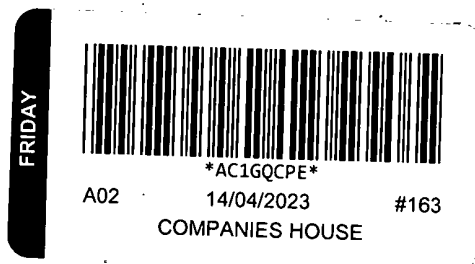


**ST Engineering iDirect (UK)  
Limited**

Directors' report and financial statements

**Year ended 31 December 2021**

**Registered number: 04338596**



# ST Engineering iDirect (UK) Limited

## Directors' report and financial statements

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# ST Engineering iDirect (UK) Limited

## Directors' and other information

### Directors

Chris Norem (United States) *(resigned on 31 August 2021)*  
Kevin Daniel Steen (United States) *(resigned on 30 September 2022)*  
Stephen Ronald Tunnicliffe (United Kingdom) *(appointed on 31 August 2021)*  
Donna Wilson (United States) *(appointed 30 September 2022)*  
Don Claussen *(appointed 2 March 2023)*

### Registered office

314 Midsummer Boulevard  
Midsummer Court  
Central Milton Keynes  
Milton Keynes  
Buckinghamshire  
United Kingdom  
MK9 2UB

### Auditor

KPMG  
Chartered Accountants  
85 South Mall  
Cork  
Ireland

### Bankers

Bank of America N.A.  
2 King Edward Street  
London  
EC1A 1HQ  
United Kingdom

### Solicitors

Kingsley Napley LLP  
Knights Quarter  
14 Saint Johns Lane  
London  
EC1M 4AJ  
United Kingdom

### Registered number

04338596

# ST Engineering iDirect (UK) Limited

## Strategic report

The directors present their annual report and the financial statements of ST Engineering iDirect (UK) Limited ("the Company") for the year ended 31 December 2021.

### Business review including principal activities and review of performance

The principal activities of the Company in the year under audit was software development and assisting in the marketing and promotion of the products and services supplied by a related group company, VT iDirect, Inc. In 2019, the activities of the Company expanded to include distribution of the iDirect products and services to customers based in Europe. A number of USD denominated customer contracts were novated to the Company in 2019. During the year, the distribution side of the business continued to grow. Revenue related to third party distribution sales were \$22,889,415 (2020: \$20,481,541).

As shown in the Company's profit and loss account on page 10, the Company's turnover has increased to \$30,100,421 (2020: \$27,291,088). The result for the financial year was a net profit of \$1,480,353 (2020: \$1,607,350). The Company has net assets of \$2,269,982 (2020: net assets \$789,629).

### Key performance indicators

The principal key performance indicators used by management to monitor performance are as follows:

- Turnover;
- Gross margin and operating profit indicators;
- Change in sales volumes and sales process; and
- Various working capital measures including cash conversion.

### Principal risks and uncertainties

The software technology industry is characterised by rapid technological changes, competitive pricing pressures and cyclical market patterns. The Company's financial results are affected by a wide variety of factors, including general economic conditions worldwide, economic conditions specific to the software technology industry, the ability to safeguard patents and intellectual property in a rapidly evolving market and retaining key development personnel. As a result, the Company may experience period-to-period fluctuations in future operating results due to the factors mentioned above.

### Future developments in the business

In 2019, the activities of the Company expanded to include distribution of the iDirect products and services to customers based out in Europe. This line of business continues to be developed and grown by the Company.

There are no other significant future developments expected to impact the Company.

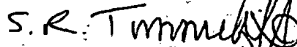
### Subsequent events

There were no significant events affecting the Company which have taken place since the balance sheet date which require adjustment of or disclosure in the financial statements.

On behalf of the board



Donna Wilson  
Director



Stephen Tunnicliffe  
Director

March 22, 2023

# ST Engineering iDirect (UK) Limited

Directors' report *(continued)*

## Directors' report

The directors present their directors' report and the financial statements ("the financial statements") of ST Engineering iDirect (UK) Limited ("the Company") for the year ended 31 December 2021.

### Principal activities and business review

The principal activities of the Company in the year under audit was software development and assisting in the marketing and promotion of the products and services supplied by a related group company, VT iDirect, Inc. In 2019, the activities of the Company expanded to include distribution of the iDirect products and services to customers based in Europe. A number of USD denominated customer contracts were novated to the Company in 2019. During the year, the distribution side of the business continued to grow. Revenue related to third party distribution sales were \$22,889,415 (2020: \$20,481,541).

