



Charity number: 1195233

# The Spectris Foundation

Report and financial statements

For the period ended 31 December 2022

Contents

For the period ended 31 December 2022

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Reference and administrative information .....	1-2
Trustees' annual report .....	3-11
Independent auditor's report .....	12-15
Statement of financial activities (incorporating an income and expenditure account) .....	16
Balance sheet .....	17
Statement of cash flows .....	18
Notes to the financial statements .....	19-27

# The Spectris Foundation

## Reference and administrative information

For the period ended 31 December 2022

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Charity number	1195233
Country of registration	England & Wales
Registered office and operational address	Melbourne House 44-46 Aldwych London WC2B 4LL
Website	<a href="https://www.spectrisfoundation.com/">https://www.spectrisfoundation.com/</a>
Trustees	Trustees who served during the period and up to the date of this report were as follows:  Amit Agarwal Appointed 20 July 2021 Andrew Heath Appointed 20 July 2021 Colin Smith Appointed 27 September 2021 Derek Harding (Chair) Appointed 20 July 2021 Karen Usher Appointed 27 September 2021 Kate Kerr Appointed 27 September 2021 Yasmin Ali Appointed 27 September 2021
Key management personnel	Rebecca Levy Foundation Director
Bankers	NatWest National Westminster Bank plc Egham Branch 50 High Street Egham UK
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Investment Managers	Charles Stanley & Co Ltd 55 Bishopsgate London EC2N 3AS

The Spectris Foundation

Reference and administrative information

For the period ended 31 December 2022

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Auditor

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane  
LONDON  
EC1Y 0TL

The trustees present their report and the audited financial statements for the period ended 31 December 2022.

Reference and administrative information set out on page one and two forms part of this report. The financial statements comply with current statutory requirements, the charity's constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

### Purposes and aims

The charity's objects are to advance education in science, technology, engineering and maths (STEM subjects) in particular (but without limitation) by providing support:

- (i) To promote innovative teaching in STEM subjects in schools, further education and higher education;
- (ii) To award scholarships, bursaries, maintenance allowances or grants for those in higher education studying STEM subjects;
- (iii) To support courses of instruction for those seeking to return to work in a STEM field.

The charity's objects also provide support:

- (iv) To advance such other exclusively charitable purposes for the benefit of the public as the Trustees from time to time may determine.

The Spectris Foundation was established in July 2021 with a strategy to deliver its objects through making grants to fund education in science, technology, engineering and maths (STEM) subjects in the UK, the United States, Netherlands, Denmark, Germany, China, Brazil, South Korea, Japan, India and other jurisdictions in which a grant would be beneficial to the funding aims of the Foundation.

The Spectris Foundation is a grant-making charity which awards grants to further its objects and purpose. The Spectris Foundation supports charities which promote widening access to STEM subjects through innovation and quality education. It aims to increase diversity and improve representation of underprivileged students, through one-year grants, multi-year grants and grants awarded to pilot projects.

The trustees have ultimate responsibility for all grant-making decisions which are agreed with the Foundation's priorities. Trustees assess the suitability of each grant request against a number of factors including the number of participants the grant will impact, the location of the grant, the length of the grant, the amount of funding requested and volunteering opportunities. Pre-grant due diligence is an important part of effective and responsible grant-making and is completed on all applicants before funding is awarded.

The grant details, amount, payment terms and reporting, are decided upon on a case-by-case basis. The trustees determine the terms and conditions in order to best support and monitor each grant in line with the charity's objects.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

## Achievements and performance

The charity's main activities and who it tries to help are described below. All of The Spectris Foundation's charitable activities focus on improving access to STEM education and are undertaken to further the Foundation's charitable purposes for public benefit.

The charity made nine major grants amounting to £438,300 during this period to support its main objective of giving access to STEM education.

In addition, 30 small grants amounting to £113,500 were awarded to help communities local to Spectris plc staff in locations including the United Kingdom, United States, China, Germany, Brazil and Mexico. These grants are nominated by Spectris plc staff (as the charity's donor), and vary in size from £500 to £5,000. The grant terms are for a period of one year, and the maximum grant size is £5,000. The Spectris Foundation designates 20% of its annual funding towards employee nominated small grants, as agreed in the charity's funding agreement with Spectris plc.

