

Bruel & Kjaer VTS Limited
Annual report and unaudited financial statements

Year ended 31 December 2021

Registered number: 01539186



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Strategic report

The Directors present the Strategic Report, the Directors' Report and the financial statements for the year ended 31 December 2021.

Bruel & Kjaer VTS Limited (the "Company") manufactured and sold vibration test equipment during the year under review.

Review of the Company's business

The Company's trade and assets were transferred to Hottinger Bruel & Kjaer UK Ltd. on 1 May 2021 and the Company has been dormant since this date.

Principal risks and uncertainties

The Company's activities expose it to a number of financial risks including price risk, credit risk, foreign exchange risk and liquidity risk. For a more comprehensive discussion of risks, please refer to the consolidated accounts of Spectris plc (see Note 17).

Foreign exchange risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. The Company does not hedge transactions in foreign currencies but maintains bank accounts in foreign currencies in order to service cash outflows with cash inflows received in the same currency.

Price risk

The Company is exposed to commodity price risk. The Company actively negotiates with suppliers to reduce the impact of this risk.


Other risk

No material risks are identified.

Key performance indicators

The Company is part of the Spectris Group (being Spectris plc and its subsidiaries) and the key performance indicators used to review and monitor the business are set by the directors to be in line with those of the Spectris Group, which are economic profit and sales.

By order of the Board approved on 24 August 2022


S Pinnerup (App 4, 2022 15 28 GM1+2)

S Pinnerup

Director

Registered Office:

Jarman Way
Royston
Hertfordshire
SG8 5BQ

Directors' report

Dividends

The Directors did not propose an interim dividend for the year ended 31 December 2021 (2020: £nil). The Directors have not proposed a final dividend (2020: £nil).


Directors

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

S Pinnerup

B Bryson

By order of the Board approved on 24 August 2022


steen.pinnerup (Sep 4, 2022 15:28 GMT+2)

S Pinnerup

Director

Registered Office:

Jarman Way

Royston

Hertfordshire

SG8 5BQ

2022

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, 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 2021**

	Note	2021 £000	2020 £000
Revenue	2	4,561	18,645
Cost of sales		(3,377)	(14,488)
Gross profit		1,184	4,157
Distribution costs		(553)	(973)
Administrative expenses		(263)	(2,503)
Other expenses		(263)	(825)
Operating profit/(loss)	3-4	105	(144)
Finance income	5	19	34
Finance expense	6	(18)	(67)
Profit/(loss) before income tax		106	(177)
Tax on profit/(loss)	7	(3)	42
Profit/(loss) for the financial year		103	(135)

The results in 2021 in the Income statement relate entirely to discontinued operations as of 30 April 2021.

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

The notes on pages 9 to 20 are an integral part of these unaudited financial statements.

Statement of Changes in Equity

For the year ended 31 December 2021

	Called up Share capital £000	Capital Redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2021	351	5,272	19,353	24,976
Total comprehensive profit for the year	-	-	103	103
Balance at 31 December 2021	351	5,272	19,456	25,079

	Called up Share capital £000	Capital Redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	351	5,272	19,488	25,111
Total comprehensive loss for the year	-	-	(135)	(135)
Balance at 31 December 2020	351	5,272	19,353	24,976

The notes on pages 9 to 20 are an integral part of these unaudited financial statements.

Statement of financial position**As at 31 December 2021**

	Note	2021 £000	2020 £000
ASSETS			
Non-current assets			
Intangible assets	8	-	27
Property, plant and equipment	9	-	1,809
		-	1,836
Current assets			
Inventories	10	-	4,567
Trade and other receivables	11	25,079	22,774
		25,079	27,341
Total assets		25,079	29,177
LIABILITIES			
Current liabilities			
Bank overdraft		-	(182)
Trade and other payables	12	-	(2,592)
Lease liabilities	13	-	(434)
Provisions	14	-	(345)
		-	(3,553)
Net current assets		25,079	23,820
Non-current liabilities			
Lease liabilities	13	-	(648)
		-	(648)
Total liabilities		25,079	(4,201)
Net assets		25,079	24,976
Equity			
Called up share capital	15	351	351
Capital Redemption reserve		5,272	5,272
Retained earnings		19,456	19,353
Total equity attributable to owners of the Company		25,079	24,976


The notes on pages 9 to 20 are an integral part of these unaudited financial statements.

