Financial Statements

Platform 4 Group Limited
For the year ended 31 March 2020

Contents

Grant Thornton

Independent Auditor's Report

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To the Shareholders of Platform 4 Group Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Platform 4 Group Limited (the "Company") and its controlled entities (the "Group") on pages 7 to 30 which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2020 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, 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.

Our firm carries out other assignments for the Group in the area of taxation advice and financial statement compilation services. The firm has no other interest in the Group.

Other Matter

The prior year financial statements were not subject to audit. The corresponding and comparative numbers are unaudited.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of these consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, those charged with governance are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 (NZ) 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 consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/

Restriction on use of our report

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body those matters which 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 its shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton

Grant Thornton New Zealand Audit Partnership

Auckland

4 August 2020

Business Directory

Platform 4 Group Limited
For the year ended 31 March 2020

Nature of Business

Security Services

Location of Business

New Zealand

Registered Office

L3/56- 5 Grafton Rd
Grafton Mews, Grafton
Auckland
New Zealand

Directors

Aaron Mark Colthurst
Devesh Desai
Michael John Mckinnon

	NUMBER OF SHARES
Shareholding	
SIS Australia Group Pty Ltd	60
CB Trust	59
Total Shareholding	**119**

Directors' Report

Platform 4 Group Limited
For the year ended 31 March 2020

The Board of Directors presents the annual report of Platform 4 Group Limited, incorporating the financial statements for the year ended 31 March 2020.

The shareholders of the company have exercised their right under Section 211(3) of the Companies Act 1993 and all shareholders agree that the annual report of the company need not comply with paragraphs (a) and (e) to (j) of section 211(1) of the Act.

For and on behalf of the Board of Directors who authorised these financial statements for issue on __________.

Director AARON COLTHURST.

Date: 16/7/2020

Director MICHAEL McKINNON

Date: 16/7/20

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Platform 4 Group Limited
For the year ended 31 March 2020

	NOTE	2020	2019 (UNAUDITED & RESTATED)
Profit or Loss			
Revenue	1	13,862,416	8,608,506
Other Income		28,073	-
Finance Income	4	1,591	7,254
Employee Benefits	2	(8,996,255)	(7,015,403)
Other Expenses	3	(4,330,395)	(1,933,562)
Finance Expenses	5	(628,678)	(196,114)
Loss Before Income Tax		**(63,248)**	**(529,319)**
Income Tax Expense			
Income Tax Expense	6	(101,061)	68,548
Net Loss for the Year		**(164,309)**	**(460,771)**
Total Other Comprehensive Income		-	-
Total Comprehensive Loss for the Year		**(164,309)**	**(460,771)**

The attached notes form part of and are to be read in conjunction with the consolidated financial statements.

Consolidated Statement of Financial Position

Platform 4 Group Limited
As at 31 March 2020

	NOTE	2020	2019 (UNAUDITED & RESTATED)
Assets			
Current Assets			
Cash and Cash Equivalents	8	251,094	19,261
Trade and Other Receivables	9	1,298,367	939,672
Income Tax Receivable		-	10,069
Inventories		35,685	-
Total Current Assets		**1,585,146**	**969,002**
Non-Current Assets			
Property, Plant and Equipment	17	1,261,698	795,143
Intangible Assets	18	8,487,516	-
Deferred Tax	7	-	122,246
Total Non-Current Assets		**9,749,214**	**917,389**
Total Assets		**11,334,360**	**1,886,391**
Liabilities			
Current Liabilities			
Bank Overdraft	8	100,339	97,261
Income Tax Payable		141,422	-
Trade and Other Payables	10	1,439,790	1,070,591
Lease Liabilities	20	163,899	160,444
Interest Bearing Loans and Borrowings	12	8,669,133	293,253
Total Current Liabilities		**10,514,583**	**1,621,549**
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	12	29,201	98,101
Deferred Tax	7	786,356	-
Lease Liabilities	20	508,230	469,965
Total Non-Current Liabilities		**1,323,787**	**568,066**
Total Liabilities		**11,838,370**	**2,189,615**
Net Liabilities		**(504,010)**	**(303,224)**
Equity			
Share Capital	11	404,203	440,680
Retained Earnings		(908,213)	(743,904)
Total Equity		**(504,010)**	**(303,224)**

The attached notes form part of and are to be read in conjunction with the consolidated financial statements.

