

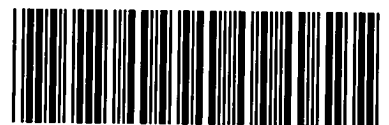
**The Foundry Visionmongers Limited**

**Annual report and financial  
statements**

**Registered number 04642027**

**31 December 2022**

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## **Corporate Information**

### **Directors**

Martin Franks – resigned 14 January 2022  
John Stipancich  
Jason Conley  
Jody Madden  
James Hayhurst-France – appointed 14 January 2022

### **Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### **Registered office**

Squire Patton Boggs Secretarial Services Limited  
Rutland House  
148 Edmund Street  
Birmingham  
United Kingdom  
B3 2JR

### **Registered number**

04642027

## **Strategic report**

The Directors present their Annual Report on the affairs of The Foundry Visionmongers Limited ("the Company"), along with the audited accounts and auditor's report for the year ended 31 December 2022.

### **Principal activities**

The Company's principal activity is the development and distribution of software for the visual effects and digital design markets worldwide.

### **Corporate developments**

On 3 May 2022, the Company's prior immediate parent company, Roper UK Limited, sold its shares in the Company to another group company, Roper NL1 UK Limited. On this date, Roper NL1 UK Limited became the Company's new immediate parent company.

### **Results and Performance**

The results for the Company are set out on page 13 and show a profit before tax of £35,877k (2021: £26,071k).

Revenues increased by 20% (2021: 8% increased) from £55,509k to £66,508k, reflecting higher demand for our products across our core markets as spend on content creation has continued to grow. The Company released several product updates during the year, including a significant release of our flagship compositing product Nuke (Nuke14.0).

Nuke continued to perform well driven by new customer sales and expansion from our existing customers. A number of studios also introduced Katana, our lighting and look development product, into their pipeline during the year while Flix, Mari and Modo continue to trade well.

## **Strategic report (continued)**

### **Results and Performance (continued)**

The Company continues to invest in Research and Development ("R&D") for its products and in 2022 R&D expenditure totalled £8,678k (2021: £7,385k). The Company enjoys a good reputation in the industry as an innovator and its level of R&D expenditure reflects this. R&D spend relates solely to the internal development of software products which are aligned with the Company's growth strategy.

### **Principal Risks and Uncertainties**

#### **Going Concern**

The Company meets its day-to-day working capital requirements through on-going operating cash flow. Our cash projections, taking into account possible fluctuation in trading performance, indicate that the business will have sufficient cash to operate as planned while maintaining significant cash headroom.

The directors have carried out a detailed stress test to determine how far trading performance would need to deteriorate or costs increase before the Company recorded a nil EBITDA balance. After undergoing this exercise, the directors are comfortable that both this scenario and one where the Company finds itself with insufficient cash reserves are remote.

The directors have, at the point of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, having taken into account the uncertainties referred to above, they consider it appropriate to continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Financial Risk**

The Company has no external debt. The Company has trade receivables due from customers which expose the Company to credit risk on amounts due.

Credit risk is managed at an individual customer level. The Company has agreed credit terms with each customer which are based on the assessment of risk presented by the customer. The Company monitors receivables closely and takes appropriate action where necessary to ensure that any risk is kept to an acceptable level.

## **Strategic report (continued)**

### **Business risk**

The primary business risks relate to competitor activity and the need to maintain competitive advantage through ongoing innovation in our product suite.

New entrants to the market are difficult to protect against, however the technical complexity required to develop competing product ranges reduces this risk. The Company regularly contacts customers and partners to gain feedback to ensure that its sales model and product suite are meeting expectations.

The risk of staff attrition is also closely monitored by the management team. We conduct annual performance and compensation reviews and operate incentive schemes to ensure staff are motivated to achieve their goals.

### **Key Performance indicators**

Revenues increased by 20% (2021: 8% increased) from £55,509k to £66,508k, reflecting higher demand for our products across our core markets. Gross profit increased by 18% (2021: 8% increased) from £55,075k to £65,145k as a result of increased revenues. Cash at bank and in hand increased by 296% (2021: 63% increased) from £12,251k to £48,515k due to cost management and strong cash collection.