Total grants awarded in the period amounted to £551,800

1. **ENTHUSE Charitable Trust:** a two-year grant for £100,000 aims to support five new STEM learning partnerships across the UK to develop an intensive programme to raise aspiration and achievement in science, technology, engineering and mathematics to students in primary and secondary education, and in support of their teachers. The project is taking place in schools across the UK, specifically in Royston, Malvern, Dundee, Crowborough and Bradford. The grant was awarded in March 2022, and ends in October 2024.
2. **India Stem Foundation:** a one-year grant for £30,925 was donated to support the teaching of science and technology in a school located in Pune, India. The funding will create a

science lab at this school for an initial period of 1 year. The grant was awarded in May 2022, and ends in June 2023.

3. **SAE Foundation:** a one-year grant of £10,000 was donated to support a project named '*A World In Motion*' which aims to inspire school children in STEM education in their classroom. The project is taking place in Pennsylvania, United States and the grant was awarded in June 2022 and the grant ends in September 2023.
4. **The African Gifted Foundation:** a one-year grant of £20,000 was donated to support the on-going educational costs of students attending the African Science Academy (ASA) in Ghana. These students are studying A Level maths, further maths and physics. The grant was awarded in June 2022 and the grant ends in June 2023.
5. **CompTia Spark:** a two-year grant of USD \$100,000 was donated to support a project named TechGirlz in the United States. TechGirlz develops leading edge tech education curricula for girls aged 11-14 through online resources, workshops and mentoring. The grant was awarded in September 2022, and ends in October 2024.
6. **Expedition STEM:** a one-year grant of £9,250 was donated to run a pilot project named Expedition STEM in the UK. The funding aims to support the creation of new STEM curriculum aimed to engage secondary school students in pupil referral units and the army cadets. The grant was awarded in September 2022 and ends in September 2023.
7. **Royal Society of Chemistry:** a two-year grant of £64,890 was donated to support Chemistry for Science Teachers. The project aims to enhance and improve the skill and confidence of early career chemistry teachers and non-chemistry specialist teachers in delivering high quality chemistry lessons in secondary schools across the UK. The grant was awarded in October 2022 and ends in October 2024.
8. **Engineering Education Scheme Wales (STEMCymru):** A one-year grant of £50,000 was donated to support two projects; £30,000 was donated to support a match funding appeal for the core running costs of their STEM programme, and £20,000 was donated to support the Sustainable Farming Project where students learn to program and code a greenhouse to be sustainable. The grant was awarded in September 2022 and will end in September 2023.
9. **Technovation:** A one-year grant of USD \$75,000 was donated to support core costs. Technovation are a global tech education non-for-profit based in the United States, they teach young women (ages 8-18) how to code apps and use technology to address real-world problems. They work in 46 countries worldwide including the UK, United States, Canada, Brazil and Japan. The grant was awarded in October 2022 and will end in October 2023.

As all grants were ongoing at the end of this reporting period, progress made against agreed milestones will be included within the next Trustees' Annual Report.

## Financial review

During the period the Foundation received a generous donation of £15,000,000 paid by Spectris plc under a Funding Agreement agreed between the parties. Under the terms of that agreement £1,000,000 was paid as an initial Unrestricted Donation, which was made freely available for the Foundation to use in its charitable activities, whilst the remaining £14,000,000 constituted an Expendable Endowment, with certain conditions imposed on the Foundation's ability to spend the capital donated. In addition to the above, Spectris plc provided £129,018 of ongoing funding during the period to cover the Foundation's administrative costs and the Foundation received £8,240 of donated goods and services.

Expenditure allocated to charitable activities during the period was £693,723, principally comprising grants awarded of £551,800. £55,817 was spent on raising funds, comprising investment management fees.

In the period under review the Foundation used the Initial Donation for the purpose of its grant making activities. The Endowment was invested in order to generate a financial return to support the future charitable activities of the Foundation, in accordance with the investment policy and objectives as described below. The Foundation recorded a loss on investments for the period of £786,752.

