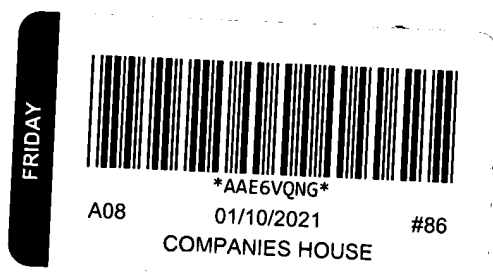


Utilitec Services Limited

Annual report and financial statements
for the year ended 31 December 2020

Registered number: 03411545



Utilitec Services Limited

Annual report and financial statements for the year ended 31 December 2020

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Utilitec Services Limited

Strategic report for the year ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Review of business and future developments

Utilitec Services Limited ("Utilitec") continues to deliver a high quality service to water utilities, increase its customer base and win new work in data-collection, pressure control and leakage reduction. Utilitec now services a broad customer base across the UK.

Utilitec has a pivotal role in delivering advanced metering solutions to industrial and commercial customers. Our engineers' expertise in installation and maintenance of technology in hazardous areas and in volume, on a variety of sites, has contributed to Technolog's success in the metering market.

Our focus in Utilitec is on managing the growth to deliver a quality service to new and existing customers in AMR, expanding on our service offering to our established customers in the water utilities.

Post Balance Sheet COVID-19 Update

The Technolog Holdings Group ("the Technolog Group") continues to work in a very difficult environment and faces various challenges caused by the COVID-19 pandemic. The Technolog Group benefits from our unique end-to-end offering covering product, services and data collection. In addition, the Technolog Group has been classified as an essential services business to the water and gas sectors and as such, the Operational Services division of Utilitec Services and Utility Data Services have been operating normally, and we anticipate this insulating the business against temporary downturns in AMR and International.

A full statement of measures taken and implications for the Technolog Group can be found in the Strategic Report of Technolog Holdings Limited, obtainable from the address in Note 20.

Turnover, profits and net assets

Company turnover on all operations for the year was £11,953,000 (2019: £11,626,000). This generated an operating profit of £2,299,000 (2019: £1,951,000) and profit before taxation of £2,409,000 (2019: £2,025,000). Net assets were £10,081,000 (2019: £7,686,000).

Key performance indicators

The key performance indicators used to monitor performance of the Company are considered to be the same key performance indicators as for the rest of the Technolog Holdings Group. As a result, the disclosures included in the Technolog Holdings Limited annual report are considered to be relevant to this Company.

Principal risks and uncertainties

We operate in markets that are driven by legislative and environmental issues as well as economic and commercial considerations. The extent to which our customers are facing economic difficulties may influence their buying decision, resulting in lost or delayed contracts. The water companies in the UK manage their network expenditure around five-year budget cycles known as AMP periods. The current AMP 6 period commenced during April 2015 and finished in March 2020 and this has influenced sales to water utilities according to their available funds; such activity will fluctuate across the AMP period.

Our gas customers are now working under the RIIO programme (Revenue = Incentives + Innovation + Outputs); this scheme was introduced by Ofgem and requires the gas companies to provide well-justified business plans for total expenditure (Totex). This scheme is likely to change the dynamics of how contracts are awarded, but we believe the business drivers of the gas companies from our perspective will remain the same.

Utilitec Services Limited

Strategic report for the year ended 31 December 2020


Principal risks and uncertainties (continued)

In terms of the utility markets, the demand on worldwide water together with water scarcity will continue to drive the need to measure, monitor and control water distribution; the gas market is concerned with consumption, loss and the movements in energy prices which drives the need to measure and monitor the gas networks. However, we do still see more challenging trading conditions in overseas markets due to economic and political uncertainty.

The business is also seeing some supply chain issues on electronic components, which has resulted in our own lead times to customers increasing in some sectors. Whilst this has caused some concern and shipment delay with our customers, we believe that they will continue to work with us on these supply chain delays and maintain the strong relationships we have.