### **Future Developments**

The Company has a development plan to add additional features to our existing products. Our research team continue to explore new technologies, which can either be incorporated in our existing product suite or introduced as new innovative products to the market. These new products along with the existing products will help drive continued growth in revenue. We continue to evaluate the most appropriate commercial models for the provision of our software including the introduction of subscription contracts alongside our traditional perpetual licence plus maintenance.

### **Section 172(1) Statement**

Under section 172(1) of the Companies Act 2006, the Board has a duty to act in good faith and in a way that would be most likely to promote the success of the Company for the benefit of its shareholders whilst having regard to the matters set out in S172(1) (a-f) of the Act:

- a) the likely long term consequences of any decision;
- b) the interest of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business and conduct; and
- f) the need to act fairly between the Company's owners.

The Board of Directors, in line with their duties as set out above, act in a way they consider to be in the best interest of the Company and its stakeholders. The Board of Directors believe the success of the Company, especially its long-term success, must be supported by a commitment to high integrity and mutual respect for each other, our customers and other stakeholders. This is evident in the Corporate Responsibility Statement, Code of Ethics and Supplier Code of Conduct – all of which can be found on the website of our ultimate parent company (<https://www.ropertech.com/>).

## Strategic report (continued)

### Section 172(1) Statement (continued)

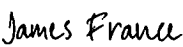
Our reporting structures and frequent communication throughout the business together with our internal controls, which include Sarbanes Oxley controls and review by the Roper internal audit function, ensure that the Board has complete information and is aware of all strategic and material decisions providing confidence that the right decisions are being made at the right time in line with S172(1).

To demonstrate the above behaviours, below is a list of our key stakeholders and the methods used by the Board to engage with them (directly or indirectly).

Stakeholder	Method of engagement
Employees	High levels of employee engagement are essential to the Company and these are measured through a variety of employee surveys and "check-ins". Communication with all employees continues through regular briefings on strategic and team initiatives, economic and financial performance of the Company, key product and people updates.
Customers	The Board and senior management regularly engage directly with customers through meetings, surveys and briefings.
Shareholders	The ultimate shareholders are engaged through interactive earning calls, meetings, online dashboards and filings. The Board interact throughout the year with the Company's ultimate parent company and shareholder.
Suppliers	Our employees frequently engage with our suppliers to ensure that the supply chain is effective, robust and appropriately managed.
Communities	With its Social Responsibility initiatives, the Company encourages all employees to engage with local communities through volunteering. Employees are also encouraged to act in a socially and environmentally responsible way. The Company also runs awareness campaigns which suggest actions employees can implement to reduce their carbon footprint.

The above mentioned engagement and interactions will inform the Board of the interest and concerns of all stakeholders, which are then factored into its decisions on actions that will best promote the long term success of the Company.

By order of the board

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**James Hayhurst-France**  
 Director

Date 16 June 2023

## **Directors' report**

The Directors present their report and the audited financial statements of The Foundry Visionmongers Limited ("the Company") for the year ended 31 December 2022. Certain information required by the Companies Act 2006 relating to information to be provided in the Directors' report is set out in the Strategic report. This includes the principal activities of the Company, details of principal risks, results and performance and future developments.

### **Results and dividends**

The Company's profit for the financial year is £31,293 (2021: £22,401k). There were no cash dividends paid during 2022 (2021: £12,171k).

### **Employees**

#### *Disabled persons*

Applications for employment by disabled candidates are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event members of staff become disabled during their employment, every effort is made to ensure that their employment with the Company continues and that all reasonable adjustments are made, including appropriate training, to enable the individual to remain in the business. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

#### *Employee engagement*

The Company endeavours to create an employee experience where all employees feel a sense of belonging, are valued for their unique contribution and have the opportunity to do meaningful work in a way that enables them to realize their full potential. Employee feedback underpins the actions the Company takes to ensure a focus on continuous improvement with attention directed to the areas that matter most to employees. The Company undertakes annual Engagement and Diversity, Equity, Inclusion & Accessibility (DEIA) surveys to monitor changes and trends in employee sentiment, as well as the impact of actions taken in an effort to make the Company a better place to work for its people. In addition, the Company undertakes an annual Agile Health Review, through which team health is assessed across a range of self-reported dimensions. These data points are used to inform team level engagement action plans during our annual planning process, as well as corporate actions. Actions were taken in 2022 to improve employee experience across Learning and Development, Social Responsibility, Mental Health & Wellbeing, DEIA, Hybrid Working and team ways of working. Employees at Foundry are recognised for their contribution via a quarterly 'All Stars' peer nomination programme and through a discretionary Company bonus scheme payable in line with Company performance. Employee salaries are reviewed annually at a minimum, accounting for external and internal relativity, while a promotion review takes place bi-annually. The Company prioritises regular, transparent communication with employees through monthly company wide "All Hands" meetings, where information is shared on the external industry, financial performance and key product and people updates. All employees are invited to submit anonymous questions to the Executive team to be answered during these meetings. In addition, our Senior Management Team meet monthly to discuss industry trends and key business performance metrics. Our core teams also meet quarterly to review progress against strategic and team plans, with recordings accessible to the whole Company.