The value of the Foundation's net assets as at 31 December 2022 was £13,775,714, comprising £13,157,431 in expendable endowment funds and £618,283 in unrestricted funds.

## Investment Policy and Performance

The Spectris Foundation's investment policy states that the charity aims to produce the best financial return on the amount invested within an acceptable level of risk. The investment objective is to balance income and capital returns with a total return net of fees of CPI + 3%. The assets should be managed with the intention to at least maintain the real capital value of the Foundation's portfolio, while also generating a sustainable level of investment income to support the current charitable activities. The Board requires Ethical, Social and Governance issues to be taken into account in the choice of investments held within the portfolio and these requirements are reviewed annually. The Trustee Board is required to consider the congruence of potential investments with the aims of the Foundation.

The Board has selected Charles Stanley & Co Ltd to manage the assets. The investment managers are required to produce a valuation and performance report quarterly. The Board has responsibility



for agreeing the investment strategy and for monitoring the investment performance, including an analysis of return, risk and asset allocation.

In reviewing investment performance, The Spectris Foundation takes a long-term view and targets a strategic asset allocation, balancing capital and income returns in order to achieve its long-term objectives. The Board reviews investments made on a quarterly basis and the investment policy is reviewed annually.

Since portfolio inception on 24 February 2022 for the period to 31 December 2022 the total portfolio return net of all charges including investment management fees was -4.90% comprising a capital return of -5.91% and income return of 1.01%. The financial performance was below the Foundation's stated investment aims because of widespread investment market weakness. Investment markets were not able to keep up with the rise in inflation during 2022 owing to a significant tightening in global monetary policy, which along with the impact of the Ukraine War and fears of a global recession weakened market valuations. The portfolio was invested opportunistically during this period so that it would begin to generate some income and be positioned for improvement and a market upturn as inflation eases and confidence improves. The trustees consider that the portfolio is appropriately positioned to achieve its investment aims over the medium and longer term.

## Principal risks and uncertainties

The Trustees have conducted a review of the major risks to which the Foundation is exposed. Risks are assessed on the basis of their likelihood and potential impact, and mitigation strategies are put in place to manage them in line with the board's risk appetite. They are recorded in a Risk Register which is regularly reviewed by the Trustees and updated and approved annually.

Where appropriate, systems or procedures have been established to manage the risks the charity faces. The Foundation Director continually monitors changes in risk levels or emergence of new risks that may impact upon the organisation and escalates any concerns to the Trustees. The Trustees have identified eighteen risks which fall into five categories: Compliance, Governance, Financial, Operational and Environmental.

The Trustees consider the following to be the key risks that The Spectris Foundation faces.

Risk	Mitigation
Failure to comply with legislation and regulatory requirements results in sanction by regulator and negative publicity	<ul style="list-style-type: none"><li>• Foundation staff responsible for monitoring regulatory guidance and updates</li><li>• Advice sought from auditors &amp; lawyers as required</li><li>• Trustees and Foundation staff automatically receive Charity Commission email updates</li><li>• All trustees attend training on their responsibilities</li><li>• Processes in place for annual refresh of all policy documents with Trustee review and sign-off.</li><li>• Annual audit clearance meeting with regulatory update from auditors</li></ul>

Significant reduction in value of Foundation's investment holdings	<ul style="list-style-type: none"> <li>• Appropriate investment managers (FSA authorised) appointed by the Board</li> <li>• Funding Agreement gives approval for the Foundation to draw on capital to top up reduced investment income to a spend of £600,000 per annum (dependant on investments).</li> <li>• A detailed investment policy in place and reviewed annually. Quarterly investment performance monitoring</li> <li>• Annual budget prepared based on previous year's income / worst case income forecast (£600k) to ensure spending within means.</li> <li>• A reserves policy that includes provision for 6 month's reserves in liquid assets</li> </ul>
<p>Grantee misuses fund which could lead to:</p> <p>a) Grantee unable to deliver the project.</p> <p>b) Reputational damage to the Foundation</p> <p>c) Grantee ceasing to operate</p>	<ul style="list-style-type: none"> <li>• Foundation Director conducts due diligence before making any grant which includes review of financial processes &amp; anti-bribery policy</li> <li>• A signed grant agreement required for all grants, adhering to anti-bribery and safeguarding policies.</li> <li>• Inclusion of a standard grant termination clause that can be exercised if a grantee brings Foundation into disrepute</li> <li>• A requirement in the grant agreement for grantees to report any irregularities uncovered to the Foundation</li> <li>• Monitoring reports and visits as agreed with Foundation Director.</li> </ul>