For the financial year ending 31 December 2021, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

No members have 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 on pages 6 to 20 were authorised for issue by the Board of Directors on ^{24 August} 2022 and were signed on its behalf by:


steen.pinnerup (Sep 4, 2022 15:28 GMT+2)

S Pinnerup
Director

Company Registration No.
01539186

Notes to the Accounts

1. Basis of preparation and summary of significant accounting policies

Bruel & Kjaer VTS Limited (the "Company") is incorporated and domiciled in the UK.

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, property, plant and equipment and intangible assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy; and
- Disclosures in respect of the compensation of Key Management Personnel.

The financial statements have been prepared on the historical cost basis. 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.

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

Going concern

The Company is not expected to continue to generate positive cash flows on its own account. On the basis of their assessment of the Company's financial position it was decided to carry out an asset transfer of Bruel & Kjaer VTS Ltd with another Spectris Group company. The asset transfer was completed at book value of net assets at 30 April 2021, a value of £25,031,436. All employees were part of a TUPE agreement and are now employed by Hottinger Bruel & Kjaer UK Ltd, formerly HBM United Kingdom Limited.

Significant accounting judgements and estimates

In preparing the Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

Notes to the Accounts *(continued)***Basis of preparation and summary of significant accounting policies** *(continued)***Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost comprises the purchase price paid and any costs directly attributable to bringing it into working condition for its intended use.

Depreciation is recognised in the profit and loss account on a straight-line basis to write off the cost, less the estimated residual value (which is reviewed annually), over its estimated useful economic life. Depreciation commences on the date the assets are ready for use within the business and the asset carrying values are reviewed for impairment when there is an indication that they may be impaired. The depreciation charge is revised where useful lives are different from those previously estimated, or where technically obsolete assets are required to be written down. Where parts of an asset have separate lives, they are accounted for and depreciated as separate items. Land is not depreciated. Estimated useful lives are as follows:

- Plant and equipment – 3 to 10 years.
- Leasehold improvements – 3 to 15 years.
- Computer hardware – 3 to 5 years.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for their intended use are capitalised as part of the cost of the respective asset.

Property, plant and equipment, right-of-use

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangement in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise: fixed lease payments (including in substance fixed payments), less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the lessee under residual value guarantees; the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised

Notes to the Accounts *(continued)***Basis of preparation and summary of significant accounting policies** *(continued)*

discount rate; the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease

Property, plant and equipment, right-of-use *(continue)*

payments using the initial discount rate; or a lease contract is modified, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost represents direct costs incurred and, where appropriate, production or conversion costs and other costs to bring the stock to its existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Inventories are accounted for on a first-in, first-out basis or, in some cases, a weighted average basis is used if deemed more appropriate for the business. Provisions are made to write down slow-moving, excess and obsolete items to net realisable value, based on an assessment of technological and market developments and on an analysis of historic and projected usage with regard to quantities on hand.

Trade and other receivables

Trade and other receivables are carried at original invoice amount (which is considered a reasonable proxy for fair value) and are subsequently held at amortised cost less provision for impairment. The provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historic credit loss experience, adjusted for factors specific to the receivable. The movement in the provision is recognised in the Income Statement.

Cash and cash equivalents

Comprises cash at bank and in hand and short-term deposits held on call or with maturities of less than three months at inception.

Trade and other payables

Trade and other payables are carried at the amounts expected to be paid to counterparties.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources, that can be reliably measured, will be required to settle the obligation. In respect of warranties, a provision is recognised when the underlying products or services are sold. Provisions are recognised at an amount equal to the best estimate of the expenditure required to settle the Company's liability. A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability.

Taxation

Tax on the profit or loss for the year comprises both current and deferred 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.

Notes to the Accounts *(continued)***Basis of preparation and summary of significant accounting policies** *(continued)***Taxation** *(continued)*

Deferred taxation is provided on taxable temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their corresponding tax bases. Deferred tax is measured using the tax rates expected to apply when the asset is realised, or the liability settled based on tax rates enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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 profit and loss account. 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.

Employee benefits

The Company operates a defined contribution pension scheme.

Defined contribution scheme

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised in the profit and loss account in the periods during which services are rendered by employees.

Revenue

Revenue comprises sales to external customers net of returns and discounts and excluding Value Added Tax and similar sales taxes.

Revenue from the sale of goods is recognised in the profit and loss account when the significant risk and rewards of ownership of the goods have been transferred to the customer, which is typically on delivery. For contracts that involve a significant element of installation or testing of equipment, turnover is recognised at the point of customer acceptance.

