

# **Platform 4 Group Limited**

Consolidated Financial Statements  
For the year ended  
31 March 2021

**Platform 4 Group Limited**  
**Table of Contents**  
**For the year ended 31 March 2021**

<b>Contents</b>	<b>Page</b>
Auditors' Report	1-2
Directors' Report	3-4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6-7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10-33

# Independent Auditor's Report

## 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 5 to 33 which comprise the consolidated statement of financial position as at 31 March 2021, 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 2021 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) 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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

#### Directors' responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the 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 the Directors 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, the directors are responsible on behalf of the Group 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 consolidated 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 and the Company's 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 Limited**  
**Auckland**  
**27 April 2021**

# **Platform 4 Group Limited**

## **Directors' Report**

### **For the year ended 31 March 2021**

#### **Directors' Report**

The board of Directors present their annual report, including financial statements, of the Group for the year ended 31 March 2021.

#### **Directors**

The names of the Group's Directors in office during the year and until the date of this report are as follows. Directors were in office for the whole period unless otherwise stated.

Aaron Mark Colthurst  
Devesh Desai  
Michael John McKinnon

#### **Information**

Platform 4 Group Limited is a Company, domiciled in New Zealand. The principal place of business is Auckland, New Zealand.

#### **Principal Activities**

The principal activities of the Group during the year was security services. There have been no significant changes in the nature of these activities during the year ended 31 March 2021.

#### **Significant Changes in the State of Affairs**

There have been no significant changes in the state of affairs during the period.

#### **Shareholding**

	<b>Total Shares</b>
SIS Australia Group Pty Ltd	60
CB Trust	59
	<hr/> 119 <hr/>

**Platform 4 Group Limited**  
**Directors' Report**  
**For the year ended 31 March 2021**

**Directors' Report**

**Shares Options and Dividends Paid**

No dividends (prior year: \$Nil) were declared during the period.

No option to acquire shares in the Company has been granted to any person. No shares have been issued during the financial year or since the end thereof by virtue of the exercise of any options. There are no unissued shares under option at the date of this report.

**Approval**

The Directors present the annual report of Platform 4 Group Limited, incorporating the financial statements for the year ended 31 March 2021.

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 Directors who authorise these financial statements on pages 4 to 33 on 23 April 2021.

Signed in accordance with a resolution of the Directors.

  
\_\_\_\_\_  
Devesh Desai

Dated: 27/04/2021

  
\_\_\_\_\_  
Michael John McKinnon

Dated: 27/04/2021

**Platform 4 Group Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive**  
**Income**  
**For the year ended 31 March 2021**

	Notes	2021 \$	2020 \$
Revenue	3.1	26,198,592	13,862,416
Other Income	3.4	1,938,261	28,073
Employee Benefits Expense	3.2	(18,321,372)	(8,996,255)
Other Expenses	3.3	(4,769,978)	(4,330,395)
		<u>5,045,503</u>	<u>563,839</u>
Net Finance Expense	4	(678,762)	(627,087)
<b>Profit Before Income Tax</b>		<u>4,366,741</u>	<u>(63,248)</u>
Income Tax	5	(1,357,168)	(101,061)
<b>Net Profit After Tax</b>		<u>3,009,573</u>	<u>(164,309)</u>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<u><u>3,009,573</u></u>	<u><u>(164,309)</u></u>

The above information is to be read in conjunction with the notes to the consolidated financial statements. 5



**Platform 4 Group Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 March 2021**

	Notes	2021 \$	2020 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	2,691,793	251,094
Trade and Other Receivables	7	3,262,595	1,298,367
Inventories		10,785	35,685
		<u>5,965,173</u>	<u>1,585,146</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	1,374,103	1,261,698
Intangible Assets	9	8,946,597	8,487,516
		<u>10,320,700</u>	<u>9,749,214</u>
<b>Total Assets</b>		<u>16,285,873</u>	<u>11,334,360</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank Overdraft	6	245	100,339
Trade and Other Payables	8	3,105,552	1,439,790
Income Tax Payable		1,364,479	141,422
Lease Liability	16	188,907	163,899
Interest Bearing Loans and Borrowings	11	7,976,008	8,669,133
		<u>12,635,191</u>	<u>10,514,583</u>

The above information is to be read in conjunction with the notes to the consolidated financial statements. 6