## Reserves policy and going concern

Our reserves policy states that at any given time Spectris Foundation should hold unrestricted cash reserves sufficient to cover no less than 6 months operating cost, committed grant payments and future agreed grant making.

At the end of the reporting period, unrestricted cash reserves were £750,634, which is above our reserves policy requirement. As a new charity which received significant donations in our first year, we took time to carefully select projects to make grants to. We anticipate that our grant-making in 2023 will continue and that sufficient reserves will continue to be held to safeguard the grant-making strategy.

The trustees believe that the Foundation is well placed to manage its business risk successfully, and believe the Foundation has adequate resources to continue its operational existence. The trustees are not aware of any material uncertainties that would prevent the financial statements from being prepared on a going concern basis.

## Fundraising

The Foundation does not undertake fundraising from the general public and does not use professional fundraisers or commercial participators.

The income of the Foundation is not bound by any regulatory scheme, and the Foundation does not consider it necessary to comply with any voluntary code of practice relating to fundraising. We have received no complaints in relation to any fundraising activities. As we do not approach individuals for the purpose of raising funds, we do not have specific requirements related to fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

## Plans for the future

In 2023, The Spectris Foundation plans to continue supporting initiatives which give access to STEM education by providing one-off and multi-year grants. The charity will focus on key locations including but not limited to, the UK, the United States, Netherlands, Denmark, Germany, China, Brazil, South Korea, Japan, India and Ghana. The funding provided will aim to address inequalities in STEM education and champion diversity and inclusion.

The Spectris Foundation will continue to build meaningful relationships with its grant-holders and create opportunities for additional support through grant-making and voluntary action. The charity aims to create key impact measurements to ensure its funding has a sustainable impact.

Finally, The Spectris Foundation will continue to allocate 20% of its funding to other charitable objectives, and support smaller charities and community projects internationally as nominated by Spectris plc staff.

## Structure, governance and management

The organisation is a Charitable Incorporated Organisation and registered as a charity on 20 July 2021 in England and Wales. The charity is constituted under a constitution dated 20th July 2021.

The Spectris Foundation's sole corporate member is Spectris plc and it operates with elected and external charity trustees.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

The trustees are supported in the day-to-day management of the charity by the Foundation Director Rebecca Levy who ensures the effective running of The Spectris Foundation by managing relationships with partner organisations. Rebecca makes grant recommendations to the trustees in accordance with agreed grant-making policies and an approved delegation of authority. The charity trustees make grant-making decisions at Board Meetings which are typically held on a quarterly basis.

## Appointment of trustees

The Constitution supports a minimum of five trustees. There is no maximum number of trustees. Trustees are either nominated Spectris Employees or appointed on a need basis. There must

always be more appointed trustees than nominated trustees on the board. All trustees shall be appointed for an initial term of three years and may be re-appointed for up to two further three-year terms.

As the sole corporate member of The Foundation, Spectris plc may nominate charity trustees who are members of staff, directors or consultants of a company within the Spectris Group. Appointed trustees must have no current connection as a staff member, director or consultant of any company within the Spectris Group and are selected with a due regard to the skills, knowledge and experience needed for the effective management of the charity.

Of the seven current trustees, two (Derek Harding (Chair) and Andrew Heath) are nominated trustees and the five remaining Board members are appointed trustees. The appointed trustees were identified through personal networks and selected due to their relevant skills and extensive experience in charity governance and grant-making.

## Trustee induction and training

New trustees attend suitable induction and training with the Foundation Director and existing trustees to familiarise themselves with the charity, its governance and the context within which it operates. New trustees are required to read the CC3 Guidance, The Essential Trustee and agree to the Foundation's Trustee Code of Conduct policy.