Consolidated Statement of Changes in Equity

Platform 4 Group Limited
For the year ended 31 March 2020

	2020	2019 (UNAUDITED & RESTATED)
Share Capital		
Opening Balance	440,680	100
Issue of Capital	-	440,580
Repayment of Capital	(36,477)	-
Total Share Capital	**404,203**	**440,680**
Retained Earnings		
Opening Balance	(743,904)	(283,133)
Loss for the Year	(164,309)	(460,771)
Total Comprehensive Loss for the Year	-	-
Total Retained Earnings	**(908,213)**	**(743,904)**
Total Equity	**(504,010)**	**(303,224)**

The attached notes form part of and are to be read in conjunction with the consolidated financial statements.

Consolidated Statement of Cash Flows

Platform 4 Group Limited
For the year ended 31 March 2020

	2020	2019 (UNAUDITED)
Net Change in Cash and Cash Equivalents		
Net Cash from Operating Activities		
Receipts from Customers	15,615,368	10,347,756
Payments to Suppliers and Employees	(13,057,458)	(9,012,658)
Income Tax Paid/(Received)	(91,356)	121
GST Paid	(1,512,453)	(1,023,702)
Total Net Cash from Operating Activities	**954,101**	**311,517**
Net Cash used in Investing Activities		
Purchase of Property, Plant and Equipment	(507,385)	(185,249)
Business Combination	(7,676,234)	-
Interest Received	1,591	7,254
Total Net Cash used in Investing Activities	**(8,182,028)**	**(177,995)**
Net Cash from Financial Activities		
Proceeds from Loans	8,306,978	269,327
Proceeds from/(Repayments of) Capital	(36,477)	440,580
Payments for Lease Liability - Principal Portion	(185,142)	(60,392)
Interest Paid	(628,678)	(196,114)
Total Net Cash from Financial Activities	**7,456,681**	**453,401**
Net Change in Cash and Cash Equivalents	228,754	586,923
Reconciliation to Cash and Cash Equivalents		
Cash and Cash Equvalents at the Beginning of the Financial Year	(78,000)	(664,922)
Net Change in Cash and Cash Equivalents	228,754	586,923
Cash and Cash Equivalents at the End of the Financial Year	150,755	(78,000)

The attached notes form part of and are to be read in conjunction with the consolidated financial statements.

Accounting Policies

Platform 4 Group Limited
For the year ended 31 March 2020

1. General Information and Statement of Compliance

The financial statements includes the consolidated financial statements and notes of Platform 4 Group Limited (Parent) and its controlled entities (Group). The Parent is a profit orientated entity incorporated and domiciled in New Zealand and is a company registered under the Companies Act 1993.

The principal activities of the Group during the financial period were Security Services including guarding, patrols and alarm monitoring services.

The registered office of the Group is L3/56-5 Grafton Rd, Grafton Mews, Grafton, Auckland, New Zealand.

2. Basis of Preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ("NZ IFRS RDR"). The Company has elected to report under NZ IFRS – Reduced Disclosure Regime as the Group is a for-profit Tier 2 entity for financial reporting purposes on the basis that it does not have public accountability and is not a large for-profit public sector entity. The financial statements have been prepared in accordance with the requirements ofthe Companies Act 1993 and the Financial Reporting Act 2013. They have been prepared under the assumption that the Group operates as a going concern.

The consolidated financial statements have been prepared on the basis of historical cost, unless otherwise stated below.

Amounts are expressed in New Zealand Dollars ($) which is the Group's functional and presentation currency and are rounded to the nearest dollar.

3. Changes in Accounting Policies

The Group has adopted the New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime (NZ IFRS - RDR) as set our in the External Reporting Board's Accounting Standards Framework.

For all periods up to and including the year ended 31 March 2019, the Group prepared its financial statements in accordance with the Special Purpose Framework for use by For-profit Entities (SPFR for FPEs). These financial statements for the period ended 31 March 2020 are the first the Group has prepared in accordance with NZ IFRS - RDR. All comparative figures have been restated to comply with the measurement basis as required by NZ IFRS 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards.

4. Summary of Accounting Policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

Basis of Consolidation

The consolidated financial statements consolidate those of the Parent and all of its subsidiaries as of the reporting date. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 March.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group Companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred,liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred; (b) the recognised amount of any non-controlling interest in the acquiree; and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Revenue

Revenue arises mainly from security services being guarding, patrols and alarm monitoring.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when and as its performance obligation(s) are satisfied.