Occasionally, the initial contract covers both the supply of goods and on-going support, servicing and maintenance. For such contracts, turnover is allocated across each of the individual components in line with their relative value and each element is accounted for as described above.

Notes to the Accounts *(continued)***Basis of preparation and summary of significant accounting policies** *(continued)***Finance income**

Finance income comprises interest income on cash and funds invested and is recognised in the profit and loss account as it accrues.

2. Revenue

The Company derived its revenue from the provision of goods and services at a point in time.

	2021	2020
	£000	£000
Revenue recognition:		
At a point in time	4,561	18,645

An analysis of the Company's revenue by geographical area:

	2021	2020
	£000	£000
United Kingdom	1,398	1,168
EU	285	17,477
US	2,561	-
Rest of world	317	-
	4,561	17,660

The Company's revenue related solely to discontinued operations as of 30 April 2021.

The Company's material revenue streams have an expected duration of one year or less. The Company has therefore applied the practical expedient in IFRS 15 paragraph 121 not to disclose information about its remaining performance obligations.

3. Operating profit/(loss)

Operating profit/(loss) has been arrived at after charging:

	2021	2020
	£000	£000
Net foreign exchange loss/(gain)	41	(5)
Research and development expenditure	263	825
Depreciation of property, plant and equipment	73	211
Amortisation of intangible assets	-	20
Depreciation and Impairment of right-of-use assets	114	347
Expenses relating to short term and low-value leases	-	33

Notes to the Accounts *(continued)***4. Employee numbers and costs**

The average number of persons employed by the Company (including Directors) during the year, analysed by category was as follows:

	2021 Number	2020 Number
Production and engineering	66	64
Sales and marketing	9	13
Administrative	10	10
	85	87

The aggregate payroll costs of these persons, including Directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	973	3,856
Social security costs	130	400
Contributions to defined contribution plans	64	196
	1,167	4,452

5. Finance income

	2021 £000	2020 £000
Foreign exchange adjustment	19	34

6. Finance expense

	2021 £000	2020 £000
Unwinding of discount factor on lease liabilities	14	58
Interest payable to group undertakings	4	9
	18	67

7. Taxation

a) Tax charged/(credited) in the income statement	2021 £000	2020 £000
Current tax:		
UK corporation tax	8	(48)
Adjustments in respect of prior years	-	31
Total current tax charge/(credit)	8	(17)
Deferred tax:		
Origination and reversal of temporary differences	(13)	19
Change in tax rates	-	(13)
Adjustments in respect of prior years	8	(31)
Total deferred tax (credit)/charge	(5)	(25)
Total tax charge/(credit) in the income statement	3	(42)

Notes to the Accounts *(continued)*

Taxation *(continued)*

b) Reconciliation of the total tax charge/(credit)

The tax charge/(credit) in the income statement for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

Profit/(loss)	106	(177)
Corporation tax at standard rate of 19% (2020: 19%)	21	(33)
Non-deductible expenditure	2	4
Other current year items	(28)	-
Change in tax rates	-	(13)
Adjustments to prior year current and deferred tax charges	8	-
Total tax charge/(credit) reported in the income statement	3	(42)

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). This legislation was substantively enacted on 24th May 2021.

d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2021	2020
	£000	£000
Deferred tax asset		
Temporary differences relating to tangible assets	-	59
Temporary differences relating to other items	-	45
	-	104
Disclosed on the balance sheet		
Deferred tax asset	-	104
	2021	2020

	£000	£000
Deferred tax in the income statement		
Temporary differences relating to property, plant and equipment	(2)	4
Other temporary differences	(11)	15
Change in tax rates	-	(13)
Adjustments in respect of prior years	8	(31)
Deferred tax (credit)/charge	(5)	(25)

Notes to the Accounts *(continued)***8. Intangible assets**

Cost	Contractual rights	Computer software	Total
	£000	£000	£000
At 1 January 2021	50	745	795
Transfers out	(50)	(745)	(795)
At 31 December 2021	-	-	-
Accumulated amortisation and impairment			
At 1 January 2021	31	737	768
Charge for the year	3	7	10
Transfers out	(34)	(744)	(778)
At 31 December 2021	-	-	-
Carrying amount			
At 31 December 2021	-	-	-
At 31 December 2020	19	8	27

