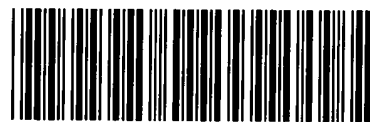


**Roper Industries Limited**  
**Annual report and Financial statements**  
**for the year ended 31 December 2021**

**Registered Number: 02509935**

FRIDAY



\*ABF4S8EY\*

A9

21/10/2022

#52

COMPANIES HOUSE

# **Roper Industries Limited**

## **Roper Industries Limited**

### **Annual report and financial statements**

### **for the year ended 31 December 2021**

## **Contents**

	Page(s)
Officers and advisers .....	1
Strategic report for the year ended 31 December 2021 .....	2-3
Directors' report for the year ended 31 December 2021 .....	4-5
Independent auditors' report to the members of Roper Industries Limited .....	6-8
Profit and loss account for the year ended 31 December 2021 .....	9
Statement of changes in equity for the year ended 31 December 2021 .....	10
Statement of financial position as at 31 December 2021 .....	11
Notes to the financial statements .....	12-27

# **Roper Industries Limited**

## **Officers and advisers**

### **DIRECTORS**

J Stipancich  
J Conley  
R Crisci

### **SECRETARY**

Squire Patton Boggs Secretarial Services Limited

### **REGISTERED OFFICE**

Squire Patton Boggs (Uk) Llp (Ref:Csu)  
Rutland House  
148 Edmund Street  
Birmingham  
B3 2JR

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Maurice Wilkes Building  
St. John's Innovation Park  
Cowley Road  
Cambridge  
CB4 0DS

# **Roper Industries Limited**

## **Strategic report for the year ended 31 December 2021**

The directors present their Strategic Report for the year ended 31 December 2021.

### **Principal activities**

The company is principally engaged in the manufacture of monitoring systems, including thermostatic valves, mechanical and electronic safety controls, and special purpose control systems.

### **Review of the business and future developments**

The trading results for the year are shown in the profit and loss account. The company's turnover for the year was £21,796,000 (2020: £20,757,000), profit before exceptional expense for the financial year was £7,650,000, (2020: £7,460,000); and the net asset position £ 3,719,000 (2020: £29,205,000). Movement in turnover reflects the partial recovery from COVID 19 shutdowns during 2020 and the net asset position impacted by promissory note discharge actioned during 2021 (see details below).

Although the company remained profitable, disruptions from COVID-19 and geopolitical tensions continues to impact revenue and net profit for the year due to market conditions and supply chain disruption. The Directors of the company are satisfied with the operating performance for the year as such and continue to drive efficiencies to maintain profits in these tough economic times. The Directors are expecting full recovery in coming years.

Two exceptional items incurred during the year. The directors of the Company released and discharged intra-group promissory note from Roper UK, Ltd total £ 24,234,000; furthermore, a prior year's corporation tax and interest payment of £ 8,278,000 was made in relation to periods FY12-15, this was result of a reassessment of Roper UK Ltd Group Relief available to surrender being reduced. The matter has been agreed in full, settled and closed by HMRC.

### **Future developments**

The directors of the Company are striving to continue to be world leading designer and manufacturer of energy control valves, safety, and monitoring products for engines, compressors, turbines, and other rotating equipment. The directors do not expect any changes to the business strategy in near future. We continue to build long term relationships with our customers and invest in product development to expand the existing technology platforms.

On 31 March 2022, Roper Technologies announced that all business units no longer accept any orders or pursue any opportunities for sales of goods or services which will be delivered directly or indirectly to Russia or Belarus.

On 1 June 2022 Roper Technologies, Inc announced that it had agreed to sell a majority stake in its industrial businesses, of which Roper Industries Limited is part of, to affiliates of Clayton, Dubilier & Rice, LLC (CD&R); more detail is included within the directors report.

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the relevant global business units of Roper Technologies, Inc. (Process Technologies and Measurement and Analytical Solutions) and are not managed separately. Accordingly, the principal risks and uncertainties of Roper Technologies, Inc., which include those of the company, are discussed in item 1A of Roper Technologies, Inc.'s annual filing on Form 10-K for the year ended 31 December 2021, available from <http://www.sec.gov/edgar.shtml>. The Roper Technologies, Inc. filing does not form part of this report.