### **Directors**

The directors who held office during the year were Martin Franks, John Stipancich, Jason Conley, Jody Madden and James Hayhurst-France. Martin Franks resigned as a director and James Hayhurst-France was appointed as a director on 14 January 2022.

## Directors' report (continued)

### Going concern

The directors have made appropriate enquiries and prepared cash flow forecasts which consider the Company's ability to make sufficient sales to cover at least 12 months of future commitments from the date of approval of the financial statements. As a result, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of approval of these financial statements. For these reasons they continue to adopt the going concern basis in preparing the Company's financial statements. For further details of the enquiries made by the directors see note 1.2 to the financial statements.

### Streamlined Energy and Carbon Reporting (SECR)

This report outlines the Company's Greenhouse Gas (GHG) emissions and energy usage for the year ended 31 December 2022. The scope of the Company's reporting encompasses electricity, heating and gas associated with office properties from which it operates in the UK, as well as transport usage.

The Company's total emissions for the reporting period were 158.48 tCO<sub>2</sub>e, with an intensity ratio of 0.01 tCO<sub>2</sub>e/sq ft. The largest proportion of the Company's GHG emissions is accounted for by office electricity usage which represents 82% of the total emissions, equating to 130.09 tCO<sub>2</sub>e.

The following methodology has been applied to calculate the required energy and carbon data for this report.

- Electricity and heating energy data has been gathered in the form of supplier invoices, meter readings and usage provided by the landlord at office locations.
- For certain months where meter reading data was unavailable, energy usage was calculated using a pro rata approach.
- Electricity and heating has been converted to GHG emissions by applying the appropriate 2022 UK Government GHG Conversion Factors for Company Reporting, in line with the GHG Protocol Corporate Standard methodology.
- The selected metric for the emissions intensity ratio is total floor area of our office spaces.

	<b>31 December 2022</b>	
	Energy Use kWh	Tonnes CO <sub>2</sub> e
Scope 1: Energy used & emissions from combustion of gas	155,840	28.39
Scope 1: Energy used & emissions from combustion of fuel for transport purposes	-	-
Scope 2: Energy used & emissions from purchased electricity	672,708	130.09
Scope 3: Energy used & emissions from business mileage	-	-
<b>Total</b>	<b>828,548</b>	<b>158.48</b>
<b>Intensity ratio (tCO<sub>2</sub>e)/sq ft</b>		<b>0.01</b>

### Energy efficiency actions taken

During 2022 we have taken a number of steps to improve energy efficiency and reduce our carbon footprint. These include:

- The company has implemented remote/hybrid working where possible and emissions associated with employees travelling to work have reduced significantly when compared to pre-pandemic levels.
- Updated company policies to incorporate our Environmental Social Governance (ESG) goals.
- Engaged with third party services to reuse old laptops and recycle waste from electronic equipment.
- Ran awareness campaigns which suggest actions employees can implement to reduce their carbon footprint.

## **Directors' report (continued)**

### **Statement of disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

### **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

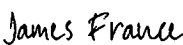
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

By order of the board

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**James Hayhurst-France**  
Director

Date 16 June 2023

Registered company number 04642027

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FOUNDRY VISIONMONGERS LIMITED**

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Foundry Visionmongers Limited ("the Company") for the year ended 31 December 2022 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Company 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.

### **Conclusions relating to 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.

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 Company'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 Directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

## **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## **Responsibilities of Directors**

As explained more fully in the Directors' Report, the Directors 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 Directors 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.