Finally, the movements in energy prices and the perceived need to measure and monitor water and energy consumption may also influence our trading as spending budgets by the Utilities are transferred in or out of our sector, but we continue to monitor this in order to respond to changes in the market.

On behalf of the Board



Nigel Fearn
Director

24 September 2021

Utilitec Services Limited

Directors' report for the year ended 31 December 2020

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

Dividends

No dividend was paid during the year (2019: £1,000,000 (£6.67 per share)).

The board of directors

The directors of the Company who served during the year and up to the date of signing the financial statements were:

Nigel C Fearn	Managing Director
Stephen J Drury	Operations Director
John K Stipancich	Legal Counsel (Roper)
Robert C Crisci	Chief Financial Officer (Roper)
Jason P Conley	Financial Controller (Roper)

The Company Secretary is Squire Patton Boggs Secretarial Services Limited.

All the directors are directors of Technolog Holdings Limited, Utilitec Services Limited's holding company. Directors' emoluments are shown in the financial statements of that company.

Future developments

These are referred to in the strategic report on page 1.

Financial risk management

The Company has policies that require appropriate credit assessment and monitoring of customers before and during the period that credit is given.

In the opinion of the directors, there is no material difference between the carrying amounts and the fair values of the financial assets and liabilities included in the financial statements.

Qualifying third party indemnity provision

The Company has provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006, and which was in place throughout the financial year and up to the date of this report.

Independent auditors

A resolution to reappoint PKF Smith Cooper Audit Limited as auditors to the Company will be proposed at the annual general meeting.

Utilitec Services Limited

Directors' report for the year ended 31 December 2020 (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 regulations.

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 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.

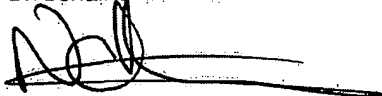
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

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.

On behalf of the Board



Nigel Fearn
Director

24 September 2021

Utilitec Services Limited

Independent auditors' report to the members of Utilitec Services Limited

Report on the financial statements

Opinion

We have audited the financial statements of Utilitec Services Limited ("the Company") for the year ended 31 December 2020 which comprise Statement of income and retained earnings, Balance sheet, and the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

Utilitec Services Limited

Independent auditors' report to the members of Utilitec Services Limited (continued)

Other information (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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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 and Director's 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 Statement of directors' responsibilities in respect of the financial statements, 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.

Utilitec Services Limited

Independent auditors' report to the members of Utilitec Services Limited (continued)

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.

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 risk of fraud or noncompliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions;

We focussed on those areas that could give rise to a material misstatement in the Company's financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates, such as deferred income, stock provisions and debtor recovery, for bias.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Utilitec Services Limited

Independent auditors' report to the members of Utilitec Services Limited (continued)

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.

Janet Morgan (Senior Statutory Auditor)
For and on behalf of PKF Smith Cooper Audit Limited, Chartered Accountants,
Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE

Date: 27 SEPTEMBER 2021

Utilitec Services Limited

Statement of income and retained earnings for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	5	11,953	11,626
Cost of sales		(8,443)	(8,095)
Gross profit		3,510	3,531
Distribution and selling costs		(546)	(540)
Administrative expenses		(991)	(1,040)
Other operating income	6	326	-
Operating profit	6	2,299	1,951
Interest receivable and similar income	7	110	74
Profit before taxation		2,409	2,025
Tax on profit	9	(14)	2
Profit for the financial year		2,395	2,027
Retained profits at 1 January		7,536	6,509
Dividends paid	16	-	(1,000)
Retained profits¹ at 31 December		9,931	7,536

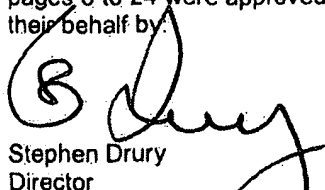
¹Retained profits represents accumulated comprehensive income for the year and prior years, less dividends.