### **Key performance indicators (KPIs)**

The directors of Roper Technologies, Inc. manage the relevant global business units of Roper Technologies, Inc. on a global basis. For this reason, the company's directors believe that analysis using key performance indicators for the company alone is not necessary or appropriate for an understanding of the development, performance or

# **Roper Industries Limited**

## **Strategic report for the year ended 31 December 2021 (continued)**

position of the business of Roper Industries Limited. The development, performance and position of the relevant global business units of Roper Technologies, Inc., which include the company, are discussed in item 7 of Roper Technologies, Inc.'s annual filing on Form 10-K for the year ended 31 December 2021, available from the Internet address set out above. The Roper Technologies, Inc. filing does not form part of this report.

### **Financial risk management**

Due to the size of the company, all aspects of financial risk management are directly in the hands of the board, which utilises the services of the wider Roper Technologies, Inc. group as necessary. These financial risks include, but are not limited to, currency risk, liquidity risk and credit risk.

#### *Currency risk*

The company operates internationally, giving rise to exposures to changes in foreign exchange rates between a number of currencies. The company does not take out hedging instruments to mitigate the risk.


#### *Liquidity risk*

Liquidity risk occurs when a business cannot meet its short-term obligations. To mitigate the risk, the company retains sufficient cash and has access to funding from Roper Technologies, Inc group to ensure it has sufficient funds for operations.

#### *Credit risk*

Credit risk, this is the risk of loss due to a consumer's failure or inability to pay (default) for the goods bought on credit or the financial institutions failing to repay the Company's deposits. The company has policies in place to perform credit checks on potential customers before sales commence and cash is held only with institutions of specified credit ratings.

Approved by the Board of Directors  
and signed on behalf of the Board



**J Knott**  
**Director of Operations and Supply Chain, UK.**

# **Roper Industries Limited**

## **Directors' report for the year ended 31 December 2021**

The directors' present their annual report on the affairs of the company, together with the audited financial statements and independent auditors' report, for the year ended 31 December 2021.

The financial statements have been prepared under FRS 102.

### **Directors**

The directors of the company who were in office during the year and up to date of signing the financial statements were:

J Stipancich  
J Conley  
R Crisci

### **Information included in the Strategic report**

Information on financial risk management and future developments is disclosed in the Strategic report.

### **Non-adjusting post balance sheet event**

On 23 May 2022 the Promissory note principal amount £4,130,000 together with £48,495 of accrued interest was repaid to Roper Technologies, Inc.

On 1 June 2022, Roper Technologies announced the agreement to sell a majority stake in its industrial businesses, that includes Roper Industries Limited, to affiliates of Clayton, Dubilier & Rice, LLC (CD&R). Roper will retain a minority interest of 49% in the new standalone entity.

### **Material uncertainty related to going concern**

After reviewing the company's forecasts and projections for the next 12 months from the signing date of these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements. Although the directors are not expecting alteration to current business operating model, there is, however, a material uncertainty while the majority stake sale of Roper Technologies industrial businesses to CD&R is closed, as the directors are not certain of the future plans of CD&R in respect of Roper Industries Limited.

### **Dividend**

No interim or final dividend was declared during 2021 or 2020.

### **Research and development**

The Company has a programme of continuous investment in its product development activities relating to the principal activities of the business. During the year the Company incurred £571,000 (2020: £430,000) of research and development expenditure.

### **Political Donations**

The Company has not made any political donation during the financial year (2020: £nil).

### **Third Party Indemnity**

The directors did not at any time in the financial year take third party indemnity provision (2020: none).

# **Roper Industries Limited**

## **Directors' report for the year ended 31 December 2021 (continued)**

### **Statement of Directors' Responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the board of directors on 29 September 2022 and signed on behalf on the board of directors.



