

Company Registration No. 06027721 (England and Wales)

ST ENGINEERING ANTYCIP LTD
STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

ST ENGINEERING ANTYCIP LTD

COMPANY INFORMATION

Directors Beng Leng Lim
Jin Kiat Chua (Appointed 5 April 2023)
Hwee Jin Chuang (Appointed 5 April 2023)
Beng Ngan Percival Goh (Appointed 5 April 2023)

Secretary Azets (CHBS) Limited

Company number 06027721

Registered office 2 Minton Place
Victoria Road
Bicester
Oxfordshire
OX26 6QB

Auditor Shaw Gibbs (Audit) Limited
264 Banbury Road
Oxford
OX2 7DY

Business address The Hub
Twyford Mill
Oxford Road
Adderbury
Oxfordshire
OX17 3SX

Bankers Barclays Bank PLC
32 Bridge Street
Banbury
Oxfordshire
OX17 3SX

Citibank N.A
Citigroup Centre
Canary Wharf
Canada Square

Intensa Sanpaolo SPA
Agence 09448 de Milano
Corso Vercelli 25

ST ENGINEERING ANTYCIP LTD

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ST ENGINEERING ANTYCIP LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic Report and financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company continued to be that of a selling agent of software and incidental hardware, a system integrator for complex display solution for the defence industry, education establishments and industrial companies.

Principal risks and uncertainties

The key business risks and uncertainties affecting the business are considered to relate to competition, suppliers, the economic environment, exchange differences and staff retention.

Fluctuations in currency markets can impact both the top and bottom line in the Profit and Loss Account; most notably the Euro against Pound Sterling.

Additionally, the uncertainty about the reactions to the emerging technologies that are proposed to customers along with the products marketed by competitors is considered a key risk for the company.

Development and performance

The results for the year are set out on page 7.

The company is a cost plus company serving the wider group.

The turnover for the 2022 year has been calculated on a cost plus arrangement of 8% (2021: 8%).

The company is financially secure and in a good position to take advantage of any opportunities which may arise in the future.

The directors aim to maintain the management policies which have resulted in the company's performance and growth over the years.

Key performance indicators

The company has made significant progress throughout the year in relation to key elements of its strategy. The board monitors the progress of the company by reference to the following financial and non-financial key performance indicators: sales achieved for group companies, costs, success on contract bids, new revenue generated from new and existing customers, customer satisfaction, employee retention and direct labour utilisation.

On behalf of the board

Hwee Jin Chuang
Director
31 October 2023

Beng Ngan Percival Goh
Director
31 October 2023

ST ENGINEERING ANTYCIP LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Directors' report and financial statements for the year ended 31 December 2022.

Proposed dividend

The directors do not recommend the payment of a dividend (2021: nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Yuh Cheng Tan	(Resigned 5 April 2023)
Beng Leng Lim	
Eng Choon Goh	(Resigned 5 April 2023)
Jin Kiat Chua	(Appointed 5 April 2023)
Hwee Jin Chuang	(Appointed 5 April 2023)
Beng Ngan Percival Goh	(Appointed 5 April 2023)

Auditor

In accordance with the company's articles, a resolution proposing that Shaw Gibbs (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

Political donations

The company made no political donations or incurred any political expenditure during the year (2021: £nil).

Registered office

The company's registered office is 2 Minton Place, Victoria Road, Bicester, Oxfordshire, OX26 6QB.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including 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 period. 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 UK 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 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, 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.

ST ENGINEERING ANTYCIP LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor

Each of the directors in office at the date of approval of this Directors' report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern

A financial review of the results, forecasts and cash flows are performed on a periodic basis between the management team and the Board. As a consequence the directors believe that the company is able to manage its business and cash flow requirements successfully.

The company provides sales and marketing services for an overseas subsidiary and operates under a transfer pricing agreement (TPA). The ability of the company to operate as a going concern is dependent upon group companies settling liabilities arising under the TPA in accordance with the terms of that agreement.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly they continue to adopt the going concern basis in preparing the Strategic report, Directors' report and financial statements.

On behalf of the board

Hwee Jin Chuang
Director

Beng Ngan Percival Goh
Director

31 October 2023

ST ENGINEERING ANTYCIP LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST ENGINEERING ANTYCIP LTD

Opinion

We have audited the financial statements of ST Engineering Antycip Ltd (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

ST ENGINEERING ANTYCIP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST ENGINEERING ANTYCIP LTD

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

1. At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws regulations. This helps us to plan appropriate risk assessments.
2. During the audit we focus on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation.
3. We assess the risk of material misstatement in the financial statements including as a result of fraud and undertake procedures including:
 - a. Reviewing the controls set in place by management;
 - b. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
 - c. Challenging management assumptions with regard to accounting estimates; and
 - d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ST ENGINEERING ANTYCIP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST ENGINEERING ANTYCIP LTD

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.