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### Principal risks and uncertainties

The software technology industry is characterised by rapid technological changes, competitive pricing pressures and cyclical market patterns. The Company's financial results are affected by a wide variety of factors, including general economic conditions worldwide, economic conditions specific to the software technology industry, the ability to safeguard patents and intellectual property in a rapidly evolving market and retaining key development personnel. As a result, the Company may experience period-to-period fluctuations in future operating results due to the factors mentioned above.

### Results for the year

The results of the Company for the year are set out in the profit and loss account and other comprehensive income on page 10 and in the related notes.

### Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### Dividends

The directors do not propose the payment of a dividend for the year (2020: \$Nil).

### Directors and their interests

The names of the persons who were directors during the year are set out below. Except where indicated, they served as directors for the entire year.

Mr. Chris Norem (United States) *(resigned on 31 August 2021)*

Mr. Kevin Daniel Steen (United States)

Mr. Stephen Ronald Tunnicliffe (United Kingdom) *(appointed on 31 August 2021)*

The directors who held office at 31 December 2021, together with their spouses and minor children had no interests in the shares in, or debentures or loan stock of, the Company or of Group companies which require disclosure in the financial statements.

# ST Engineering iDirect (UK) Limited

## Directors' report *(continued)*

### Research and development

Total research and development related cost incurred during the year were \$3,080,688 (2020: \$5,891,455) and these costs have been expensed to administration expenses in the profit and loss account.

### Political contributions

The Company has made no political donations or incurred any political expenditure during the year (2020: \$Nil).

### 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.

### Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the strategic report on page 2.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office.

On behalf of the board



Donna Wilson  
Director



Stephen Tunnicliffe  
Director

March 22, 2023

## ST Engineering iDirect (UK) Limited

### Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



Donna Wilson  
Director



Stephen Tunnicliffe  
Director

March 22, 2023



KPMG  
Audit  
85 South Mall  
Cork  
T12 A3XN  
Ireland

## Independent auditor's report to the members of ST Engineering iDirect (UK) Limited

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of ST Engineering iDirect (UK) Limited ("the Company") for the year ended 31 December 2021 set out on pages 10 to 25, which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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 the date when the financial statements are authorised for issue.



**Independent auditor's report to the members of ST Engineering iDirect (UK) Limited** *(continued)*

**Report on the audit of the financial statements** *(continued)*

**Conclusions relating to going concern** *(continued)*

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

**Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation e.g. taxation legislation, distributable profits legislation etc. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We identified a fraud risk in relation to the Company's third party revenue stream as revenue could be frequently recorded to present more favourable results.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.



Independent auditor's report to the members of ST Engineering iDirect (UK) Limited *(continued)*

**Report on the audit of the financial statements *(continued)***

***Detecting irregularities including fraud (continued)***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

***Opinions on other matters prescribed by the Companies Act 2006***

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.



Independent auditor's report to the members of ST Engineering iDirect (UK)  
Limited (*continued*)

**Respective responsibilities and restrictions on use**

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

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

*Brian MacSweeney*

**Brian MacSweeney**  
**Senior Statutory Auditor**  
**for and on behalf of**  
**KPMG**  
**Statutory Auditor**  
**85 South Mall**  
**Cork**

24 March 2023

## ST Engineering iDirect (UK) Limited

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

	Note	2021 \$	2020 \$
Turnover	2	30,100,421	27,291,088
Cost of sales		(12,254,718)	(11,631,625)
<b>Gross profit</b>		<b>17,845,703</b>	<b>15,659,463</b>
Administrative expenses	3	(16,005,924)	(13,613,851)
<b>Operating profit</b>		<b>1,839,779</b>	<b>2,045,612</b>
<b>Profit before taxation</b>		<b>1,839,779</b>	<b>2,045,612</b>
Tax on profit	6	(359,426)	(438,262)
<b>Profit for the financial year</b>		<b>1,480,353</b>	<b>1,607,350</b>

The results for the current year are derived from continuing operations. There were no recognised gains and losses for 2021 or the prior reporting period other than those included in the profit and loss account above.

The notes on pages 13 to 25 also form an integral part of these financial statements.