Security service revenue

The Group enters into agreements with customers to provide security services being guarding, patrols and alarm monitoring in exchange for a fixed fee and recognises the related revenue over time. Each of the services is covered by a separate contract and therefore each is accounted for as separate performance obligation.
The Group measures its progress towards complete satisfaction of the performance obligations by reviewing the stage of completion of the services being offered. This basis provides the most accurate depiction of the transfer of services to each customer.
If payments are received from customers in advance or exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

The transaction price for a contract excludes any amounts collected on behalf of third parties.

Operating Expenses

Operating expense are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Goodwill

Goodwill represents the future economic benefits arsing from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

Intangible Assets

Recognition of intangible assets

Acquired intangible assets

Customer Relationships acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The following useful lives are applied:

- Customer Relationships: 10 years

Amortisation has been recognised in the profit or loss.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset,and is recognised in profit or loss within other income or other expenses.

Property, Plant and Equipment

Property, plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised using the diminishing value method to write down the cost less estimated residual value for the following assets:

- Plant & Equipment: 16% - 50%
- Motor Vehicles: 30%

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value for the following assets:

- Building Right of Use Asset: 3.5 - 7.5 years
- Motor Vehicle Right of Use Asset: 1 - 4 years

In the case of a right to use asset, expected useful lives are determined by reference to the term of the lease, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Leased Assets

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The right-of-use assets are included in property, plant and equipment and accounted for on the same basis.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Impairment Testing

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget,adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Financial Instruments

Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with recognition of revenue, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised Cost
- Fair Value through Profit or Loss (FVTPL)
- Fair Value through Other Comprehensive Income (FVOCI)

The Group only has financial assets which are classified into the Amortised Cost category.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

The Group makes use of a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows,considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience,external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities.

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable,adjusted for transaction costs.

Subsequently,financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs or finance income.

Income Taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, Inland Revenue and other taxation authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However,deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

Employee Benefits

Short term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Goods and Services Tax ('GST')

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue is included as part of the receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis except for the GST components of investing and financing activities which are disclosed as separate activities.

Significant Management Judgement in Applying Accounting Policies and Estimation Uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different

Impairment of non financial assets or goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability. Particularly, the fair value of separately identified intangible assets which is based on a valuation technique from forecast future cash flows of the relevant business unit.

Notes to the Consolidated Financial Statements

Platform 4 Group Limited
For the year ended 31 March 2020

	2020	2019 (UNAUDITED & RESTATED)
1. Revenue		
Alarm Revenue	2,009,912	305
Guarding Revenue	10,046,814	8,608,201
Patrols Revenue	1,805,690	-
Total Revenue	**13,862,416**	**8,608,506**

	2020	2019 (UNAUDITED & RESTATED)
2. Employee Benefits		
Defined Contribution Plan Expense	91,257	50,155
Wages & Salaries	8,904,998	6,965,248
Total Employee Benefits	**8,996,255**	**7,015,403**

	2020	2019 (UNAUDITED & RESTATED)
3. Other Expenses include the following:		
Motor Vehicle Expenses	215,254	35,605
Subcontractors	1,728,544	457,446
Travel	135,500	61,691

	2020	2019 (UNAUDITED & RESTATED)
4. Finance Income		
Interest Income from Cash and Cash Equivalents	1,591	7,254
Total Finance Income	**1,591**	**7,254**

	2020	2019 (UNAUDITED & RESTATED)
5. Finance Expense		
Interest Expenses for Loans and Borrowing	583,198	177,033
Interest Expenses for Lease Liabilities	45,480	19,081
Total Finance Expense	**628,678**	**196,114**

6. Income Tax

	2020	2019 (UNAUDITED & RESTATED)
Net Loss Before Tax	(63,248)	(529,319)
Income Tax at Statutory Rate (28%)	17,709	148,209
Permanent Differences	(118,770)	(79,661)
Actual Income Tax Expense	(101,061)	68,548
Income Tax Expenses is represented by:		
Current Tax	(209,669)	-
Deferred Tax	108,638	68,548
Total Income Tax Expense	(101,061)	68,548