Malik Nayyer Salim (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs (Audit) Limited

10 November 2023

Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
Oxfordshire
OX2 7DY

ST ENGINEERING ANTYCIP LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	2,192,942	2,110,108
Cost of sales		(5,000)	(274,663)
Gross profit		<u>2,187,942</u>	<u>1,835,445</u>
Administrative expenses		(1,945,246)	(1,828,178)
Operating profit	4	<u>242,696</u>	<u>7,267</u>
Other interest receivable and similar income	8	587	77
Other interest payable and similar expenses	9	(56)	(86)
Profit before taxation		<u>243,227</u>	<u>7,258</u>
Tax on profit	10	(44,399)	(8,531)
Profit/(loss) for the financial year		<u><u>198,828</u></u>	<u><u>(1,273)</u></u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 25 form part of the financial statements.

ST ENGINEERING ANTYCIP LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Profit/(loss) for the year	198,828	(1,273)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>198,828</u>	<u>(1,273)</u>

The notes on pages 11 to 25 form part of the financial statements.

ST ENGINEERING ANTYCIP LTD

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		295,467		352,655
Tangible assets	12		22,119		24,562
Investment in subsidiary	13		377,490		377,490
			<u>695,076</u>		<u>754,707</u>
Current assets					
Debtors (including £6,353, (2021: £6,807), due after more than 1 year	14	2,453,078		2,324,786	
Cash at bank and in hand		177,538		58,850	
		<u>2,630,616</u>		<u>2,383,636</u>	
Creditors: amounts falling due within one year	15	<u>(337,529)</u>		<u>(349,008)</u>	
Net current assets			<u>2,293,087</u>		<u>2,034,628</u>
Total assets less current liabilities			<u>2,988,163</u>		<u>2,789,335</u>
Capital and reserves					
Called up share capital	18		100		100
Share premium account			1,753,029		1,753,029
Profit and loss reserves			1,235,034		1,036,206
Total equity			<u>2,988,163</u>		<u>2,789,335</u>

The financial statements were approved by the board of directors and authorised for issue on 31 October 2023 and are signed on its behalf by:

Hwee Jin Chuang
Director

Beng Ngan Percival Goh
Director

The notes on pages 11 to 25 form part of the financial statements.

Company Registration No. 06027721

ST ENGINEERING ANTYCIP LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	100	1,753,029	1,037,479	2,790,608
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(1,273)	(1,273)
Balance at 31 December 2021	100	1,753,029	1,036,206	2,789,335
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	198,828	198,828
Balance at 31 December 2022	100	1,753,029	1,235,034	2,988,163

The notes on pages 11 to 25 form part of the financial statements.

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

ST Engineering Antycip Ltd is a private company limited by shares incorporated, domiciled and registered in the UK. The registered number is 06027721 and the registered office is 2 Minton Place, Victoria Road, Bicester, Oxfordshire, OX26 6QB. The trading address is The Hub, Twyford Mill, Oxford Road, Adderbury, Oxfordshire, OX17 3SX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Pound Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity as defined by FRS 102 and has therefore chosen to take advantage of the following exemptions:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

ST Engineering Antycip Ltd is a 93% owned subsidiary of ST Engineering Training & Simulation Systems Pte. Ltd. and the results of ST Engineering Antycip Ltd and its subsidiary have been consolidated with the financial statements of its penultimate holding company, Singapore Technologies Engineering Ltd. The consolidated accounts are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS (I)s) and are available to the public and may be obtained from the registered office at 1 Ang Mo Kio Electronics Park Road #07-01 ST Engineering Hub, Singapore 567710.

1.2 Going concern

A financial review of the results, forecasts and cash flows are performed on a periodic basis between the management team and the Board. As a consequence the directors believe that the company is able to manage its business and cash flow requirements successfully.

The company provides sales and marketing services for an overseas subsidiary and operates under a transfer pricing agreement (TPA). The ability of the company to operate as a going concern is dependent upon group companies settling liabilities arising under the TPA in accordance with the terms of that agreement.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover consists of expenses recharged at a cost plus mark up of 8% to other group entities, this is invoiced on a monthly basis on the last day of the month to which the revenue accrued.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademark	20 years straight line
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The trademark is deemed to have a useful economic life of 20 years. ST Engineering Antycip Ltd provide hi-tech simulation/modelling solutions to long-term partners such as the defence industry, where the product is sold with an expected life of 15-20 years. Thus, although ST Engineering Antycip Ltd are operating in an ever evolving industry, the market to which they are supplying remains conservative and buys their solutions for the long-term. This means that their products are not subject to significant changes in demand. ST Engineering Antycip Ltd bundles other OEM's products together and is therefore also not reliant on any one source of software, hardware or skills and is therefore not dependent on any one product or solution whose own life cycle may diminish over time.