# ST Engineering iDirect (UK) Limited

## Balance sheet

as at 31 December 2021

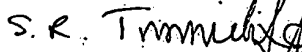
	Note	2021 \$	2021 \$	2020 \$	2020 \$
<b>Fixed assets</b>					
Financial assets	7		1,350,000		1,350,000
Tangible assets	8		51,401		214,141
Intangible assets	9		958,550		2,489,080
			<u>2,359,591</u>		<u>4,053,221</u>
<b>Current assets</b>					
Debtors	10	18,527,349		6,495,439	
Cash at bank and in hand		1,170,673		7,011,242	
Inventory		8,024		11,644	
		<u>19,706,046</u>		<u>13,518,325</u>	
<b>Creditors: amounts falling due within one year</b>	11	<b>(12,417,432)</b>		<b>(16,565,819)</b>	
			<u>7,288,614</u>		<u>(3,047,494)</u>
<b>Total assets less current liabilities</b>			<b>9,648,205</b>		<b>1,005,727</b>
<b>Creditors: amounts falling due after more than one year</b>	13/14		<b>(7,378,223)</b>		<b>(216,098)</b>
			<u>2,269,982</u>		<u>789,629</u>
<b>Net assets</b>			<b>2,269,982</b>		<b>789,629</b>
<b>Capital and reserves</b>					
Called up share capital	15		2		2
Profit and loss account			2,269,980		789,627
			<u>2,269,982</u>		<u>789,629</u>
<b>Shareholder's funds</b>			<b>2,269,982</b>		<b>789,629</b>

These financial statements were approved by the board of directors on  
were signed on its behalf by:

March 22, 2023 and



Donna Wilson  
Director



Stephen Tunncliffe  
Director

Company registered number: 04338596

The notes on pages 13 to 25 also form an integral part of these financial statements.

## ST Engineering iDirect (UK) Limited

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

	Called up share capital \$	Profit and loss account \$	Shareholder's (deficit)/funds \$
<b>Balance at 1 January 2020</b>	2	(817,723)	(817,721)
<b>Total comprehensive income for the year</b>			
Profit for the financial year	-	1,607,350	1,607,350
	<u>2</u>	<u>789,627</u>	<u>789,629</u>
<b>Balance at 31 December 2020</b>	<b>2</b>	<b>789,627</b>	<b>789,629</b>
<b>Balance at 1 January 2021</b>	2	789,627	789,629
<b>Total comprehensive income for the year</b>			
Profit for the financial year	-	1,480,353	1,480,353
	<u>2</u>	<u>2,269,980</u>	<u>2,269,982</u>
<b>Balance at 31 December 2021</b>	<b>2</b>	<b>2,269,980</b>	<b>2,269,982</b>

Pages 13 to 25 also form an integral part of these financial statements.

# ST Engineering iDirect (UK) Limited

## Notes

forming part of the financial statements

### 1 Accounting policies

#### Basis of preparation

ST Engineering iDirect (UK) Limited ("the Company") is a private company limited by shares and incorporated, domiciled and registered in the UK. The registered office address is Ground & First Floors, 119 - 120, High Street, Eton, Windsor, Berkshire, SL4 6AN and the registered number is 04338596.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The functional and presentation currency of these financial statements is USD.

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

#### Preparation of financial statements

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and about its group.

The Company's ultimate parent undertaking, Singapore Technologies Engineering Limited includes the Company in its consolidated financial statements. The consolidated financial statements of the parent are prepared in accordance with Singapore Financial Reporting Standards and are available to the public and may be obtained from 1 Ang Mo Kio Electronics Park Road #07-01 ST Engineering Hub, Singapore 567710. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Singapore Technologies Engineering Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

#### Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### Measurement convention

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

# ST Engineering iDirect (UK) Limited

## Notes *(continued)*

### 1 Accounting policies *(continued)*

#### **Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. 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. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### **Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### **Basic financial instruments**

##### ***Trade and other debtors/creditors***

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

##### ***Cash at bank and in hand***

Cash at bank and in hand comprise cash balances and call deposits.

##### ***Investments in subsidiaries***

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

# ST Engineering iDirect (UK) Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Intangible fixed assets

##### *Research and development*

Expenditure on research activities is recognised in profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

The Company is claiming research and development tax credits. A debtor in respect of the repayment due has been included within the financial statements.