7. Deferred Tax

	2020	2019 (UNAUDITED & RESTATED)
Temporary Differences		
Expected Credit Losses	39,002	-
Holiday Pay Accrual	525,811	311,074
Leases	26,274	7,681
Tax Losses Carried Forward	-	117,837
Other General Accruals	42,359	-
Customer Relationships	(3,441,860)	-
Total Temporary Differences	**(2,808,414)**	**436,592**
Total Deferred Tax @ 28%	(786,356)	122,246

Deferred Tax Reconcilation

	2020	2019 (UNAUDITED & RESTATED)
Opening Balance	122,246	53,697
Recognised in the Profit or Loss	108,638	68,548
Business Combination	(1,017,240)	-
Closing Balance	(786,356)	122,246

8. Cash and Cash Equivalents

	2020	2019 (UNAUDITED & RESTATED)
Cash at Bank	251,094	19,261
Bank Overdraft	(100,339)	(97,261)
Total Cash and Cash Equivalents	**150,755**	**(78,000)**

The Group has an overdraft facility held with the Heartland bank with a limit of $100,000.

	2020	2019 (UNAUDITED & RESTATED)
9. Trade and Other Receivables		
Accounts Receivable	1,262,482	939,672
Less: Allowance for Expected Credit Losses	(39,002)	-
Other Receivables	74,887	-
Total Trade and Other Receivables	**1,298,367**	**939,672**

	2020	2019 (UNAUDITED & RESTATED)
Reconcilation of Allowance for Expected Credit Losses		
Allowance for Expected Credit Losses		
Expected Credit Loss Expense	(39,002)	-
Total Allowance for Expected Credit Losses	**(39,002)**	**-**

	2020	2019 (UNAUDITED & RESTATED)
10. Trade and Other Payables		
Trade Payables	300,434	268,080
Other Payables and Accruals	106,692	2,697
Other Taxes Payable	312,450	369,437
Employee Entitlements	720,214	430,377
Total Trade and Other Payables	**1,439,790**	**1,070,591**

	2020	2019 (UNAUDITED & RESTATED)

11. Share Capital

Share Capital		
Opening Balance	440,680	100
Share Capital Repaid	(36,477)	-
Issued Capital	-	440,580
Total Share Capital	**404,203**	**440,680**

As at 31 March 2020, share capital comprised of 119 issued ordinary shares (2019: 119). All issued shares are fully paid.

The holders of ordinary shares are entitles to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company, and rank equally with regard to the Company's residual assets.

During the year no dividends were paid to shareholders (2019: Nil).

	2020	2019 (UNAUDITED & RESTATED)

12. Interest Bearing Loans and Borrowings

Current		
Amounts Due to Related Parties	(8,384,453)	-
Bank Loan	(284,681)	(293,253)
Total Current	**(8,669,133)**	**(293,253)**
Non-Current		
Bank Loan	(29,201)	(98,101)
Total Non-Current	**(29,201)**	**(98,101)**
Total Interest Bearing Loans and Borrowings	**(8,698,334)**	**(391,354)**

The Group has a loan from its Parent SIS Australia Group Pty Ltd. At reporting date the loan was $8,384,453 (2019: $Nil). Interest is charged at 8.00%.

The Group has a Debtors Financing facility of $350,000 with Heatland Bank. At reporting date, a total of $209,756 (2019: $262,151) had been drawn against this facility. The purpose of this facility is for working capital financing and is secured against the Group's sales ledger. interest is charges at 13.04%.

The Group has a loan from Heartland Bank. At reporting date the loan balance was $53,074 (2019: $68,584). Interest is charged at 7.00% and maturity is 28 September 2022.

13. Reconciliation of Liabilities arising from Financing Activities

	2020	2019 (UNAUDITED & RESTATED)
Long-term		
Opening Balance	(98,103)	(52,302)
Cash Inflows	-	(45,801)
Cash Outflows	79,184	4,819
Interest	(10,282)	(4,819)
Closing Balance	(29,201)	(98,101)
Short-term		
Opening Balance	(293,253)	(69,727)
Cash Inflows	(7,913,664)	(223,526)
Cash Outflows	110,700	171,845
Interest	(572,916)	(171,845)
Closing Balance	(8,669,133)	(293,253)
Lease Liabilies		
Opening Balance	(630,409)	(690,800)
Cash		
Repayment	184,141	60,392
Non-cash		
Additions through Business Combination	(226,862)	-
Additions to Asset in exchange for Increased Lease Liabilities	(1,000)	-
Closing Balance	(672,129)	(630,409)