## Related parties and relationships with other organisations

Spectris Foundation's sole corporate member is Spectris plc, and the Foundation is funded through donations from Spectris plc. The trustees recognise their charitable responsibilities and state formally that the charity's activities will always be consistent with achieving its objects. Any benefit which may accrue to Spectris plc or any businesses within the Spectris Group from the Foundation's activities will be incidental and outweighed by the contribution to the Foundation's charitable objectives. Please see note 9 for further Related Party transaction details.

## Remuneration policy for key management personnel

The Foundation Director's pay and remuneration are set with reference to sector benchmarks and is periodically reviewed against comparable organisations using market data. Pay and benefit changes are approved by the full Trustee Board. The Foundation Director receives ongoing performance management and an annual feedback report which provides feedback from the Trustees and external grant partners.

## Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial

## Trustees' annual report

For the period ended 31 December 2022

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activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Auditor

Sayer Vincent LLP was appointed as the Foundation's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 21 July 2023 and signed on their behalf by

Derek Harding  
Trustee

## Opinion

We have audited the financial statements of The Spectris Foundation (the 'charity') for the period ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Spectris Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

To the members of

The Spectris Foundation

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Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the board of trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.



## Independent auditor's report

To the members of

The Spectris Foundation

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date 31 July 2023

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## Statement of financial activities (incorporating an income and expenditure account)

For the period ended 31 December 2022

		17 month period ended 31 December 2022		
	Note	Unrestricted £	Endowment £	Total £
<b>Income from:</b>				
Donations	2	1,137,258	14,000,000	15,137,258
Investments	3	174,748	-	174,748
<b>Total income</b>		<b>1,312,006</b>	<b>14,000,000</b>	<b>15,312,006</b>
<b>Expenditure on:</b>				
Raising funds		-	55,817	55,817
Charitable activities		693,723	-	693,723
<b>Total expenditure</b>	4	<b>693,723</b>	<b>55,817</b>	<b>749,540</b>
<b>Net income before net (losses) on investments</b>		<b>618,283</b>	<b>13,944,183</b>	<b>14,562,466</b>
Net (losses) on investments	11	-	(786,752)	(786,752)
<b>Net income and movement in funds</b>	6	<b>618,283</b>	<b>13,157,431</b>	<b>13,775,714</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		-	-	-
<b>Total funds carried forward</b>		<b>618,283</b>	<b>13,157,431</b>	<b>13,775,714</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

# The Spectris Foundation

## Balance sheet

As at 31 December 2022

	Note	2022 £	£
<b>Fixed assets:</b>			
Investments	11		13,169,161
			<u>13,169,161</u>
<b>Current assets:</b>			
Debtors	12	34,178	
Cash at bank and in hand		750,634	
		<u>784,812</u>	
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	13	(178,259)	
		<u></u>	
<b>Net current assets</b>			<u>606,553</u>
<b>Total net assets</b>			<u><u>13,775,714</u></u>
<b>The funds of the charity:</b>	15		
Endowment funds			13,157,431
Unrestricted income funds:			
General funds		618,283	
		<u></u>	
Total unrestricted funds			<u>618,283</u>
<b>Total charity funds</b>			<u><u>13,775,714</u></u>

Approved by the trustees on 21 July 2023 and signed on their behalf by

Derek Harding  
Trustee

The Spectris Foundation

Statement of cash flows

For the period ended 31 December 2022

	Period to 31 December 2022	
	£	£
<b>Cash flows from operating activities</b>		
Net income for the reporting period	13,775,714	
(as per the statement of financial activities)		
(Gains)/losses arising from the revaluation of investments	846,266	
(Increase)/decrease in debtors	(34,178)	
Increase/(decrease) in creditors	178,259	
<b>Net cash provided by operating activities</b>		14,766,061
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	287,256	
Purchase of investments	(14,302,683)	
<b>Net cash (used in) investing activities</b>		(14,015,427)
<b>Change in cash and cash equivalents in the period</b>		750,634
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>		750,634
<b>Analysis of cash and cash equivalents</b>		
		At 31
	At 20 July 2021	December
	£	2022
		£
Cash at bank and in hand	-	750,634
<b>Total cash and cash equivalents</b>	-	750,634