##### *Other intangible assets*

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

##### *Amortisation*

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful life of intangible assets is 5 years.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Other intangible assets are tested for impairment in accordance with Section 27 *Impairment of Assets* when there is an indication that an intangible asset may be impaired.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The Company assess at each reporting date whether tangible fixed assets are impaired.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Improvements to leasehold property	20% on cost
Computer equipment	33% on cost
Satellite equipment	10% on cost
Office equipment	25% on cost

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

# ST Engineering iDirect (UK) Limited

## Notes *(continued)*

### 1 Accounting policies *(continued)*

#### **Impairment excluding deferred tax assets**

##### ***Financial assets (including trade and other debtors)***

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### **Employee benefits**

##### ***Defined contribution plans and other long term employee benefits***

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 profit and loss account in the periods during which services are rendered by employees.

#### **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 recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### **Turnover**

##### ***Shared service income***

Recharge income received arises in the normal course of the business from an ongoing intercompany services agreement. Revenue is stated net of VAT and other sales related taxes and is recognised as the relevant rechargeable expenses are incurred.

##### ***Equipment sales***

Income on equipment sales arise in the normal course of business. Revenue on equipment sales is stated net of VAT. Revenue arising on equipment sales is recognised once the risks and rewards have been transferred to the customer. Risks and rewards are deemed to be transferred on dispatch to the customer.

# ST Engineering iDirect (UK) Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Turnover (continued)

##### Software sales

Income on software sales arise in the normal course of business. Revenue on software sales is stated net of VAT. Revenue arising on software sales is recognised once the risks and rewards have been transferred to the customer. Risks and rewards are deemed to be transferred once client receives software.

##### Service revenue

Income on service sales arise in the normal course of business. Revenue on services is stated net of VAT. Revenue arising on services is recognised in the period to which the service relates to.

##### Deferred revenue

Deferred revenue arises on service sales. Deferred revenue is recognised as a liability on the balance sheet. Deferred revenue is recognised as revenue in the profit and loss account as and when the service has been provided to the customer.

#### Expenses

##### Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the profit and loss account over the term of the lease as an integral part of the total lease expense.

#### Taxation

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## ST Engineering iDirect (UK) Limited

### Notes (continued)

<b>2</b>	<b>Turnover</b>	<b>2021</b>	<b>2020</b>
		\$	\$
	Intercompany income	7,211,005	6,809,547
	External income	22,889,416	20,481,541
		<hr/>	<hr/>
	<b>Total turnover</b>	<b>30,100,421</b>	<b>27,291,088</b>
		<hr/>	<hr/>
		<b>2021</b>	<b>2020</b>
		\$	\$
	<i>By geographical market</i>		
	United States	7,211,005	6,809,547
	Europe	22,889,416	20,481,541
		<hr/>	<hr/>
	<b>Total turnover</b>	<b>30,100,421</b>	<b>27,291,088</b>
		<hr/>	<hr/>
<b>3</b>	<b>Notes to the profit and loss account</b>	<b>2021</b>	<b>2020</b>
		\$	\$
	<b>Profit before taxation is stated after charging:</b>		
	Depreciation	73,592	82,300
	Amortisation of intangibles	1,530,530	1,638,685
	Pension costs	276,968	228,590
	Net foreign exchange loss	285,314	91,123
		<hr/>	<hr/>
		<b>2021</b>	<b>2020</b>
		\$	\$
	<b>Auditor's remuneration:</b>		
	Audit of these financial statements	45,000	46,410
	Tax compliance services	13,250	13,250
		<hr/>	<hr/>
		<b>58,250</b>	<b>59,660</b>
		<hr/>	<hr/>

## ST Engineering iDirect (UK) Limited

### Notes (continued)

#### 4 Staff numbers and costs

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

	Number of employees	
	2021	2020
Engineering	18	18
Sales and marketing	9	9
Administrative	2	2
	<u>29</u>	<u>29</u>

The aggregate payroll costs of these persons were as follows:

	2021	2020
	\$	\$
Wages and salaries	4,963,693	4,336,529
Social security costs	993,826	873,780
Defined contribution plan	276,968	228,590
Health and other benefits	126,593	148,230
	<u>6,361,080</u>	<u>5,587,129</u>

#### 5 Remuneration of directors

	2021	2020
	\$	\$
Directors' remuneration	<u>366,218</u>	<u>10,000</u>

Directors' remuneration for the current and prior year was borne by another group company ST Engineering, Inc.

The Company has a number of U.S. board directors working for and paid by another group company.