14. Classification of Financial Assets and Liabilities

	2020	2019 (UNAUDITED & RESTATED)
Financial Assets at Amortised Cost		
Cash and Cash Equivalents	251,094	18,392
Trade and Other Receivables	1,223,480	939,672
Total Financial Assets at Amortised Cost	**1,474,574**	**958,064**
Financial Liabilities at Amortised Cost		
Cash and Cash Equivalents	(100,339)	(97,261)
Trade and Other Payables	(300,434)	(268,080)
Interest Bearing Loans and Borrowings	(8,698,334)	(391,354)
Total Financial Liabilities at Amortised Cost	**(9,099,107)**	**(756,695)**

15. Interest in Subsidiaries

Name of the Subsidiary	Country of Incorporation & Principal Place of Business	Principal Activity	Interest Held 31 March 2020	Interest Held 31 March 2019
Triton Security Services Limited	New Zealand	Security Monitoring	100%	-
The Alarm Centre Limited	New Zealand	Alarm Monitoring	100%	-

16. Subsequent Events

On 11 March 2020 the World Health Organisation declared a global pandemic in respect to the COVID-19 virus outbreak. Following establishment of a foothold within the New Zealand population, the New Zealand Government initiated a full societal lockdown with significant isolation requirements and movement restrictions imposed on citizens (with only essential services permitted to operate). The countrywide lockdown commenced on 26 March 2020 and transitioned through various stages until 9 June 2020 when Alert Level 1 took effect and now essentially only border restrictions are in place.

The countrywide lockdown is expected to have a significant economic impact on New Zealand, with flow through to the organisations financial results considered to be highly likely. Due to the nature of the countrywide lockdown and flow on economic impacts it is not practicable to estimate the financial impact at the time of issuance of the financial statements.

There are no other subsequent events after balance date that require disclosure.

17. Property, Plant and Equipment

	Right to Use Asset - Buildings	Right to Use Asset - Motor Vehicles	Plant & Equipment	Motor Vehicles	Total
Cost					
Opening Balance (Unaudited & Restated)	428,463	262,337	396,934	37,758	1,125,492
Additions through Business Combinations	226,862	-	70,679	11,969	309,510
Additions	1,345	6,336	99,372	410,987	518,040
Disposals	-	-	(82,967)	(3,000)	(85,967)
Total Cost	656,670	268,673	484,018	457,714	1,867,075
Accumulated Depreciation					
Opening Balance (Unaudited & Restated)	(13,183)	(54,891)	(247,943)	(14,332)	(330,349)
Disposals	-	-	56,636	125	56,761
Depreciation Expense	(110,261)	(93,473)	(72,352)	(55,703)	(331,789)
Total Accumulated Depreciation	(123,444)	(148,364)	(263,659)	(69,910)	(605,377)
Summary					
Net Carrying Amount at 31 March 2019 (Unaudited & Restated)	415,280	207,446	148,991	23,426	795,143
Net Carrying Amount at 31 March 2020	533,226	120,309	220,359	387,804	1,261,698

18. Intangible Assets

	Goodwill	Customer Relationships	Total
Cost			
Opening Balance	-	-	-
Additions through Business Combinations	5,045,656	3,633,000	8,678,656
Disposals	-	-	-
Total Cost	5,045,656	3,633,000	8,678,656
Accumulated Amortisation			
Opening Balance	-	-	-
Disposals	-	-	-
Amortisation Expense	-	(191,140)	(191,140)
Total Accumulated Amortisation	-	(191,140)	(191,140)
Summary			
Net Carrying Amount at 31 March 2019	-	-	-
Net Carrying Amount at 31 March 2020	5,045,656	3,441,860	8,487,516

19. Acquisition through Business Combination

Triton Security Services Limited and The Alarm Centre Limited

On 1 July 2019, the Group acquired 100% of the equity instruments of Triton Security Services Limited (TSSL) a Christchurch based business, thereby obtaining control. The Alarm Centre Limited (TACL) is 100% subsidiary of TSSL. Therefore by obtaining control of TSSL the Group also obtained control of TACL. The acquisition was made to enhance the Group's position in the South Island of New Zealand.