**Platform 4 Group Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 March 2021**

	Notes	2021 \$	2020 \$
<b>Non-Current Liabilities</b>			
Lease Liability	16	474,136	508,230
Deferred Tax Liabilities	5	661,037	786,356
Interest Bearing Loans and Borrowings	11	9,946	29,201
		<u>1,145,119</u>	<u>1,323,787</u>
<b>Total Liabilities</b>		<u>13,780,310</u>	<u>11,838,370</u>
<b>Net Assets</b>		<u>2,505,563</u>	<u>(504,010)</u>
<b>Equity</b>			
Issued capital	14	404,203	404,203
Retained earnings		2,101,360	(908,213)
<b>Total Equity</b>		<u>2,505,563</u>	<u>(504,010)</u>

**Platform 4 Group Limited**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 March 2021**

Notes	Issued Capital \$	Retained Earnings \$	Total \$
<b>Balance at 1 April 2019</b>	440,680	(743,904)	(303,224)
Net Profit After Tax	-	(164,309)	(164,309)
Other Comprehensive Income	-	-	-
Ordinary Share Repurchased	(36,477)	-	(36,477)
<b>Balance at 31 March 2020</b>	<u>404,203</u>	<u>(908,213)</u>	<u>(504,010)</u>
Net Profit After Tax	-	3,009,573	3,009,573
Other Comprehensive Income	-	-	-
<b>Balance at 31 March 2021</b>	<u><u>404,203</u></u>	<u><u>2,101,360</u></u>	<u><u>2,505,563</u></u>

**Platform 4 Group Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 March 2021**

	Notes	2021 \$	2020 \$
<b>Operating Activities</b>			
Receipts from Customers		28,167,115	15,615,368
Payments to Suppliers and Employees		(19,550,191)	(13,057,458)
Income Tax Paid		(259,430)	(91,356)
Other Taxes Payable		(3,331,162)	(1,512,453)
<b>Net Cash from Operating Activities</b>		<u>5,026,332</u>	<u>954,101</u>
<b>Investing Activities</b>			
Purchase of Property, Plant and Equipment		(263,037)	(507,385)
Proceeds from Sale Plant and Equipment		8,378	-
Business Combination		(634,595)	(7,676,234)
Interest Received		1,363	1,591
<b>Net Cash from/(used in) Investing Activities</b>		<u>(887,891)</u>	<u>(8,182,028)</u>
<b>Financing Activities</b>			
Proceeds from/(Payments to) Loans		(712,380)	8,306,978
Proceeds from Capital Raise		-	(36,477)
Payments for Lease Liability - Principal Portion		(205,143)	(185,142)
Interest Paid		(680,125)	(628,678)
<b>Net Cash Flows used in Financing Activities</b>		<u>(1,597,648)</u>	<u>7,456,681</u>
<b>Net Change in Cash and Cash Equivalents</b>		2,540,793	228,754
Cash and Cash Equivalents at the Beginning of the Financial Year		<u>150,755</u>	<u>(78,000)</u>
<b>Cash and Cash Equivalents at the End of the Financial Year</b>		<u><u>2,691,548</u></u>	<u><u>150,755</u></u>

The above information is to be read in conjunction with the notes to the consolidated financial statements. 9



# **Platform 4 Group Limited**

## **Notes to the Financial Consolidated Statements**

### **For the year ended 31 March 2021**

#### **1 General Information and Statement of Compliance**

Platform 4 Group Limited is a profit orientated entity.

Platform 4 Group Limited is incorporated and domiciled in New Zealand and is a company registered under the Companies Act 1993.

The principal activities of the Group during the year were security services including guarding, patrols and alarm monitoring services.

The consolidated financial statements comprise of Platform 4 Group Limited (Parent) and its controlled entities (Group).

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

#### **Changes in Accounting Policies and Disclosures**

There have been no specific changes in accounting policies, and they have been applied on a consistent basis with those of the previous period.

#### **Basis of Preparation**

The 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 Group has elected to report under NZ IFRS – Reduced Disclosure Regime of the External Reporting Board 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 of the Companies Act 1993 and the Financial Reporting Act 2013. They have been prepared under the assumption that the Group operates as a going concern.

Amounts are expressed in New Zealand Dollars (\$) which is the functional and presentation currency and are rounded to the nearest dollar. The consolidated financial statements have been prepared on the basis of historical cost, unless otherwise stated below.

The financial report of Platform 4 Group Limited for the year ended 31 March 2021 was authorised for issue in accordance with a resolution of the directors on 23 April 2021.