### **Auditor's 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 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and relevant tax compliance legislation.
- We understood how the Company are complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures We corroborated our enquiries through our review of board minutes and discussion with management.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud.
- Our audit planning identified fraud risks in relation to management override of controls and inappropriate or incorrect recognition of revenue (revenue recognition assessed for each stream regardless of materiality). We reviewed the revenue recognition process per stream and identified potential gaps in the process to identify what could go wrong and how it could result in incorrect revenue recognition. We obtained an understanding of the processes and controls that the Company has established to address risks identified; and how management monitors that processes and controls.
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates which are subject to management's judgement and estimation, and could be subject to potential bias.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Andrew Viner*

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Andrew Viner (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

16 June 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of Comprehensive Income**  
*for the year ended 31 December 2022*

	Note	2022 £'000	2021 £'000
Turnover	2	66,508	55,509
Cost of sales		<u>(1,363)</u>	<u>(434)</u>
<b>Gross profit</b>		<b>65,145</b>	<b>55,075</b>
Other operating income	3	1,014	1,082
Administrative expenses		<u>(32,571)</u>	<u>(31,895)</u>
<b>Operating profit</b>	4	<b>33,588</b>	<b>24,262</b>
Other interest receivable and similar income	7	2,289	1,809
Interest payable and similar expenses		-	-
<b>Profit before tax</b>		<b>35,877</b>	<b>26,071</b>
<b>Tax on profit</b>	6	<b>(4,584)</b>	<b>(3,670)</b>
<b>Profit and total comprehensive income for the financial year</b>		<b>31,293</b>	<b>22,401</b>

All results derive from continuing operations.


There was no other comprehensive income in the current or prior year.

***The notes on pages 16 to 33 form part of these financial statements.***

**Statement of Financial Position**  
as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Intangible assets	8	623	727
Tangible assets	9	701	642
Investments	10	-	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	11, 12	62,920	57,684
Debtors: amounts falling due after more than one year	12	24,059	23,325
Cash at bank and in hand		48,515	12,251
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(44,078)	(33,257)
<b>Net current assets</b>		<b>91,416</b>	<b>60,003</b>
<b>Total assets less current liabilities</b>		<b>92,740</b>	<b>61,372</b>
Provision for liabilities	15	(154)	(154)
<b>Net assets</b>		<b>92,586</b>	<b>61,218</b>
<b>Capital and reserves</b>			
Called up share capital	18	-	-
Share premium account		5,064	5,064
Share based payment reserve		-	-
Capital contribution		13,110	13,035
Retained earnings		74,412	43,119
<b>Total equity</b>		<b>92,586</b>	<b>61,218</b>

The notes on pages 16 to 33 form part of these financial statements. These financial statements were approved and authorised for issue by the Board of Directors on 16 June 2023 and were signed on its behalf by:

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**James Hayhurst-France**  
Director

Company registered number: 04642027

**Statement of Changes in Equity**  
 for the year ended 31 December 2022

	Called up Share capital £'000	Share Premium account £'000	Capital contribution £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	-	5,064	12,641	-	32,889	50,594
Profit and total comprehensive income for the period	-	-	-	-	22,401	22,401
Dividend payment	-	-	-	-	(12,171)	(12,171)
Credit relating to share-based payments (Note 19)	-	-	394	-	-	394
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>5,064</b>	<b>13,035</b>	<b>-</b>	<b>43,119</b>	<b>61,218</b>
Profit and total comprehensive income for the period	-	-	-	-	31,293	31,293
Dividend payment	-	-	-	-	-	-
Credit relating to share-based payments (Note 19)	-	-	75	-	-	75
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>5,064</b>	<b>13,110</b>	<b>-</b>	<b>74,412</b>	<b>92,586</b>

On 23 June 2021, the Company paid a dividend of £12,171k to Roper UK Limited.

The notes on pages 16 to 33 form part of these financial statements.

## **Notes**

*(forming part of the financial statements)*

### **General Information**

The Foundry Visionmongers Limited (the "Company") is a company, limited by shares, and incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the Strategic report.

### **1 Accounting policies**

#### **Basis of preparation of financial statements**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The Company's ultimate parent undertaking, Roper Technologies, Inc., includes the Company's results in its consolidated financial statements. The consolidated financial statements of Roper Technologies, Inc. are prepared in accordance with US GAAP and are publicly available.