**1 Accounting policies**

**a) Statutory information**

The Spectris Foundation is a Charitable Incorporated Organisation (CIO), registered with the Charity Commission in England and Wales (number 1195233). The registered office is Melbourne House, 44-46 Aldwych, London WC2B 4LL.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the "Charities SORP"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP, the contribution of general volunteers is not recognised; please refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**1 Accounting policies (continued)**

**g) Dividends and interest receivable**

Dividends and interest income on investments, short term deposits and cash at bank are included when receivable and the amount can be measured reliably by the charity. In the case of interest income this is normally upon notification of the interest paid or payable. In the case of dividends this is when the dividend payment is announced.

**h) Fund accounting**

Restricted funds (including endowment funds) are those funds received that are to be used for specific purposes as laid down by the donor. Expenditure related to activities undertaken to further the specific charitable purpose is charged to the relevant fund. Restricted income funds are to be spent or applied within a reasonable period of time to further a charity's specific purpose, whereas in the case of an endowment the charity must invest the assets or retain them for the charity's use rather than apply or spend them as income.

Unrestricted funds are donations and other incoming resources received or generated that may be freely applied any charitable purpose of the charity.

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds include investment management fees and other direct costs associated with the management of investments
- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity, and associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**k) Allocation of support costs**

Support costs have been allocated between governance costs and other support costs. Governance costs are those costs related to the governance of the charity including meeting constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These include statutory audit and governance-related legal fees, and costs related to Board meetings.

Governance costs and other support costs have been apportioned wholly to the charity's grant-making activities on the basis that materially all such costs arose in connection with this activity rather than the cost of raising funds.

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

**m) Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value. Marketable investments are subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not hold investments for which a ready trading market does not exist.

The Foundation does not hold options, forwards or other derivatives or complex financial instruments.

**1 Accounting policies (continued)**

**n) Debtors**

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

**o) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held by the Foundation's investment manager on capital account pending further investment.

**p) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**q) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**r) Foreign exchange**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Realised exchange differences are included within the relevant transaction as part of expenditure. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The unrealised exchange differences are included in other gains and losses.

**s) Pensions**

The charity offers employees a defined contribution scheme. The liability for the charity is limited to contributions arising from regular payroll expenditure.

2 Income from donations

	Unrestricted £	Endowment £	2022 Total £
Donations	1,129,018	14,000,000	15,129,018
Donated facilities and services	8,240	-	8,240
	<u>1,137,258</u>	<u>14,000,000</u>	<u>15,137,258</u>

Donated facilities and services comprise use of office facilities and donated accounting and legal services.

3 Income from investments

	Unrestricted £	Endowment £	2022 Total £
Interest	30,341	-	30,341
Dividends	144,407	-	144,407
	<u>174,748</u>	<u>-</u>	<u>174,748</u>

All income from investments is unrestricted.



4 Analysis of expenditure

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2022 Total £
Staff costs (Note 7)	-	39,982	9,995	-	49,977
Grant expenditure (Note 5)	-	551,800	-	-	551,800
Investment management fees	55,817	-	-	-	55,817
Legal and professional fees	-	22,331	15,475	1,500	39,306
Marketing and website	-	43,738	-	-	43,738
Other costs	-	2,048	3,364	3,490	8,902
	55,817	659,899	28,834	4,990	749,540
Support costs	-	4,990	-	(4,990)	-
Governance costs	-	28,834	(28,834)	-	-
Total expenditure	55,817	693,723	-	-	749,540

5 Grant making

	2022	
	£	£
New grants awarded in the		
Major grants (STEM)		
ENTHUSE Charitable Trust	100,000	
India STEM Foundation	30,925	
SAE Foundation	10,000	
The African Gifted Foundation	20,000	
CompTia Spark	86,424	
Expedition STEM	9,250	
Royal Society of Chemistry	64,890	
STEM Cymru	50,000	
Technovation	66,811	
		438,300
Spectris employee nominated grants (30 in total)		113,500
		551,800
Grants paid in the year		(405,734)
Grants payable at the end of the period		146,066

All grants were awarded to institutions.