The directors of the Company are satisfied that this is an accurate estimation of the allocation of the U.S. board director's remuneration attributable to qualifying services by these directors to this company as part of their group-wide management role.

## ST Engineering iDirect (UK) Limited

### Notes (continued)

6 Taxation	2021 \$	2020 \$
<i>Analysis of charge in period</i>		
<i>Current corporation tax</i>		
UK corporation tax at 19%	371,533	210,290
Adjustments in respect of prior period	19,973	262,277
	<hr/>	<hr/>
<b>Total current tax charge</b>	<b>391,506</b>	<b>472,567</b>
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(26,930)	13,235
Adjustments in respect of prior period	(49,314)	(75,809)
Effect of changes in tax rates	44,164	28,269
	<hr/>	<hr/>
	<b>(32,080)</b>	<b>(34,305)</b>
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	<b>359,426</b>	<b>438,262</b>
	<hr/>	<hr/>
<i>Factors affecting the tax charge for the current period</i>		
	2021 \$	2020 \$
<i>Reconciliation of tax charge</i>		
Profit on ordinary activities before tax	1,839,779	2,045,612
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard CT rate of 19.00% (2020: 19.00%)	349,558	388,666
<i>Effects of:</i>		
Tax rate changes	44,163	28,269
Expenses not deductible for tax purposes	(4,591)	103,506
Income not taxable	(363)	-
Adjustment to tax charge in respect of previous periods	19,973	262,277
Adjustment to tax charge in respect of previous periods – deferred tax	(49,314)	(75,809)
Effects of other reliefs	-	(268,647)
	<hr/>	<hr/>
<b>Total tax charge</b>	<b>359,426</b>	<b>438,262</b>
	<hr/>	<hr/>

## ST Engineering iDirect (UK) Limited

### Notes (continued)

#### 6 Taxation (continued)

##### Factors that may affect future tax charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 is now at 19%, rather than the previously enacted reduction to 17%. This will have a consequential effect on the Company's future tax charge.

7 Financial asset	2021 \$	2020 \$
Investment in subsidiary	1,350,000	1,350,000

On 15 December 2021, the Company acquired 100% of the share capital in ST Engineering iDirect (Ireland) Limited for \$1,350,000 from ST Engineering iDirect (APAC) Pte Ltd.

	Aggregate of capital and reserves	Profit or loss for the year	Registered office	Nature of business	Class of shares held	Ownership 2021	Ownership 2020
ST Engineering iDirect (Ireland) Limited	\$714,579	\$294,820	6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland	Research and development organisation	Ordinary shares	100%	100%

## ST Engineering iDirect (UK) Limited

Notes (continued)

8 Tangible fixed assets	Improvements to leasehold property \$	Furniture and fixtures \$	Office equipment \$	Computer and electronics \$	Satellite equipment \$	Total \$
<b>Cost</b>						
At 1 January 2021	110,869	1,191	1,461	435,925	197,885	747,331
Additions	-	-	-	8,045	2,757	10,802
Disposal	(110,869)	-	-	(98,013)	(28,359)	(237,241)
Transfers	-	(1,191)	-	(157,655)	(106,939)	(265,785)
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>1,461</b>	<b>188,302</b>	<b>65,344</b>	<b>255,107</b>
<b>Depreciation</b>						
At 1 January 2021	110,869	357	690	347,052	74,222	533,190
Charge for the year	-	159	487	47,068	25,878	73,592
Disposal	(110,869)	-	-	(98,014)	(28,359)	(237,242)
Transfers	-	(516)	-	(123,759)	(41,199)	(165,474)
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>1,177</b>	<b>172,347</b>	<b>30,542</b>	<b>204,066</b>
<b>Net book value</b>						
At 31 December 2021	-	-	284	15,955	34,802	51,401
At 31 December 2020	-	834	771	88,873	123,663	214,141

## ST Engineering iDirect (UK) Limited

### Notes (continued)

9 Intangible fixed assets	Customer contracts \$	Software \$	Software development \$	Total \$
<b>Cost</b>				
At beginning of year	890,566	5,025,605	2,368,102	8,284,274
Additions	-	-	-	-
Disposal	-	-	-	-
<b>At end of year</b>	<b>890,566</b>	<b>5,025,605</b>	<b>2,368,102</b>	<b>8,284,274</b>
<b>Amortisation</b>				
At beginning of year	445,283	4,196,992	1,152,920	5,795,154
Charge for the year	296,855	828,613	405,060	1,530,530
<b>At end of year</b>	<b>742,138</b>	<b>5,025,605</b>	<b>1,557,980</b>	<b>7,325,724</b>
<b>Net book value</b>				
At 31 December 2021	148,428	-	810,122	958,550
At 31 December 2020	445,283	828,613	1,215,182	2,489,080

The cost of the customer contracts is valued based on the expected future profits to be generated by the contracts using a discount rate of 5.7%.