The details of the business combination are as follows:

	TSSL
Fair value of consideration transferred	**2020**
Amount Settled in Cash	5,572,011
Total	**5,572,011**
Recognised amounts of Identifiable Net Assets	
Property, Plant and Equipment	52,098
Customer Relationships	2,930,000
Cash at Bank	155,336
Trade Receivables	109,848
Trade Creditors	(52,310)
Other Creditors	(2,471)
Pre-billed Income	(146,925)
GST payable	(24,038)
Current Tax Liability	(30,059)
Right of Use Asset - Buildings	226,862
Lease Liabilities	(226,862)
Employee Entitlements	(28,243)
Goodwill	3,429,175
Deferred Tax	(820,400)
Total Identifiable Net Assets	**5,572,011**

19. Acquisition through Business Combination (continued)

BAS Securities Limited

On 30 June 2019, the Group acquired the assets of BAS Securities as a going concern. The acquisition was made to enhance the Group's position in the South Island of New Zealand.

The details of the business combination are as follows:

	BAS
Fair value of consideration transferred	**2020**
Amount Settled in Cash	2,137,369
Total	**2,137,369**
Recognised amounts of Identifiable Net Assets	
Property, Plant and Equipment	30,550
Customer Relationships	703,000
Employee Entitlements	(15,822)
Goodwill	1,616,481
Deferred Tax	(196,840)
Total Identifiable Net Assets	**2,137,369**

	2020	2019 (UNAUDITED & RESTATED)

20. Leases

	2020	2019 (UNAUDITED & RESTATED)
Lease Liability		
Lease Liability (Current)	(163,899)	(160,444)
Lease Liability (Non-Current)	(508,230)	(469,965)
Total Lease Liability	**(672,129)**	**(630,409)**
Right of Use Asset		
Motor Vehicle	268,673	262,337
Accumulated Depreciation on Motor Vehicle	(148,364)	(54,891)
Building	656,671	428,463
Accumulated Depreciation on Building	(123,444)	(13,183)
Total Right of Use Asset	**653,536**	**622,726**

The Group has leases for premises and motor vehicles. These liabilities were measured at the present value of the remaining lease payments, discounted using the leasee's incremental borrowing rate of 6% for premises and 10% for motor vehicles.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the Consolidated Statement of Financial Position.

Right of Use Asset	No. of Right of Use Assets Leased	Range of Remaining Term	Average remaining lease term	No. of lease with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Building	3	42 - 90 months	61 months	1	-	1	-
Motor Vehicles	7	19 - 48 months	33 months	2	7	-	-

The Group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

Short Term Leases	$2,892
Leases of Low Value Assets	$12,984

	2020	2019 (UNAUDITED & RESTATED)
21. Transactions with Related Parties		
SIS Australia Group Pty Limited - Shareholder		
Received From Related Party	(8,384,453)	-
Interest	470,789	-
Related Party Balance	(8,384,453)	-
Aaron Colthurst - Director		
Paid To Related Party	11,820	19,398
Related Party Balance	9,320	(2,500)

Security and Intelligence Services (India) Limited is the Group's Ultimate Parent.

Key Management Personnel Compensation

The total compensation paid to Key Management Personnel for the period was $102,500 (2019: $139,725).

Transactions with Directors and Related Entities

Other than disclosed above, there were no other transactions with directors or directors related entities.

22. Contingent Assets and Contingent Liabilities

There are no contingent assets or liabilities at year end. (2019: Nil)

23. Changes in Comparatives

The financial statements of the Group until 31 March 2019 had been prepared in accordance with the Chartered Accountants Australia New Zealand Special Purpose Framework (SPF). These financial statements are the first financial statements to be prepared in accordance with NZ IFRS RDR. NZ IFRS 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

The key changes on adoption of NZ IFRS RDR are as follows:

(a) Adoption of NZ IFRS 16 Leases
As a result of the adoption of NZ IFRS 1 on 1 April 2018, the Group adopted NZ IFRS 16 for the first time using the exemptions in NZ IFRS 1 paragraph D9. Therefore, the leasing rules are recognised in the opening statement of financial position on 1 April 2018.
NZ IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all major leases.

Per the exemptions allowed in NZ IFRS 1, the Group has elected to record right-of-use assets based on the corresponding lease liability as adjusted by the amount of any deferred or prepaid rent balances relating to leases recognised in the statement of financial position immediately before the date of initial application.

(b) Adoption of NZ IAS 12 Income taxes
As a result of the adoption of NZ IFRS 1 on 1 April 2018, the Group adopted NZ IAS 12 for the first time. Therefore, the income tax rules are recognised in the opening statement of financial position on 1 April 2018. NZ IAS 12 specifies how to recognise, measure, present and disclose income taxes. There were no exemptions available for income taxes on adoption.