The discount factor used to determine the economic life is 12.32% based on a weighted average cost of capital, with an expected annual growth in sales of 7.1%. The weighted average cost of capital approximates to the current market assessment of the time value of money.

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.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	33% straight line
Fixtures and fittings	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.6 Investment in subsidiary

Investment in a subsidiary is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment

At each reporting end date, the company reviews the carrying amounts of its investment in subsidiary, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Profit and Loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial assets

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax

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

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; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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 provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the Profit and Loss Account on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.16 Foreign exchange

Transactions in currencies other than Pound Sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.17 Acquisition of trade and assets

Where trade and assets of another business are acquired these are capitalised at fair value within their respective areas of the balance sheet of the company.

1.18 Interest receivable and similar income

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

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

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Cost plus to subsidiary company	2,192,942	2,110,108
	<u>2,192,942</u>	<u>2,110,108</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
UK	2,192,942	2,110,108
	<u>2,192,942</u>	<u>2,110,108</u>

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Expenses

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(96,795)	129,892
Depreciation of owned tangible fixed assets	20,334	20,306
Amortisation of intangible assets	57,188	57,188
Operating lease charges	63,141	67,000

The amortisation of intangible assets is included within administrative expenses.

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	10,500	10,500

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Administration	2	2
Development and service	4	4
Engineering	12	9
Total	18	15

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	1,282,548	1,035,798
Social security costs	164,822	122,999
Pension costs	76,755	36,898
	1,524,125	1,195,695

Redundancy payments in the year amounted to £nil (2021: £2,690).

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Directors' remuneration

The current directors of ST Engineering Antycip Ltd are also the directors or officers of a number of other group companies. As such, these directors' services to the Company are incidental to their duties as directors and officers of those other group companies. Therefore, there is no remuneration to be disclosed for these directors for the current and comparative years in the financial statements of the Company, as a portion of directors' time spent on services to the Company is not considered significant.

8 Interest receivable

	2022	2021
	£	£
Interest income		
Interest on bank deposits	5	-
Other interest income	582	77
	<u>587</u>	<u>77</u>
Total income	<u>587</u>	<u>77</u>

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	56	86
	<u>56</u>	<u>86</u>
Disclosed on the profit and loss account as follows:		
Other interest payable and similar expenses	56	86
	<u>56</u>	<u>86</u>

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	48,030	1,639
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(3,631)	6,892
	<u> </u>	<u> </u>
Total tax charge	44,399	8,531
	<u> </u>	<u> </u>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2022	2021
	£	£
Profit before taxation	243,227	7,258
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	46,213	1,379
Tax effect of expenses that are not deductible in determining taxable profit	2,153	318
Effect of change in corporation tax rate	(3,967)	-
Deferred tax adjustments in respect of prior years	-	6,834
	<u> </u>	<u> </u>
Taxation charge for the year	44,399	8,531
	<u> </u>	<u> </u>

The corporation tax rate for both the year ended 31 December 2022 and 31 December 2021 was 19%. The deferred tax asset at 31 December 2022 and 31 December 2021 was calculated based on 25% and 19% respectively.

In his budget on 3rd March 2021, the chancellor announced an increase to the main rate of corporation tax from 1st April 2023 from 19% to 25%. This was enacted on 24th May 2021 and will affect the company's future tax liabilities on trading profit.

ST ENGINEERING ANTICIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Intangible fixed assets	Trademark £
Cost	
At 1 January 2022 and 31 December 2022	1,143,753
Amortisation and impairment	
At 1 January 2022	791,098
Amortisation charged for the year	57,188
At 31 December 2022	848,286
Carrying amount	
At 31 December 2022	295,467
At 31 December 2021	352,655

Intangible assets consist of a trademark acquired. At the Balance Sheet date the carrying amount is £295,467 (2021: £352,655). The remaining amortisation period is 5 years and 2 months.

The trademark is deemed to have a useful economic life of 20 years. ST Engineering Antycip Ltd provide hi-tech simulation/modelling solutions to long-term partners such as the defence industry, where the product is sold with an expected life of 15-20 years. Thus, although ST Engineering Antycip Ltd are operating in an ever evolving industry, the market to which they are supplying remains conservative and buys their solutions for the long-term. This means that their products are not subject to significant changes in demand. ST Engineering Antycip Ltd bundles other OEM's products together and is therefore also not reliant on any one source of software, hardware or skills and is therefore not dependent on any one product or solution whose own life cycle may diminish over time.