**J Knott**  
**Director of Operations and Supply Chain, UK.**

## **Roper Industries Limited**

# **Independent auditors' report to the members of Roper Industries Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Roper Industries Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and Financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the profit and loss account and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. On 1 June 2022, Roper Technologies announced the agreement to sell a majority stake in its industrial businesses, that includes Roper Industries Limited, to affiliates of Clayton, Dubilier & Rice, LLC (CD&R). Roper Technologies will retain a minority interest of 49% in the new standalone entity. The management is not expecting alteration to current business operating model but there is an uncertainty over the future plans of the new parent company due to lack of the information available... These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

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

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

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



## **Roper Industries Limited**

# **Independent auditors' report to the members of Roper Industries Limited (continued)**

*In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.*

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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 auditors' 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, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK employment laws and the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent

## Roper Industries Limited

# Independent auditors' report to the members of Roper Industries Limited (continued)

manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of meetings of those charged with governance;
- Identification and testing journal entries, in particular any journal entries posted with unusual account combinations and journals with unusual words in description;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of testing; and
- Challenging assumptions and judgements made by management in their key accounting estimates, in particular in relation to inventory provisioning and impairment of assets.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

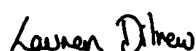
## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Lauren Dilrew (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cambridge  
29 September 2022

## Roper Industries Limited

### Profit and loss account for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Turnover</b>	<b>3</b>	<b>21,796</b>	20,757
Cost of sales		(10,038)	(10,051)
<b>Gross profit</b>		<b>11,758</b>	10,706
Distribution costs		(856)	(826)
Administrative expenses		(1,848)	(1,391)
<b>Operating profit</b>		<b>9,054</b>	8,489
Other interest (payable)/receivable and similar (expense)/income	<b>4</b>	(951)	624
Income from government grant		-	121
Exceptional Item – Promissory Note Discharge	<b>16</b>	(24,234)	-
<b>(Loss) / Profit before taxation and exceptional item</b>	<b>5</b>	<b>(16,131)</b>	<b>9,234</b>
Tax on (loss) / profit	<b>8</b>	(9,355)	(1,774)
<b>(Loss) / Profit for the financial year</b>		<b>(25,486)</b>	<b>7,460</b>

The 2021 and 2020 results above relate to continuing operations.

The notes on pages 13 to 27 are an integral part of these financial statements.

## Roper Industries Limited

### Statement of changes in equity for the year ended 31 December 2021

	Note	Called up share capital £'000	Retained Earnings £'000	Total equity £'000
Balance as at 1 January 2020		536	21,209	21,745
Profit for the year		-	7,460	7,460
<b>Total Comprehensive income for the year</b>		<b>-</b>	<b>7,460</b>	<b>7,460</b>
Balance as at 31 December 2020 and 1 January 2021		536	28,669	29,205
Loss for the year		-	(25,486)	(25,486)
<b>Total Comprehensive income for the year</b>		<b>-</b>	<b>(25,486)</b>	<b>(25,486)</b>
<b>Balance as at 31 December 2021</b>		<b>536</b>	<b>3,183</b>	<b>3,719</b>

The notes on pages 13 to 27 are an integral part of these financial statements.

# Roper Industries Limited

## Statement of financial position as at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Intangible assets	9	-	-
Property, plant and equipment	10	1,341	1,186
Investments	11	124	124
		<b>1,465</b>	<b>1,310</b>
<b>Current assets</b>			
Inventories	12	3,061	2,454
Debtors	13	4,427	21,013
Cash at bank and in hand		2,445	6,652
		<b>9,933</b>	<b>30,119</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(7,649)</b>	<b>(2,166)</b>
<b>Net current assets</b>		<b>2,284</b>	<b>27,953</b>
<b>Total assets less current liabilities</b>		<b>3,749</b>	<b>29,263</b>
<b>Provisions for liabilities</b>	15	<b>(30)</b>	<b>(58)</b>
<b>Net assets</b>		<b>3,719</b>	<b>29,205</b>
<b>Capital and reserves</b>			
Called up share capital	17	536	536
Retained earnings		3,183	28,669
<b>Total Shareholders' funds</b>		<b>3,719</b>	<b>29,205</b>

The notes on pages 13 to 27 are an integral part of these financial statements.

The financial statements on pages 9 to 12 of Roper Industries Limited, registered number 02509935; were approved by the Board of Directors on 07 October 2021 and were signed on its behalf by:



**J Knott**  
Director of Operations and Supply Chain, UK.

# **Roper Industries Limited**

## **Notes to the financial statements for the year ended 31 December 2021**

### **1 General Information**

Roper Industries Limited is a private company, limited by shares, incorporated and domiciled in England, United Kingdom, registration number 02509935. The registered office is Squire Patton Boggs (UK) LLP (Ref: Csu) Rutland House, 148 Edmund Street, Birmingham, England, B3 2JR.

### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of Preparation**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The financial statements are presented in Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The financial statements are prepared on a going concern basis, under the historical cost convention.

#### **Material uncertainty related to going concern**

After reviewing the company's forecasts and projections for the next 12 months from the signing date of these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements. Although the directors are not expecting alteration to current business operating model, there is, however, a material uncertainty while the majority stake sale of Roper Technologies industrial businesses to CD&R is closed, as the directors are not certain of the future plans of CD&R in respect of Roper Industries Limited.

#### **Consolidation**

The company is exempt from preparing consolidated financial statements under s401 of the Companies Act 2006 by virtue of its ultimate parent undertaking, Roper Technologies, Inc., producing consolidated financial statements including those of the company (see note 22).

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following disclosure exemptions available to qualifying entities:

- The requirement to prepare a statement of cash flows as required by Section 7 of FRS 102 and para 3.17(d);
- Certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated as required by FRS 102 paras 11.39 – 11.48A, 12.26 – 12.29; and
- Key management personnel compensation in total as required by FRS 102 paragraph 33.7.

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

#### *Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, depending upon sales terms, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goods are sold on the following sales terms:

- Free Carrier (FCA) or Carriage paid to (CPT). Revenue is recognised upon collection of goods by customers.
- Delivered at place (DAP). Revenue is recognised upon delivery of goods at a destination agreed with the customer.
- Cash against document (CAD) or Letter of credit (LC). Revenue is recognised upon collection of goods by the customer.

#### Income from government grant

Amount received from government's job retention scheme (furlough) is recognised in the income statement over the same period as the costs to which they relate and presented on gross basis.

#### Research and Development

Expenditure on research and development is written off against profits in the year in which it is incurred.

#### Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its estimated useful economic life. Provision is made for any impairment where deemed necessary. Goodwill is being amortised over a 10 year period.

#### Intangible assets – patents

External costs associated with patents are capitalised and amortised in equal annual instalments over their estimated useful economic life. Provision is made for any impairment where deemed necessary.

#### Property, plant and equipment

Property, plant and equipment are shown at cost net of depreciation and any provision for impairment. The company does not capitalise finance costs.

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold land	No depreciation
Freehold buildings	20-30 years
Plant and machinery	8-12 years
Fixtures, fittings, tools and equipment and motor vehicles	2-5 years

#### Investments in subsidiaries

Investment in subsidiary is shown at cost less provision for impairment. Income from investment is included in the year in which it is receivable and is recorded within 'Income from shares in group undertakings' line in the profit and loss account.

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell.

Cost incurred in bringing each product to its present location and condition is based on:

Raw materials	-	purchase cost on a first-in first-out basis, including transport costs.
Work in progress and finished goods	-	cost of direct material and labour, plus a reasonable proportion of manufacturing overheads based on normal levels of activity

Provision is made for obsolete or slow moving items where appropriate.

#### Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

#### Financial assets

Basic financial assets, including trade and other receivables, loans to fellow group companies, cash and bank balances are recognised at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction prices, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.



# **Roper Industries Limited**

## **Notes to the financial statements for the year ended 31 December 2021 (continued)**

### **2 Summary of significant accounting policies (continued)**

#### **Financial liabilities (continued)**

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **Employee Benefits**

The company provides pension arrangements to the majority of full time employees through the Roper Industries Limited group personal pension scheme, which is a defined contribution scheme. The amount charged to the statement of income in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

#### **Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary costs of the future holiday entitlement so accrued at the balance sheet date.

#### **Foreign currencies**

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

# **Roper Industries Limited**

## **Notes to the financial statements for the year ended 31 December 2021 (continued)**

### **2 Summary of significant accounting policies (continued)**

#### **Leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

The company has no finance leases during the year or in the comparative period.

#### **Warranty provision**

The warranty provision includes the expected cost of dealing with known claims relating to sales made during the year as well as an estimate, based on past experience, to cover any other issues that may arise in relation to sales made in the year.

#### **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **Distributions to equity holders**

Dividends and other distributions to the group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

#### **Exceptional Items**

Items which are significant by virtue of their size or nature, and which are consider non-recurring are classified as exceptional items. Such items are included with the appropriate profit and loss account category but are highlighted separately in the notes to the financial statements. Exceptional items are excluded by the Board to monitor and measure the underlying performance of the company.