# Platform 4 Group Limited

## Notes to the Financial Consolidated Statements

### For the year ended 31 March 2021

#### 1 General Information and Statement of Compliance

##### **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.

##### **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.

# Platform 4 Group Limited

## Notes to the Consolidated Financial Statements

### For the year ended 31 March 2021

## 2 Summary of Significant Accounting Policies

### Overall Considerations

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

### Operating Expenses

Operating expenses 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 arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

### 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.

Amortisation is recognised on a straight-line basis to write down the cost less estimated residual value. The following useful lives are applied:

- Customer Relationships 10 years

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 the profit or loss and other comprehensive income within other income or other expenses.

# Platform 4 Group Limited

## Notes to the Consolidated Financial Statements

### For the year ended 31 March 2021

## 2 Summary of Significant Accounting Policies

### 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 operation 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	10%-67%
- 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.

# **Platform 4 Group Limited**

## **Notes to the Consolidated Financial Statements**

### **For the year ended 31 March 2021**

## **2 Summary of Significant Accounting Policies**

### **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 risk 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.



**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**2 Summary of Significant Accounting Policies**

**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, amount 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.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss.

# **Platform 4 Group Limited**

## **Notes to the Consolidated Financial Statements**

### **For the year ended 31 March 2021**

## **2 Summary of Significant Accounting Policies**

### **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.

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**2 Summary of Significant Accounting Policies**

**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, Reserves and Dividend Payments**

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 and non-monetary benefits. 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.

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**2 Summary of Significant Accounting Policies**

**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 Judgement*

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

*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 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. For Goodwill recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

*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 asset which is based on a valuation technique from forecast future cash flows of the relevant business unit.

*Wage Subsidy*

For the purpose of receiving the March 2020 covid wage subsidy, management have made a judgement that they are a high growth entity. Management believe that they meet the definition of a high growth entity because they displayed 84% growth in revenue during the six months ended 28 February 2020.

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**2 Summary of Significant Accounting Policies**

**Revenue Recognition**

Revenue primarily arises from the security service revenue being guarding, patrols and alarm

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

1. Identifying the contract with a customer
2. Identifying the performance obligation
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 obligations.

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.

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**2. Summary of Significant Accounting Policies**

**Financial Instruments**

*Recognition and Derecognition*

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 derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and Initial Measurement of Financial Assets*

Except for 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.

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**2. Summary of Significant Accounting Policies**

**Financial Instruments**

*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. Historical experience, external indicators and forward-looking information are used to calculate the expected credit losses using a provision matrix.

*Classification and Initial 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.

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

	2021	2020
	\$	\$
<b>3 Revenue and Expenses</b>		
<b>3.1 Revenue</b>		
Alarm Revenue	2,611,869	2,009,912
Guarding Revenue	21,228,224	10,046,814
Patrols Revenue	2,358,499	1,805,690
<b>Total Revenue</b>	<u>26,198,592</u>	<u>13,862,416</u>
<b>3.2 Employee Benefits Expense</b>		
Salaries and Wages	18,115,314	8,904,998
Defined Contribution Plan Expense	206,058	91,257
<b>Total Employee Benefits Expense</b>	<u>18,321,372</u>	<u>8,996,255</u>
<b>3.3 Other Expenses include the following:</b>		
Motor Vehicle	330,056	215,254
Subcontractors	378,416	1,728,544
Travel & Accommodation	140,868	135,500
<b>3.4 Other Income</b>		
Profit on Sale of Fixed Assets	305	381
Wage Subsidy	1,936,795	-
Other Income	1,161	27,692
<b>Total Other Income</b>	<u>1,938,261</u>	<u>28,073</u>
<b>4 Net Finance Expense</b>		
Interest Expenses for Borrowings	(639,642)	(583,198)
Interest Expenses for Lease Liability	(40,483)	(45,480)
Interest Income from Cash and Cash Equivalents	1,363	1,591
<b>Total Net Finance Expense</b>	<u><u>(678,762)</u></u>	<u><u>(627,087)</u></u>



**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

	2021 \$	2020 \$
<b>5 Income Tax</b>		
<b>Tax Expense</b>		
Profit Before Income Tax	4,366,741	(63,248)
Domestic Tax Rate (28%)	28%	28%
<b>Expected Tax Expense</b>	1,222,687	(17,709)
Non-deductible Expenses	134,480	118,770
<b>Actual Income Tax Expense</b>	1,357,167	101,061
<b>Income Tax Expense is Represented by:</b>		
Current Tax	1,494,611	209,699
Deferred Tax	(137,444)	(108,638)
	1,357,167	101,061
<b>Deferred Tax Asset</b>		
The Balance Comprises Temporary Differences Attributable to:		
Expected Credit Losses	7,930	10,921
Holiday Pay Accrual	277,941	147,227
Accrued Bonuses	15,206	-
Leases	-	7,357
General Accruals	18,972	11,861
Customer Relationships	(959,171)	(963,722)
Loss to Carry Forward	(21,915)	-
	(661,037)	(786,356)
<b>Deferred Tax Reconciliation</b>		
Opening Balance	(786,356)	122,246
Recognised in the Profit or Loss	137,444	108,638
Business Combination	(12,125)	(1,017,240)
	(661,037)	(786,356)