#### **Financial reporting standard 102 - reduced disclosure exemptions**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions. The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the financial statements of the ultimate parent company, includes the Company's cash flows (FRS102.1.12 (b));
- (ii) disclosure of related party transactions with fellow wholly-owned subsidiary undertakings of the ultimate parent company, which publicly makes available consolidated financial statements (FRS102.33.1A).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **1.1 Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **1.2 Going Concern**

The financial statements have been prepared using the going concern basis of accounting. The directors have reviewed the company's going concern position taking into account its current business activities, budgeted performance and factors likely to affect its future performance. Based on the information contained within the accounts, the directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

## **Notes** (continued)

### **1 Accounting policies** (continued)

#### **1.2 Going Concern** (continued)

As at 31 December 2022, the company had cash resources of £48.5 m (2021: £12.3m), current assets of £135.5m (2021: £93.3m), net current assets of £91.4m (2021: £60.0m) and net assets of £92.6m (2021: £61.2m). In the year to 31 December 2022 the company made an operating profit of £33.6m (2021: £24.3m) and a profit before tax of £35.9m (2021: £26.0m).

The Company's ultimate parent undertaking, Roper Technologies Inc., is a company registered in the US and listed on the NYSE.

The Company has no third party loans or borrowings as at 31 December 2022 (2021: none).

The directors have carried out a detailed stress test in order to consider how much performance, new sales and total costs would need to change before there was a nil EBITDA balance, along with the likelihood of such a scenario occurring. After undergoing this exercise, the directors are comfortable a scenario that would result in the business not having sufficient cash reserves is remote.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, having taken into account the uncertainties referred to above, they consider it is appropriate to continue to adopt the going concern basis in preparing the annual report and accounts.

#### **1.3 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate of the previous months closing rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

#### **1.4 Financial Instruments**

##### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially 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.

## **Notes** (continued)

### **1 Accounting policies** (continued)

#### **1.4 Financial Instruments** (continued)

##### *Financial assets (continued)*

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 the statement of comprehensive income.

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 the statement of comprehensive income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies that are classified as debt, are initially recognised at transaction price, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.4 Financial Instruments (continued)**

##### *Financial liabilities and equity (continued)*

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

#### **1.5 Property, plant and equipment**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements      5 years
- Furniture & Fittings            3 years
- Computer equipment            3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### **1.6 Intangible assets**

##### *Research and development*

All research and development costs are recognised as an expense when incurred.

##### *Other Intangible assets*

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and accumulated impairment losses.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.6 Intangible assets (continued)**

##### *Amortisation*

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Intellectual property / technologies 10 years
- Software 3 years
- Trademarks 10 years

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

#### **1.7 Impairment of fixed assets**

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

#### **1.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid. Investments in unlisted company shares, which have been classified as fixed asset investments as the Company intends to hold them on a continuing basis, are remeasured to market value at each balance sheet date.

Gains and losses on remeasurement are recognised in the profit or loss for the period.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.9 Employee benefits**

##### *Defined contribution plans*

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

##### *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### *Termination benefits*

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

##### *Share based payments*

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

#### **1.10 Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.11 Turnover**

The whole of the turnover is attributable to the principal activity of the company. Revenue represents amounts receivable, net of any sales taxes, in respect of the sale of goods and services to customers. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as describes below.

##### **a) Licenses**

Revenue is recognised at the point in time at which the licence is granted. The nature of our promise in granting the licence to a customer is to provide the customer with a right to use the Company's intellectual property as it exists at the point in time at which the licence is granted.

The Company also licenses software under rental licence agreements to customers on a term basis. Revenue from rental and subscriptions agreements is recognised over time. As it is provided on a continual basis throughout the agreement period, the most appropriate recognition method will be to recognise revenue on a straight-line basis.

##### **b) Maintenance & support**

Revenue from maintenance agreements is recognised over time. As it is provided on a continual basis throughout the agreement period, the most appropriate recognition method will be to recognise revenue on a straight-line basis.

##### **c) Service**

The Company recognises the revenue of services rendered under contracts over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance as delivered by the Company. In addition, the Company has an enforceable right to payment for performance completed to date.

The Company deems the input method to be an appropriate method to recognise revenue and will base this on labour hours expended or time elapsed. In instances where efforts or inputs are expended evenly throughout the performance period, the Company may deem it appropriate to recognise revenue on a straight-line basis.