#### **Critical estimates and judgements in applying the entity's accounting policies**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed. 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 directors do not consider there to be any critical estimates or judgements.

The Company's key accounting estimates and assumptions are as follows:

- (i) Impairment of assets - The Company considers whether assets are impaired annually. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.
- (ii) Provision for debtors – The Company reviews the recoverability of debtors on a regular basis. Where there is an indication that full recovery may be at risk then an appropriate provision is made using a combination of existing guidelines, based on the age of debt and the period outstanding.
- (iii) Provision for inventories – The Company reviews the value of inventory on a regular basis. Where there is an indication that there is an impairment then an appropriate provision is made using a combination of existing guidelines, based on historical usage figures and future demand.

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 3 Turnover

Analysis by class of business:

	2021 £'000	2020 £'000
Monitoring systems, valves, safety controls and systems	21,796	20,757
	<b>21,796</b>	<b>20,757</b>

Analysis of turnover by country of geography:

	2021 £'000	2020 £'000
United Kingdom	3,912	3,988
Other European countries	12,922	12,661
Asia	1,796	1,437
North America	1,114	808
Rest of the World	2,052	1,863
	<b>21,796</b>	<b>20,757</b>

Analysis of turnover by type:

	2021 £'000	2020 £'000
Goods	21,796	20,757
	<b>21,796</b>	<b>20,757</b>

## Roper Industries Limited

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 4 Other interest (payable)/receivable and similar (expense)/income

	2021 £'000	2020 £'000
Bank interest charge	(3)	(4)
Corporation Tax Interest – Prior Years *	(1,343)	-
Accrued interest on intercompany loan	395	628
	(951)	624

\*Interest payment of £ 1,343,000 was made to HMRC in relation short tax payments for periods FY12-15, this was result of a reassessment of Roper UK Ltd Group Relief available to surrender being reduced. The matter has been agreed in full, settled and closed by HMRC.

#### 5 (Loss)/Profit before taxation

(Loss) before taxation is stated after charging / (crediting):

	2021 £'000	2020 £'000
Depreciation of property, plant and equipment	137	134
Reversals of impairment of trade debtors	(9)	(17)
Inventory recognised as an expense	7,917	7,487
Impairment of inventory (included in 'cost of sales')	35	29
Auditors' remuneration		
- fees payable to the company's auditors for the audit of the company's financial statements	63	60
Operating leases		
- plant & machinery	22	22
Research and development	571	430
Defined contribution pension cost	157	152
Foreign exchange losses/(gains)	164	(119)

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 6 Staff costs

Particulars of employees (including executive directors) are shown below:

	2021 £'000	2020 £'000
Wages and salaries	3,527	3,391
Social security costs	360	346
Other pension costs	157	152
	<b>4,044</b>	<b>3,889</b>

The average monthly number of persons employed by the company during the year was as follows:

	2021 Number	2020 Number
Sales, distribution and administration	33	33
Production	58	60
	<b>91</b>	<b>93</b>

### 7 Directors' remuneration

Directors are remunerated by other group companies for their services to the group as a whole. None of their remuneration relates specifically to qualifying services in respect of Roper Industries Limited during the years ended 31 December 2020 and 31 December 2021.

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 8 Tax on profit

The tax charge comprises:

	2021 £'000	2020 £'000
<b>Corporation tax</b>		
Current year	1,803	1,732
Adjustment in respect of prior years' FY12-FY15 *	6,933	-
Adjustment in respect of prior years	651	5
Foreign tax relief/other relief	(3)	(3)
Foreign tax suffered	4	4
<b>Total current tax</b>	<b>9,388</b>	<b>1,738</b>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	(3)	37
Adjustment in respect of prior years	(1)	12
Effect of changes in tax rates	(29)	(13)
<b>Total deferred tax</b>	<b>(33)</b>	<b>36</b>
<b>Tax on profit</b>	<b>9,355</b>	<b>1,774</b>

The tax assessed for the year is higher (2020: higher) than the effective standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

\* Adjustment in respect of prior years' FY12-FY15; Additional tax payment of £ 6,932,523 was made to HMRC for periods FY12-15, this was result of a reassessment of Roper UK Ltd Group Relief available to surrender being reduced. The matter has been agreed in full, settled and closed by HMRC.