Utilitec Services Limited

Balance sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	421	411
		421	411
Current assets			
Debtors: amounts falling due within one year	12	7,710	6,114
Debtors: amounts falling due after more than one year	12	1,255	1,179
Cash at bank and in hand		2,029	1,211
		10,994	8,504
Creditors: amounts falling due within one year	13	(1,323)	(1,219)
Net current assets		9,671	7,285
Total assets less current liabilities		10,092	7,696
Creditors: amounts falling due after more than one year	14	(11)	(10)
Net assets		10,081	7,686
Capital and reserves			
Called up share capital	16	150	150
Retained earnings		9,931	7,536
Total shareholders' funds		10,081	7,686

The notes on pages 10 to 24 form part of these financial statements. The financial statements on pages 8 to 24 were approved by the Board of Directors on 24 September 2021 and signed on their behalf by:


Stephen Drury
Director

Registered number: 03411545.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020

1 General information

Utilitec Services Limited ('the Company') installs and maintains electronic equipment, and provides leakage management and other technical services, to the water utilities.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Technolog House, Ravenstor Road, Wirksworth, Matlock, Derbyshire DE4 4FY.

2 Statement of compliance

The individual financial statements of Utilitec Services Limited 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 Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 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.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its intermediate parent company, Technolog Holdings Limited, includes the Company's cash flows in its consolidated financial statements.

The Company has also taken advantage of the exemption, under FRS 102 paragraph 1.12(d), from disclosing certain share based payment information, on the basis that it is a qualifying entity and its ultimate parent company, Roper technologies, Inc., includes this disclosure in its consolidated financial statements.

The Company has further taken advantage of the exemption, under FRS 102 paragraph 1.12(e), from disclosing the key management personnel compensation, on the basis that it is a qualifying entity and its intermediate parent company, Technolog Holdings Limited, includes this disclosure in its consolidated financial statements.

(c) Functional currency

The Company's functional and presentation currency is the pound sterling. All the Company's transactions are denominated in its functional currency, and rounded to the nearest £000.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the services; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below.

Sale of services

The Company provides installation, maintenance, leakage management and other technical services. Revenue is recognised in the accounting period in which the services are provided. Where payment is received for services expected to be provided in future years, this is treated as deferred income in the balance sheet and recognised in revenue as the service is delivered.

(e) Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

The Company operates a defined contribution pension plan for its employees, under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

(f) Government grants

Government grants that compensate the Company for expenses incurred are recognised in the profit and loss account on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised, in which case the grant is recognised when it becomes receivable. Any government grants not yet received are included within other debtors.

(g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

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.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

(g) Taxation (continued)

Deferred tax

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 not discounted.

Deferred tax is recognised on all timing differences at the reporting date. 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.

(h) Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of three years on a straight line basis. Amortisation is charged to Administrative expenses in the Profit and loss account.

Where factors, such as technological advancement, indicate that useful life has changed, the useful life or amortisation rates are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that they carrying amount may be impaired.

(i) Tangible assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, and costs directly attributable to bringing the asset to its working condition for its intended use. Interest is not capitalised.

Computer equipment, fixtures, fittings, machinery and equipment, motor vehicles and project stock

Computer equipment, fixtures, fittings, machinery and equipment, motor vehicles and project stock are stated at cost less accumulated amortisation and accumulated impairment losses.

Depreciation and residual values

Depreciation is calculated to write off the cost of assets less their estimated residual value on a straight line basis over their estimated useful lives, as follows:

Computer equipment	3 years
Fixtures, fittings, machinery and equipment	3 - 5 years
Project stock	5 years

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

(j) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(k) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. 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. The impairment loss 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.

Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Such debt instruments are subsequently carried at amortised cost using the effective interest method.

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 in 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.

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

Offsetting

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

(l) Share capital

Ordinary shares are classified as equity.

(m) Distributions to equity holders

Dividends are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. These amounts are recognised in the statement of income and retained earnings.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

(n) Related party disclosures

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

(o) Share based payments

The Company issues to certain employees, equity-settled share options and restricted stock units in the share capital of its ultimate parent undertaking.

Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by use of the Black Scholes pricing model which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

4 Critical accounting judgements and estimation uncertainty

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.