#### **1.12 Other income**

Grant income is credited to income only when the conditions of receiving the grant are met, and is recognised within "Other operating income". Where the conditions have been met grant income is credited to income so as to match the income with the expenditure to which the grant income relates. Where the work has been completed and all milestones achieved and consequently the grant income has been recognised prior to receipt of monies, this amount is included in accrued income.

RDEC relates to research and development expenditure credits due from HMRC. Income is recorded on a gross basis.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.13 Expenses**

##### *Operating lease payments: the company as lessee*

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense.

##### *Financing income and expenses*

Financing expenses comprise interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the statement of comprehensive income (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### **1.14 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 charge 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.15 Accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**In preparing these financial statements, the directors have made the following judgements:**

##### **Intangible assets**

Assets are assessed on at least an annual basis for any indicators of impairment. Where there is an indicator of impairment, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

##### **Revenue recognition**

There is judgement inherently involved in revenue recognition. The Company recognises the revenue of services rendered under contracts over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance as delivered by the Company. This is reviewed on a regular basis by management.

##### **Key sources of estimation uncertainty**

##### **Allowance for doubtful debt**

The Company assesses its allowance for doubtful debt at each reporting date. This requires estimation of debtor recovery rates and future market conditions that could affect recovery.

### 2 Turnover

	2022 £'000	2021 £'000
License revenue	30,906	24,374
Maintenance revenue	35,440	30,772
Other revenue	162	363
Total	66,508	55,509

## Notes (continued)

### 3 Other operating income

	2022 £'000	2021 £'000
Grant income	-	87
RDEC	1,014	995
Total	1,014	1,082

Grant income relates to funding from European government and innovation agencies. RDEC relates to research and development expenditure credits due from HMRC.

### 4 Operating profit

Operating profit is stated after charging/(crediting):

	2022 £'000	2021 £'000
Operating leases rentals - other	710	670
Foreign currency (gain)/loss	(3,324)	103
Depreciation of tangible assets	476	567
Amortisation of intangible assets	104	116
Recharges from group undertakings	8,010	6,373

Expenditure on research and development during the year, including related salary costs amounted to £ 8,678k (2021: £7,385k).

#### Auditor's remuneration:

	2022 £'000	2021 £'000
Audit of these financial statements	80	68
Fees to associates for other services:		
Tax compliance services	2	1
Total remuneration of the company's auditors and its associates	82	69

## Notes (continued)

### 5 Staff numbers and costs

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

	Number of employees	
	2022	2021
Development	138	146
Sales & Marketing	28	29
Support & Administration	32	31
<b>Total</b>	<b>198</b>	<b>206</b>

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	15,596	13,798
Social security costs	1,452	1,373
Pension costs	531	517
<b>Total</b>	<b>17,579</b>	<b>15,688</b>

### Remuneration of directors

Key management personnel are deemed to be the directors and their remuneration was as set out below.

	2022	2021
	£'000	£'000
Directors' remuneration	1,292	2,232
Company contributions to defined contribution pension schemes	18	10
<b>Total</b>	<b>1,310</b>	<b>2,242</b>

The aggregate of remuneration of the highest paid director was £1,048k (2021: £1,377k) which included £9k (2021: £8k) of Company pension contributions.

Directors' remuneration, included within the directors' remuneration table above, amounting to £ 1,048k was borne by another group company and was not included in the Company's payroll (2021: £1,377k was borne by another group company and was not included in the Company's payroll).

## Notes (continued)

### 6 Taxation

#### Recognised in the statement of comprehensive income

	2022 £'000	2021 £'000
<i>UK corporation tax</i>		
Current tax on profit for the period	5,121	4,047
Adjustments to prior periods	(613)	(326)
Withholding tax write off	-	-
	<u>4,508</u>	<u>3,721</u>
Double tax relief	(334)	(152)
<i>Foreign tax</i>		
Current tax on profit for the period	335	152
Prior year adjustment	(3)	(22)
	<u>332</u>	<u>130</u>
Total current tax	<u>4,506</u>	<u>3,699</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	59	39
Adjustments to prior periods	-	(5)
Effect of tax rate change on opening balance	19	(63)
	<u>78</u>	<u>(29)</u>
Total deferred tax charge/(credit)	<u>78</u>	<u>(29)</u>
Total tax charge	<u>4,584</u>	<u>3,670</u>