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 8 Tax on profit (continued)

The tax charge for the year reconciled to the standard rate of taxation in the UK of 19.00% (2020: 19.00%) as follows:

	2021 £'000	2020 £'000
(loss)/Profit before taxation	(16,131)	9,234
Corporation tax (credit)/charge at 19.00% (2020: 19.00%)	(3,065)	1,754
Adjustment in respect of prior years' FY12-FY15 **	6,933	-
Adjustment in respect of prior years	650	17
Expenses not deductible	4,869	16
Income not taxable	(3)	-
Tax rate changes	(29)	(13)
<b>Tax charge for the year</b>	<b>9,355</b>	<b>1,774</b>

### Deferred Tax Asset / (Liability)

	Accelerated capital allowances £'000	Provision for dilapidations £'000	Total £'000
<b>As at 01 January 2020</b>	<b>47</b>	<b>77</b>	<b>124</b>
Adjustment in respect of prior years	(12)	-	(12)
Deferred tax charge in profit and loss account	(13)	(12)	(25)
<b>As at 31 December 2020 and 01 January 2021</b>	<b>22</b>	<b>65</b>	<b>87</b>
Adjustment in respect of prior years	(8)	10	2
Deferred tax charge in profit and loss account	5	27	32
<b>As at 31 December 2021</b>	<b>19</b>	<b>102</b>	<b>121</b>

### Tax rate

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 9 Intangible assets

	Goodwill £'000	Patents £'000	Total £'000
<b>Cost</b>			
At 1 January 2021 and 31 December 2021	9,278	25	9,303
<b>Accumulated amortisation</b>			
At 1 January 2021 and 31 December 2021	9,278	25	9,303
<b>Net Book Value</b>			
At 31 December 2020 and 31 December 2021	-	-	-

The goodwill in relation to Chalwyn Limited was amortised in equal instalments over its estimated useful life of 10 years, from the date that the assets and trade were transferred. The entire goodwill balance was fully amortised on 30 June 2018.

### 10 Property, plant and equipment

	Freehold land £'000	Freehold Buildings £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment, motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 January 2021	360	1,494	1,101	1,158	4,113
Additions	-	-	12	293	305
Disposals	-	(2)	(49)	(58)	(109)
<b>At 31 December 2021</b>	<b>360</b>	<b>1,492</b>	<b>1,064</b>	<b>1,393</b>	<b>4,309</b>
<b>Accumulated depreciation</b>					
At 1 January 2021	-	1,328	716	883	2,927
Charge for the year	-	19	93	25	137
Disposals	-	(2)	(36)	(58)	(96)
<b>At 31 December 2021</b>	<b>-</b>	<b>1,345</b>	<b>773</b>	<b>850</b>	<b>2,968</b>
<b>Net book value</b>					
<b>At 31 December 2021</b>	<b>360</b>	<b>147</b>	<b>291</b>	<b>543</b>	<b>1,341</b>
At 31 December 2020	360	166	385	275	1,186



# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 11 Investments

	£'000
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	124
<b>Amounts provided</b>	
At 1 January 2021 and 31 December 2021	-
<b>Carrying amount</b>	
At 31 December 2020 and 31 December 2021	124

The company holds 100.00% (2020: 100.00%) of the issued share capital of the following subsidiary undertaking:

Company	Address of the registered office	Principal activity
Roper Industries Manufacturing (Shanghai) Limited	41/F No 1468 West Nanjing Road, Shanghai, 200040, China	Manufacturing

During the year the company did not receive dividends from Roper Industries Manufacturing (Shanghai) Limited (2020: £Nil).

The directors believe that the carrying value of the investments is supported by their underlying net assets and future cash flows.

### 12 Inventories

	2021 £'000	2020 £'000
Raw materials and consumables	2,004	1,741
Work in progress	285	115
Finished goods	772	598
	<b>3,061</b>	<b>2,454</b>

In the opinion of the directors any difference between book value and replacement cost of stock would be immaterial. Inventories are stated after provisions for impairment of £310,000 (2020: £271,000).

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 13 Debtors

	2021 £'000	2020 £'000
Trade debtors	2,691	1,575
Amounts owed by group undertakings	1,462	19,230
Taxation and social security	53	22
Corporation Tax	-	32
Deferred Tax (note 9)	121	87
Prepayments and accrued income	100	67
	4,427	21,013

Trade debtors are stated after provisions for impairment of £9,000 (2020: £17,000).