(a) Critical judgements in applying the Company's accounting policies

Intercompany receivables

The Company has intercompany receivables for which the expectations are that all will be fully received without a premium or discount. In assessing the recoverability of amounts owed to the Company by fellow group undertakings, consideration is given to the anticipated cash flow within the wider group and the support from the ultimate parent company, and has deemed these balances recoverable.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment, and note 3(i) for the useful economic lives of each class of assets.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

4 Critical accounting judgements and estimation uncertainty (continued)

(b) Critical accounting estimates and assumptions (continued)

Deferred income

As disclosed in note 3(d), where payment is received for services expected to be provided in future years, this is treated as deferred income in the balance sheet and recognised in revenue as the service is delivered. The initial assessment of whether the deferred income is due within one year or more than one year is based on the best information available to the Company at the time of receipt.

In future years, the amount of deferred income released to revenue is determined based upon the level and frequency of services delivered. At subsequent period ends, the deferred income not yet released to revenue is re-assessed, and any refinements to the estimated timing of its release are reflected in the balance sheet.

Taxation

If during the preparation of the tax computation there are areas of estimation which the Company believes, due to the inherent risk, could possibly result in changes to the value of payments made to local tax authorities, then these areas are closely reviewed, including consulting with professional advisors as required. See Note 9 for details.

The Company uses estimations to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits, together with an assessment of the effect of future tax planning strategies. See note 15 for further details.

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and the associated impairment provision.

5 Turnover

Analysis of turnover:

	2020	2019
	£'000	£'000
By geography:		
UK	11,953	11,626
	2020	2019
	£'000	£'000
By category:		
Services	11,953	11,626

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 (a) Operating profit

Operating profit is stated after charging:

	2020	2019
	£'000	£'000
Staff costs (note 8)	6,539	5,821
Audit fees payable to the Company's auditors	6	6
Operating lease charges	942	862

(b) Other operating income

	2020	2019
	£'000	£'000
Government grants – Coronavirus Job Retention Scheme	(326)	-

7 Interest receivable and similar income

	2020	2019
	£'000	£'000
Bank interest	1	2
Interest receivable on loans to group undertakings	109	72
Total interest receivable and similar income	110	74

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

8 Employees and directors

Employee costs	2020	2019
	£'000	£'000
Wages and salaries	5,707	5,085
Social security costs	567	515
Other pension costs	265	221
	6,539	5,821

Average monthly number of employees

	2020	2019
By activity	Number	Number
Operations and site services	186	170
Selling	2	2
Administration	2	4
	190	176

Directors' emoluments

No director received remuneration for services provided to the Company (2019: none). Remuneration for the directors is made through Technolog Holdings Limited and is disclosed in the financial statements of that company.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Tax on profit

	2020	2019
(a) Tax credit included in profit or loss	£'000	£'000
Current tax:		
UK Corporation tax on profit for the year	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	(6)	(2)
Impact of change in UK tax rate	(11)	-
Tax on profit	(17)	(2)

(b) Reconciliation of tax charge

Tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£'000	£'000
Profit before taxation	2,409	2,025
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	458	385
Effects of:		
Group relief received for nil consideration	(462)	(380)
Expenses not deductible for tax purposes	4	3
Adjustments to tax charge in respect of prior years	26	(9)
Re-measurement of deferred tax – change in UK tax rate	(11)	-
Other differences	(1)	(1)
Tax charge/(credit) for the year	14	(2)

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

10 Intangible assets

	Software
	£'000
<hr/>	
At 31 December 2019	
Cost	35
Accumulated amortisation	(35)
Net book amount	-
<hr/>	
Year ended 31 December 2020	
Opening net book amount	-
Closing net book amount	-
<hr/>	
At 31 December 2020	
Cost	35
Accumulated amortisation	(35)
Net book amount	-
<hr/>	