#### Reconciliation of tax charge

	2022 £'000	2021 £'000
Profit before taxation	<u>35,877</u>	<u>26,071</u>
Tax using the UK corporation tax rate of 19% (2021:19.00%)	6,817	4,953
Non-deductible expenses	21	79
Adjustments to prior periods	(615)	(353)
R&D expenditure credits	(11)	(6)
Group relief claimed	(1,586)	(940)
Higher tax rates on overseas earnings	1	-
Movement in deferred tax recognised	19	(54)
Adjustments to brought forward values	(35)	(2)
Origination and reversal of temporary differences	(27)	(7)
	<u>4,584</u>	<u>3,670</u>
Total tax charge	<u>4,584</u>	<u>3,670</u>

## Notes (continued)

### 7 Other interest receivable and similar income

	2022 £'000	2021 £'000
Interest receivable on intercompany loans	2,289	1,809

### 8 Intangible assets

	Software £'000	Trademarks £'000	Intellectual Property £'000	Total £'000
<b>Cost</b>				
As at 1 January 2022	2,948	154	5,544	8,646
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31 December 2022</b>	<b>2,948</b>	<b>154</b>	<b>5,544</b>	<b>8,646</b>
<b>Aggregate amortisation</b>				
As at 1 January 2022	2,945	96	4,878	7,919
Charge for the year	3	8	93	104
<b>As at 31 December 2022</b>	<b>2,948</b>	<b>104</b>	<b>4,971</b>	<b>8,023</b>
<b>Net book value</b>				
<b>As at 31 December 2022</b>	<b>-</b>	<b>50</b>	<b>573</b>	<b>623</b>
As at 31 December 2021	3	58	666	727

## Notes (continued)

### 9 Tangible assets

	Leasehold Improvements £'000	Furniture & Fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
As at 1 January 2022	1,224	191	5,405	6,820
Additions	-	121	414	535
Disposals	-	-	-	-
<b>As at 31 December 2022</b>	<b>1,224</b>	<b>312</b>	<b>5,819</b>	<b>7,355</b>
<b>Aggregate depreciation</b>				
As at 1 January 2022	1,151	186	4,841	6,178
Charge for the year	46	8	422	476
Disposals	-	-	-	-
<b>As at 31 December 2022</b>	<b>1,197</b>	<b>194</b>	<b>5,263</b>	<b>6,654</b>
<b>Net book value</b>				
<b>As at 31 December 2022</b>	<b>27</b>	<b>119</b>	<b>556</b>	<b>701</b>
As at 31 December 2021	73	5	564	642

### 10 Investments

	Shares in group undertakings £'000
<b>Cost</b>	
<b>As at 1 January and 31 December 2022</b>	-
<b>Provisions</b>	
<b>As at 1 January and 31 December 2022</b>	-
<b>As at 31 December 2022</b>	-
As at 31 December 2021	-

The Company had the following investments in subsidiaries during the year, up until 31 December 2022:

Entity	Value of Investment	Country of Incorporation	Class of shares held	Ownership
<b>Directly held</b>				
Foundry Visionmongers (Ireland) Limited	£2	Ireland	Ordinary	100%

The registered offices of the above company is as follows:

Foundry Visionmongers (Ireland) Limited:  
Floor 3, Block 3, Miesian Plaza, Dublin 2, D02 Y754

## Notes (continued)

### 11 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2022 £'000	Liabilities 2022 £'000	Assets 2021 £'000	Liabilities 2021 £'000
Accelerated capital allowances	107	-	182	-
Short term timing differences	40	-	43	-
Net deferred tax asset	147	-	225	-

#### Movement in deferred tax

	1 January 2022 £'000	Recognised in income £'000	Recognised in equity £'000	31 December 2022 £'000
Accelerated capital allowances	182	(75)	-	107
Short term timing differences	43	(3)	-	40
Total deferred tax asset	225	(78)	-	147

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, and the deferred tax asset as at 31 December 2022 has been calculated based on this rate.

### 12 Debtors

	2022 £'000	2021 £'000
Trade debtors	19,829	16,109
Amounts owed by group undertakings due within one year	39,112	38,010
Amounts owed by group undertakings due after more than one year	24,059	23,325
Other debtors	2,852	2,232
Prepayments	957	1,059
Deferred tax asset (Refer to note 11)	147	225
Accrued income	23	49
Total	86,979	81,009

Amounts owed by group undertakings represent loans to various companies in the corporate structure. Loans to Roper parent companies accrue interest and are repayable within 1 and 10 years. The remainder of the loans are unsecured, interest free and payable upon demand.

