.01 per share (see Note 6).

b) €1 redeemable ordinary shares

The redeemable ordinary shares confer the right to receive notice of and to attend and vote at general meetings of the Company. The holder of these shares may redeem in whole or in part at any time by serving a notice of the proposed redemption. The redemption money payable on each share is the total of (i) the nominal amount and (ii) the premium paid on such redeemable share (See Note 6).

8. Ultimate holding company

The Company's ultimate holding company is Spectris plc, which is incorporated in the United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Spectris plc, Heritage House, Church Road, Egham, Surrey TW20 9QD.

9. Post balance sheet events

The Company redeemed 7,575 of its €1 redeemable ordinary shares at a premium of €75,750,000 (£65,133,276) on 14 May 2021.