Other amounts owed by group undertakings are trading balances interest free, unsecured and settled as per the sales terms.

### 14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	1,729	1,430
Amounts owed to group undertaking	3,947	-
Corporation Tax	971	-
Accruals and deferred income	1,002	736
	7,649	2,166

Included in the amounts owed to group undertaking are one short term promissory notes from Roper Technologies, Inc, the balance comprised of the following unsecured amounts:

- At 31 December 2021 Promissory note Principal amount £4,130,000 and £ 6,201 accrued interest. Carries interest at 2.61% and is repayable 10 December 2031

Other amounts owed to group undertakings are trading balances interest free, unsecured and settled as per the sales terms.

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 15 Provisions for liabilities

	Warranty provision £'000
At 1 January 2021	58
Utilised in year	(28)
<b>At 31 December 2021</b>	<b>30</b>

The warranty provision is expected to unwind over a maximum period of three years.

### 16 Exceptional Items – Promissory Note Discharge

The directors of the Company released and discharged Roper UK, Ltd (parent entity up in the group structure) with effect from 30 June 2021, from the following intra-group promissory notes receivables:

1. Promissory note granted 21 May 2020 of £3,342,389 (comprising the principal amount of £3,216,468 together with £125,921 of accrued interest) owed by Roper UK, Ltd to the Company;
2. Promissory note granted 20 September 2019 £6,327,661 (comprising the principal amount of £5,900,000 together with £427,661 of accrued interest) owed by Roper UK, Ltd to the Company;
3. Promissory note granted 20 December 2019 of £8,490,370 (comprising the principal amount of £7,995,394 together with £494,976 of accrued interest) owed by Roper UK, Ltd to the Company;
4. Promissory note granted 24 March 2021 of £6,073,543 (comprising the principal amount of £6,017,000 together with £56,543 of accrued interest) owed by Roper UK, Ltd to the Company;

The release is reflected in the profit and loss for the year as an exceptional item charge before profit of £24,234,000 (2020 £Nil).

### 17 Called up share capital

	2021 £'000	2020 £'000
<b>Authorised</b>		
1,000,000 (2020: 1,000,000) ordinary of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
536,481 (2020: 536,481) ordinary shares of £1 each	536	536

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

# Roper Industries Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 18 Financial commitments

#### Lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each period as follows:

Office Equipment	2021 £'000	2020 £'000
Payments due:		
- not later than one year	10	10
	10	10

#### Capital commitments

The company had no commitments at 31 December 2021 for capital equipment contracted for but not delivered (2020: £Nil).

#### Pension commitments

The company provides pension arrangements to the majority of full-time employees through the Roper Industries Limited group personal pension scheme, which is a defined contribution scheme. The pension cost and charges for the year amounted to £157,000 (2020: £152,000). As at 31 December 2021, contributions of £nil (2020: £nil) were outstanding and included within accruals.

### 19 Related party transactions

In line with FRS102 para 33.1A, the company is exempt from disclosing related party transactions which are with other companies that are wholly owned within the Group. There are no other related party transactions.

### 20 Post balance sheet events

On 23 May 2022 Promissory note principal amount £4,130,000 together with £48,495 of accrued interest was repaid back to Roper Technologies, Inc.

On 1 June 2022, Roper Technologies announced the agreement to sell a majority stake in its industrial businesses, that includes Roper Industries Limited, to affiliates of Clayton, Dubliner & Rice, LLC (CD&R). Roper will retain a minority interest of 49% in the new standalone entity.

# **Roper Industries Limited**

## **Notes to the financial statements for the year ended 31 December 2021 (continued)**

### **21 Parent and ultimate parent undertaking**

The company's immediate parent is RIL Holding Limited, a company incorporated and registered in United Kingdom.

The ultimate controlling entity is Roper Technologies, Inc. a company incorporated in the USA. Roper Technologies, Inc. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2021. The consolidated financial statements of Roper Technologies, Inc. are available from Roper Technologies, Inc., 6901 Professional Parkway East, Suite 200, Sarasota, Florida, 34240, USA.

Please refer to note 20 for the changes in parent entity post year end.