## Notes (continued)

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

	2022 £'000	2021 £'000
Trade creditors	477	197
Amounts owing to group undertakings	1,617	1,247
Tax and social security	2,441	1,046
Other creditors	978	487
Accruals and deferred income	<b>38,565</b>	30,280
Total	<b>44,078</b>	33,257

Amounts owed to other group undertakings represent loans with various companies in the corporate structure. These loans are unsecured, interest free and payable upon demand.

### 14 Financial Instruments

	2022 £'000	2021 (Restated) £'000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised costs	<b>134,390</b>	91,976
Total	<b>134,390</b>	91,976
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>10,361</b>	6,141
Total	<b>10,361</b>	6,141

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and trade and other debtors. Financial liabilities measured at amortised cost comprise loans payable to related parties (excluding unamortised debt issue costs), trade and other creditors and accrued expenses.

The Company corrected its presentation of financial assets and liabilities to exclude prepayments of £957k (2021: £1,059k) and deferred income of £33,717k (2021: £27,116k) respectively. This correction was made so the presentation of financial assets and liabilities aligned with the definition of financial instruments per FRS 102. There is no impact on the measurement of these items nor the primary statements or other notes in the financial statements. The prior period restatement only impacts this disclosure note.

### 15 Provisions

	2022 £'000	2021 £'000
Dilapidations provision	154	154
Total	<b>154</b>	154

## Notes (continued)

### 16 Employee benefits

#### Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £531k (2021: £517k). The amount outstanding to the pension scheme at year end was £1k (2021: £1k).

### 17 Operating lease commitments

The Company has future minimum commitments under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
In less than one year	620	783
Between one and five years	3,391	2,782
After five years	2,842	665
<b>Total</b>	<b>6,853</b>	<b>4,230</b>

### 18 Share Capital & Reserves

#### Share Capital

*Allotted, called up and fully paid*

	2021 & 2022 Shares	2021 & 2022 £
At 1 January – Ordinary Shares of £1 each	130	130
In issue at 31 December	130	130

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### Reserves

*Share premium* - the share premium account includes the premium on issue of equity shares, net of any issue costs.

*Capital contribution* – the capital contribution reserves includes capital contributed to the entity from fellow group companies that was not for the purchase of share capital.

*Retained earnings* – retained earnings represent cumulative profits or losses, net of dividends paid and other adjustments.

## Notes (continued)

### 19 Share based payments

Share based payment arrangements are offered to certain senior employees in the form of cash settled share options and cash awards in the ultimate parent company. The options and awards are exercisable on the second anniversary of the grant (50%) and on the third anniversary of the grant (50%). The fair value of the share options and awards granted during the year is determined by the Black- Scholes model as it was considered that this approach would result in materially accurate estimate of the fair value of options granted. All cash settled options and awards are settled by the ultimate parent company. The company has recognised an expense and a corresponding capital contribution in equity when accounting for these awards.

The credit recognised for cash settled options in the year to 31 December 2022 is £120k (2021: £209k expense).

	2022		2021	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Granted	1,212	\$453.46	2,771	\$401.27
Forfeited	(6,577)	\$354.46	-	-
Exercised	(860)	\$336.22	(1,446)	\$343.92
Outstanding at 31 December	2,564	\$397.06	8,789	\$351.45
Exercisable at 31 December	-	-	-	-

The expense recognised for cash-based awards in the year to 31 December 2022 is £195k (2021: £185k).

	2022		2021	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Granted	1,356	\$452.70	3,020	\$409.44
Forfeited	(2,990)	\$383.43	(181)	\$343.92
Exercised	(417)	\$341.79	(2,533)	\$423.29
Outstanding at 31 December	2,209	\$361.99	4,080	\$345.49
Exercisable at 31 December	-	-	-	-

### 20 Ultimate parent company and parent company of larger group

The Company's immediate parent company is Roper NL1 UK Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking, Roper Technologies Inc., is a company registered in the US and listed on the NYSE. It includes the Company's results in its consolidated financial statements. The consolidated financial statements of Roper Technologies Inc. are prepared in accordance with US GAAP and are publicly available.