The discount factor used to determine the economic life is 12.32% based on a weighted average cost of capital, with an expected annual growth in sales of 7.1%. The weighted average cost of capital approximates to the current market assessment of the time value of money.

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2022	209,741	21,981	231,722
Additions	17,891	-	17,891
	<u>227,632</u>	<u>21,981</u>	<u>249,613</u>
Depreciation and impairment			
At 1 January 2022	187,851	19,309	207,160
Depreciation charged in the year	18,795	1,539	20,334
	<u>206,646</u>	<u>20,848</u>	<u>227,494</u>
Carrying amount			
At 31 December 2022	<u>20,986</u>	<u>1,133</u>	<u>22,119</u>
At 31 December 2021	<u>21,890</u>	<u>2,672</u>	<u>24,562</u>

13 Investment in subsidiary

	Notes	2022 £	2021 £
Investment in subsidiary	23	<u>377,490</u>	<u>377,490</u>

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Investments not carried at market value

Investment in a subsidiary is recorded at cost less accumulated impairment. The market value of this investment is not readily available.

Movements in investment

	Shares £
Cost or valuation	
At 1 January 2022 & 31 December 2022	<u>377,490</u>
Carrying amount	
At 31 December 2022	<u>377,490</u>
At 31 December 2021	<u>377,490</u>

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Debtors	2022	2021
Amounts falling due within one year:	£	£
Corporation tax recoverable	-	84,637
Amounts owed by group undertakings	2,358,284	2,165,166
Other debtors	26,900	28,976
Prepayments and accrued income	45,013	26,303
	<u>2,430,197</u>	<u>2,305,082</u>
Deferred tax asset (note 17)	16,528	12,897
	<u>2,446,725</u>	<u>2,317,979</u>
	2022	2021
	£	£
Amounts falling due after more than one year:		
Prepayments and accrued income	6,353	6,807
	<u>6,353</u>	<u>6,807</u>
Total debtors	<u>2,453,078</u>	<u>2,324,786</u>

Amounts due from fellow group undertakings disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

15 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	5,777	5,129
Amounts owed to group undertakings	95,632	136,555
Corporation tax	1,498	-
Other creditors	-	270
Accruals and deferred income	234,622	207,054
	<u>337,529</u>	<u>349,008</u>

16 Retirement benefit schemes	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	76,755	36,898
	<u>76,755</u>	<u>36,898</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the reporting date the company had outstanding commitments totalling £nil, (2021: £8,242).

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Deferred taxation

The following are the major deferred tax assets recognised by the company and movements thereon:

	Assets 2022	Assets 2021
	£	£
Balances:		
Accelerated capital allowances	16,528	12,281
Salaries, unpaid leave pay and pensions provision	-	616
	<u>16,528</u>	<u>12,897</u>
		2022
Movements in the year:		£
Asset at 1 January 2022		(12,897)
Credit to profit or loss		(3,631)
		<u>(16,528)</u>
Asset at 31 December 2022		<u>(16,528)</u>

The amount of deferred tax asset expected to reverse within the next 12 months is £638 and relates to deferred capital allowances.

18 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The company has one class of ordinary shares which carries no right to fixed income.

19 Capital commitments

At 31 December 2022 the company had no capital commitments (2021: nil).

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Entities under common control	95,632	136,555
	<u> </u>	<u> </u>

Other information

Transactions with a wholly owned subsidiary have not been included above in accordance with FRS 102.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	27,851	61,570
Between two and five years	31,615	13,695
	<u> </u>	<u> </u>
	<u>59,466</u>	<u>75,265</u>

22 Ultimate controlling party

The Company is a subsidiary undertaking of ST Engineering Training & Simulations Systems Pte. Ltd. The penultimate controlling party is Singapore Technologies Engineering Ltd. The ultimate controlling party is Temasek Holdings (Private) Limited.

The largest group in which the results of the Company are consolidated is that headed by Singapore Technologies Engineering Ltd, 1 Ang Mo Kio Electronics Park Road #07-01 ST Engineering Hub, Singapore 567710. Consolidated accounts are publically available at the following website address:

<https://www.stengg.com/en/investor-relations/annual-reports>.

ST ENGINEERING ANTYCIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Subsidiary

These financial statements are separate company financial statements for ST Engineering Antycip Ltd .

Separate company financial statements are required to be prepared by law. Consolidated financial statements for the Group headed in Singapore are prepared and publicly available.

Details of the company's subsidiary at 31 December 2022 is as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
ST Engineering Antycip SAS	9 Avenue Du Marais, Parc Des Algorithmes, Batiment Platon, BP 30172, Argenteuil Cedex, 95105, France	Ordinary	100.00

Nature of business of subsidiary

A value added reseller / distributor of simulation products and provision of simulation sub-system / components solution.

The investment in subsidiary is stated at cost.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.