6 Net income and movement in funds

This is stated after charging / (crediting):

	2022
	£
Auditor's remuneration (excluding VAT):	
Audit	9,000
Foreign exchange (gains) / losses	(59,514)

## 7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £
Salary costs	43,544
Social security costs	4,409
Pension costs (defined contribution plan)	2,024
	<hr/>
	49,977
	<hr/>

No employee earned more than £60,000 during the period.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £49,977.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year. No charity trustee received payment for professional or other services supplied to Trustees' expenses of £688, representing the reimbursement of travel costs, were incurred during the period by 4 trustees relating to attendance at board meetings.

## 8 Staff numbers

The Foundation employed no full-time staff and one part-time member of staff (from 18 November 2022 onwards) during the period. The average number of employees on a full-time equivalent (FTE) basis during the period was 0.5 FTE.

## 9 Related party transactions

Spectris plc is a related party since it is a member under the Foundation's constitution and has certain rights to appoint charity trustees, provided that at all times the number of trustees appointed by Spectris plc is fewer than the number of trustees who have no connection with the Spectris plc Group. The results of the Foundation are not consolidated with the results of Spectris plc since Spectris plc does not exercise control over the Foundation.

Donations of £15,129,018 were received from Spectris plc during the period. In addition donated facilities and services worth £8,240 were provided by Spectris plc and its employees.

No grants were made to any related parties during the period.

## 10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Investments

	2022 £
Fair value at the start of the period	-
Additions at cost	11,294,395
Disposal proceeds	(287,256)
Net (loss) on change in fair value	(846,266)
	<hr/>
	10,160,873
Cash held by investment broker pending reinvestment	3,008,288
	<hr/>
Fair value at the end of the period	13,169,161
	<hr/> <hr/>

Net losses on investments of £786,752 in the statement of financial activities comprises a loss on the change in the fair value of investments of £846,266 net of a foreign exchange gain of £59,514 arising on cash held in foreign currency by the investment broker pending reinvestment.

Investments comprise:

	2022 £
Fixed income investments	1,035,383
Investments in collective investment schemes	2,596,416
Equity investments in UK listed companies	2,982,986
Equity investments in overseas listed companies	3,546,088
Cash	3,008,288
	<hr/>
	13,169,161
	<hr/> <hr/>

12 Debtors

	2022 £
Accrued income	34,178
	<hr/>
	34,178
	<hr/> <hr/>

13 Creditors: amounts falling due within one year

	2022 £
Trade creditors	2,220
Grants payable	146,066
Accruals	29,973
	<hr/>
	178,259
	<hr/> <hr/>

## 14 Analysis of net assets between funds

	General unrestricted £	Endowment £	Total funds £
Investments	-	13,169,161	13,169,161
Net current assets/(liabilities)	618,283	(11,730)	606,553
<b>Net assets at 31 December 2022</b>	<b>618,283</b>	<b>13,157,431</b>	<b>13,775,714</b>

## 15 Movements in funds

Expendable endowment funds represent funds donated by Spectris plc for the purpose of the Foundation's activities in supporting charities which promote widening access to STEM subjects through innovation and quality education, as described further in the Trustees' Annual Report. All income generated from these funds is unrestricted income.

	At 20 July 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
<b>Endowment funds:</b>					
Expendable endowment funds	-	14,000,000	(842,569)		13,157,431
<b>Total endowment funds</b>	<b>-</b>	<b>14,000,000</b>	<b>(842,569)</b>	<b>-</b>	<b>13,157,431</b>
<b>Unrestricted funds:</b>					
General funds		1,312,006	(693,723)		618,283
<b>Total unrestricted funds</b>	<b>-</b>	<b>1,312,006</b>	<b>(693,723)</b>	<b>-</b>	<b>618,283</b>
<b>Total funds</b>	<b>-</b>	<b>15,312,006</b>	<b>(1,536,292)</b>	<b>-</b>	<b>13,775,714</b>