23. Changes in Comparatives (continued)

Statement of Financial Position - 31 March 2019 (unaudited)

	As at 31 March 2019 (SPF)	NZ IFRS RDR adjustment	As at 31 March 2019 (NZ IFRS RDR)
Assets			
Current Assets			
Cash and Cash Equivalents	19,261	-	19,261
Trade and Other Receivables	939,672	-	939,672
Income Tax Receivable	10,069	-	10,069
Total Current Assets	**969,002**	-	**969,002**
Non-Current Assets			
Property, Plant and Equipment	271,338	523,805	795,143
Deferred Tax	-	122,246	122,246
Total Non-Current Assets	**271,338**	**646,051**	**917,389**
Total Assets	**1,240,340**	**646,051**	**1,886,391**
Liabilities			
Current Liabilities			
Cash and Cash Equivalents	363,622	(266,360)	97,261
Trade and Other Payables	778,967	291,624	1,070,591
Lease Liabilities	-	160,444	160,444
Interest Bearing Loans and Borrowings	93,504	199,749	293,253
Total Current Liabilities	**1,236,093**	**385,457**	**1,621,549**
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	118,738	(20,635)	98,103
Lease Liabilities	-	469,964	469,964
Total Non-Current Liabilities	**118,738**	**449,329**	**568,067**
Total Liabilities	**1,354,831**	**834,786**	**2,189,616**
Net Liabilities	**(114,491)**	**(188,733)**	**(303,224)**
Equity			
Share Capital	440,780	(100)	440,680
Retained Earnings	(555,271)	(188,633)	(743,903)
Total Equity	**(114,491)**	**(188,733)**	**(303,224)**

23. Changes in Comparatives (continued)

Statement of Comprehensive Income - 31 March 2019 (unaudited)

	For the year ended 31 March 2019 (SPF)	NZ IFRS RDR adjustment	For the year ended 31 March 2019 (NZ IFRS RDR)
Profit or Loss			
Revenue	8,608,506	-	8,608,506
Finance Income	7,254	-	7,254
Employee Benefits	(6,922,833)	(92,571)	(7,015,404)
Other Expenses	(1,783,875)	(149,687)	(1,933,562)
Finance Expenses	(149,272)	(46,842)	(196,114)
Loss Before Income Tax	**(240,220)**	**(289,100)**	**(529,319)**
Income Tax Expense			
Income Tax Expense	-	68,548	68,548
Net Loss for the Year	**(240,220)**	**(220,552)**	**(460,771)**
Total Other Comprehensive Income	-	-	-
Total Comprehensive Loss for the Year	**(240,220)**	**(220,552)**	**(460,771)**

23. Changes in Comparatives (continued)

Statement of Financial Position - 31 March 2018 (unaudited)

	As at 31 March 2018 (SPF)	NZ IFRS RDR adjustment	As at 31 March 2018 (NZ IFRS RDR)
Assets			
Current Assets			
Trade and Other Receivables	1,387,648	-	1,387,648
Income Tax Receivable	10,190	-	10,190
Total Current Assets	**1,397,838**	**-**	**1,397,838**
Non-Current Assets			
Property, Plant and Equipment	181,560	591,880	773,440
Deferred Tax	-	53,697	53,697
Intangible Assets	23,188	-	-
Total Non-Current Assets	**204,748**	**645,577**	**827,137**
Total Assets	**1,602,586**	**645,577**	**2,248,163**
Liabilities			
Current Liabilities			
Cash and Cash Equivalents	664,922	-	664,922
Income Tax Payable	-	-	-
Trade and Other Payables	1,016,447	-	1,016,447
Lease Liabilities	-	60,392	60,392
Interest Bearing Loans and Borrowings	69,727	-	69,727
Total Current Liabilities	**1,751,096**	**60,392**	**1,811,488**
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	166,441	(77,141)	89,300
Lease Liabilities	-	630,409	630,409
Total Non-Current Liabilities	**166,441**	**553,267**	**719,708**
Total Liabilities	**1,917,537**	**613,659**	**2,531,196**
Net Liabilities	**(314,951)**	**31,918**	**(283,033)**
Equity			
Share Capital	100	-	100
Retained Earnings	(315,051)	31,918	(283,133)
Total Equity	**(314,951)**	**31,918**	**(283,033)**