9. Property, plant and equipment

Cost	Computer hardware	Plant and equipment	Leasehold improvements	Total
	£000	£000	£000	£000
At 1 January 2020	238	2,446	2,098	4,782
Additions	14	173	97	284
Disposals	(116)	(1,091)	(39)	(1,246)
At 31 December 2020	136	1,528	2,156	3,820
Additions	-	37	-	37
Transfers out	(136)	(1,565)	(2,156)	(3,857)
At 31 December 2021	-	-	-	-
Accumulated depreciation and impairment				
At 1 January 2020	215	2,257	1,393	3,865
Charge for the year	7	52	152	217
Disposals	(116)	(1,091)	(39)	(3,725)
Reclassification from Intangible Assets	14	(9)	(1)	4
At 31 December 2020	120	1,209	1,505	2,834
Charge for the year	3	19	50	72
Transfers out	(123)	(1,228)	(1,555)	(2,906)
At 31 December 2021	-	-	-	-
Carrying amount				
At 31 December 2021	-	-	-	-
At 31 December 2020	16	319	651	986

Notes to the Accounts (continued)

Property, plant and equipment (continued)

	Leasehold property	Total
Property, plant and equipment, right-of-use	£000	£000
At 1 January 2021	823	823
Depreciation and impairment	(114)	(114)
Transfers out	(709)	(709)
At 31 December 2021	-	-
	2021	2020
Property, plant and equipment	£000	£000
Owned	-	986
Right-of-use	-	823
At 31 December	-	1,809

10. Inventories

	2021	2020
	£000	£000
Raw materials	-	1,513
Work in progress	-	500
Finished goods	-	2,554
	-	4,567

Raw materials, consumables and changes in finished goods and work in progress recognised within cost of sales in the year amounted to £2,360k (2020: £10,824k). The net amount of write-down and reversal of write-down of stocks recognized amounted to £120k expense (2020: £398k income), recognised within cost of sales.

11. Trade and other receivables

	2021	2020
Amounts falling due within one year:	£000	£000
Amounts owed by Group undertakings	25,079	22,058
Prepayments and accrued income	-	265
Current tax recoverable	-	48
Deferred tax asset	-	104
Other receivables	-	299
	25,079	22,774

12. Trade and other payables

	2021	2020
Amounts falling due within one year:	£000	£000
Trade payables	-	996
Amounts owed to Group undertakings	-	368
Taxation and social security	-	170
Accruals and deferred income	-	754
	-	2,592

Notes to the Accounts *(continued)***13. Lease liabilities**

	Plant and equipment £000	Leasehold property £000	Total £000
Undiscounted lease liability maturity analysis under IFRS 16			
Within one year	-	-	-
More than one year but less than five years	-	-	-
As 31 December 2021	-	-	-

	Plant and equipment £000	Leasehold property £000	Total £000
Undiscounted lease liability maturity analysis under IFRS 16			
Within one year	-	434	434
More than one year but less than five years	-	710	710
As 31 December 2020	-	1,144	1,144

14. Provisions

	Product warranty £000
At 1 January 2021	345
Transfer out	(345)
At 31 December 2021	-

15. Share capital

	2021 No. of shares thousands	2021 £000
Allotted, called up and fully paid		
Ordinary Shares (£0.05 each)	4,992	250
Deferred shares (£1.00 each)	101	101
At 1 January 2021	5,093	351
At 31 December 2021	5,093	351

The deferred shares were issued at par on 1 March 1984 by converting existing £1 ordinary shares and re-designating them as deferred shares.

The deferred shares carry no voting rights or dividends but on winding up the Company the holders shall be entitled out of the surplus of assets of the Company to a return of capital paid up by them after a total of £40,000,000 has been distributed in such a winding up in respect of ordinary shares.

16. Contingent Liabilities

As with other members of the Spectris Group, the Company has guaranteed facilities made available to Spectris plc, in respect of which the following amounts were outstanding at the balance sheet date:

	2021 £000	2020 £000
Royal Bank of Scotland	2,200	2,092

Notes to the Accounts *(continued)***Contingent Liabilities** *(continued)*

Where the Company enters into financial guarantee contract to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements in accordance with the requirements of IFRS 4 and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Briel & Kjaer VTS Limited and other UK subsidiaries of the Spectris group are party to a cross-guarantee arrangement to support trade finance facilities entered into in the normal course of business. They are also party to a cross-guarantee arrangement that allows individual subsidiaries to borrow from the bank on overdraft within the overall borrowing limit of the Spectris Group.

17. Ultimate holding company

The Company's ultimate holding company is Spectris plc, which is incorporated in the United Kingdom and registered in England. The consolidated accounts of this company are available to the public and may be obtained from:

Spectris plc
Melbourne House
44-46 Aldwych
London
WC2B 4LL