10 Debtors	2021 \$	2020 \$
Trade debtors	9,488,522	5,670,189
Amounts owed by group undertakings	8,785,345	214,832
Other debtors	253,482	421,267
Taxation and social security	-	189,151
	<b>18,527,349</b>	<b>6,495,439</b>
<b>11 Creditors: amounts falling due within one year</b>		
	2021 \$	2020 \$
Trade creditors	933,954	1,775,174
Amounts owed to group undertakings	4,426,314	11,158,853
Accrued expenses	5,194,978	2,028,820
Taxation and social security	25,328	60,549
Deferred revenue	1,829,909	1,542,423
	<b>12,410,483</b>	<b>16,565,819</b>

# ST Engineering iDirect (UK) Limited

## Notes (continued)

### 12 Lease commitments

The following operating lease payments are committed to be paid at each reporting date as follows:

	2021 \$	2020 \$
<i>Operating leases which expire:</i>		
Less than one year	8,674	94,435
Between one and five years	-	188,870
	<u>          </u>	<u>          </u>

In 2021, \$107,266 was recognised as an expense in the profit and loss account in respect of operating leases.

Subsequent to the year end, and prior to signing these financial statements, the Company entered into a lease agreement for 1 year from 1 November 2022 to 31 October 2023, with annual lease payments of £700.

13 Creditors: amounts falling due after one year	2021 \$	2020 \$
Deferred revenue	7,238,173	216,098
Deferred taxation (note 14)	140,050	-
	<u>7,378,223</u>	<u>216,098</u>

14 Deferred tax	2021 \$	2020 \$
Balance at start of the year	216,098	250,403
Movement in deferred tax liability	(32,079)	(34,305)
	<u>184,019</u>	<u>216,098</u>

15 Called up share capital	2021 \$	2020 \$
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of \$1 each	2	2
	<u>          </u>	<u>          </u>

### 16 Pension commitments

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 and charge represents contributions payable by the Company to the fund and amounted to \$276,969.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

# ST Engineering iDirect (UK) Limited

## Notes (continued)

### 17 Ultimate parent company

The ultimate parent company is Singapore Technologies Engineering Limited, a company incorporated in Singapore and listed on the Singapore Stock Exchange. The consolidated financial statements of Singapore Technologies Engineering Limited are available from 51 Cuppage Road, #09-08, Singapore, 229469.

The immediate parent company is ST Engineering iDirect (APAC) Pte Ltd, a company incorporated in Singapore.

### 18 Related party disclosures

As a wholly owned subsidiary undertaking of Singapore Technologies Engineering Limited, the Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* Section 33.1A, not to disclose related party transactions with wholly owned subsidiaries within the group.

### 19 Key judgements and estimates

In preparing the financial statements, management necessarily makes estimates and assumptions, which form the basis of the presentation, recognition and measurement of the reported assets and liabilities as at the balance sheet date as well as the income and expenses reported for the financial period.

The estimates made by management are based on historical experience and on a number of other assumptions and factors, which are deemed to be reasonable in the circumstances. The result of this process forms the basis of the assessment of the income and expenses reported, which do not appear from other material.

The estimates made and the underlying assumptions are reassessed on a regular basis. Changes to accounting estimates are recognised in the financial period, in which the change is made, and in future financial periods if the change affects both the period, in which the change is made and subsequent financial periods.

Key judgements are estimates are made by management around key risk areas including:

- Useful economic lives of intangible assets.

The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise, which may lead to the actual results deviating from such estimates.

### 20 Subsequent events

There were no significant events affecting the Company which have taken place since the balance sheet date which require adjustment of or disclosure in the financial statements.

# ST Engineering iDirect (UK) Limited

Notes (continued)

## 22 Approval of the financial statements

The financial statements were approved by the directors on March 22, 2023.



Donna Wilson  
Director



Stephen Tunnicliffe  
Director