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

11 Tangible assets

	Computer equipment	Fixtures, fittings, machinery and equipment	Project stock	Total
	£'000	£'000	£'000	£'000
At 31 December 2019				
Cost	215	358	513	1,086
Accumulated depreciation	(170)	(230)	(275)	(675)
Net book amount	45	128	238	411
Year ended 31 December 2020				
Opening net book amount	45	128	238	411
Additions	115	34	67	216
Depreciation	(58)	(43)	(105)	(206)
Closing net book amount	102	119	200	421
At 31 December 2020				
Cost	237	371	480	1,088
Accumulated depreciation	(135)	(252)	(280)	(667)
Net book amount	102	119	200	421

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Debtors

	2020	2019
	£'000	£'000
<i>Amounts falling due within one year:</i>		
Trade debtors	1,323	1,336
Amounts owed by group undertakings	5,751	3,962
Deferred taxation (note 15)	105	119
Prepayments and accrued income	531	697
	7,710	6,114
<i>Amounts falling due after more than one year:</i>		
Amounts owed by group undertakings	1,255	1,179
	8,965	7,293

Amounts owed by group undertakings falling due within one year includes £1,533,000 (2019: nil) that is unsecured, attracts interest at 3.5% per annum, and is repayable on 18 May 2021. The balance of £4,218,000 (2019: £3,962,000) is unsecured, interest free, has no fixed date of repayment and is repayable on demand. Amounts owed by group undertakings falling due after more than one year are unsecured, attract interest at 6.5% per annum, and are repayable on 25 May 2027.

13 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	136	216
Amounts owed to group undertakings	29	9
Other taxation and social security	603	328
Other creditors	14	12
Accruals and deferred income	541	654
	1,323	1,219

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

14 Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Accruals and deferred income	11	10

15 Deferred tax

The deferred tax asset consists of the following:

	2020	2019
	£'000	£'000
Deferred tax asset arising from:		
Accelerated capital allowances	98	115
Short term timing differences	7	4
	105	119
Analysis of movement in the year:		
Deferred tax asset at 1 January	119	117
Profit and loss account charge/(credit)	(14)	2
Deferred tax asset at 31 December	105	119

There are no unused tax losses or unused tax credits.

The deferred tax asset expected to reverse in 2021 is £14,000 due to the reduced value of depreciation compared to the available capital allowances.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

16 Share capital

Ordinary shares of £1 each

	2020	2020
	Number	£'000
Allotted and fully paid	150,000	150

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

Dividends

	2020	2019
	£'000	£'000
Interim 2019 (£6.67 per share)	-	1,000

17 Capital and other commitments

At 31 December, the Company had the following capital commitments:

	2020	2019
	£'000	£'000
Contracts for future capital expenditure not provided in the financial statements – none (2019: Computer equipment and Fixtures, fittings, machinery and equipment)	-	120

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2020	2019
	£'000	£'000
Payments due		
Not later than one year	773	672
Later than one year and not later than five years	616	831
	1,389	1,503

The Company had no other off-balance sheet arrangements, and no contingent liabilities.

Utilitec Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

18 Pension contributions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £265,000 (2019: £221,000). Contributions totalling £40,659 (2019: £37,635) were payable to the fund at the balance sheet date.

19 Related party transactions

As the Company is a wholly owned subsidiary of Roper Technologies, Inc., it has taken advantage of the exemption provided by FRS 102 not to disclose any related party transactions with wholly owned members of the group.

There are no other related party transactions (2019: none).

20 Controlling parties

Utilitec Limited is the Company's immediate parent undertaking.

The Company's ultimate parent undertaking and controlling party is Roper Technologies, Inc., whose common stock is traded on the New York Stock Exchange under the symbol ROP.

The smallest group for which consolidated financial statements are drawn up including the Company is headed by Technolog Holdings Limited. Copies of these financial statements can be obtained from Technolog House, Ravenstor Road, Wirksworth, Matlock, Derbyshire DE4 4FY.

Consolidated financial statements of Roper Technologies, Inc., the largest group in which the Company is consolidated, can be obtained from Roper Technologies, Inc., 6901 Professional Parkway East, Suite 200, Sarasota, Florida 34240.