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

	2021	2020
	\$	\$
<b>6 Cash and Cash Equivalents</b>		
Cash at Bank	2,691,793	251,094
Bank Overdraft	(245)	(100,339)
<b>Total Cash and Cash Equivalents</b>	<u>2,691,548</u>	<u>150,755</u>

The Group has an overdraft facility held with the Heartland Bank with a limit of \$100,000 (2020: \$100,000). Interest is charged at 8.00%.

**7 Trade and Other Receivables**

Trade Receivables	2,482,234	1,262,482
Other Receivables	808,681	74,887
Less: Allowance for Expected Credit Losses	(28,320)	(39,002)
<b>Total Trade Receivables</b>	<u>3,262,595</u>	<u>1,298,367</u>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

**8 Trade and Other Payables**

Trade Payables	566,336	300,434
Other Payables and Accruals	222,067	106,692
Other Taxes Payable	688,735	312,450
Employee Entitlements	1,628,414	720,214
<b>Total Trade and Other Payables</b>	<u>3,105,552</u>	<u>1,439,790</u>

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**9 Intangible Assets**

	Goodwill	Customer Relationships	Total
	\$	\$	\$
<b>Year ended 31 March 2021</b>			
Opening Balance	5,045,656	3,633,000	8,678,656
Additions through Business Combination	475,331	298,750	774,081
<b>Total Intangible Assets at Cost</b>	<u>5,520,987</u>	<u>3,931,750</u>	<u>9,452,737</u>
<b>Accumulated Amortisation</b>			
Opening Balance	-	191,140	191,140
Amortisation Expense	-	315,000	315,000
<b>Total Accumulated Amortisation</b>	<u>-</u>	<u>506,140</u>	<u>506,140</u>
<b>Summary</b>			
Net Carrying Amount at 31 March 2020	5,045,656	3,441,860	8,487,516
<b>Net Carrying Amount at 31 March 2021</b>	<u>5,520,987</u>	<u>3,425,610</u>	<u>8,946,597</u>

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**10 Property, Plant and Equipment**

	Right of Use Asset - Buildings \$	Right of Use Asset - Motor Vehicles \$	Pla Equipm
<b>Year ended 31 March 2021</b>			
Opening Balance	656,670	268,673	484,
Additions	14,453	159,125	198,
Additions Through Business Combination	-	22,478	2,
Disposals	-	-	
<b>Total Property, Plant and Equipment at Cost</b>	<u>671,123</u>	<u>450,276</u>	<u>684,</u>
<b>Accumulated Depreciation</b>			
Opening Balance	123,444	148,364	263,
Disposals	-	-	
Depreciation Expense	134,885	70,444	113,
<b>Total Accumulated Depreciation</b>	<u>258,329</u>	<u>218,808</u>	<u>376,</u>
<b>Summary</b>			
Net Carrying Amount at 31 March 2020	<u>533,226</u>	<u>120,309</u>	<u>220,</u>
<b>Net Carrying Amount at 31 March 2021</b>	<u><u>412,794</u></u>	<u><u>231,468</u></u>	<u><u>308,</u></u>

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

11 Interest Bearing Loans and Borrowings (Current)	2021	2020
	\$	\$
<b>Current</b>		
Secured Bank Loan	116,008	284,680
Amounts Due to Related Parties	7,860,000	8,384,453
<b>Total Current</b>	<u>7,976,008</u>	<u>8,669,133</u>
<b>Non Current</b>		
Secured Bank Loan (Non-Current)	9,946	29,201
<b>Total Non Current</b>	<u>9,946</u>	<u>29,201</u>
<b>Total Interest Bearing Loans and Borrowings (Current)</b>	<u>7,985,954</u>	<u>8,698,334</u>

The Group has a loan from its Parent SIS Australia Group Pty Ltd. At reporting date the loan was \$7,860,000 (2020: \$8,384,453). Interest is charged at 7.64% (2020:8.00%).

12 Classification of Financial Assets and Liabilities	2021	2020
	\$	\$
<b>Financial Assets at Amortised Cost</b>		
Cash at Bank	2,691,793	251,094
Trade Receivables	2,453,914	1,223,480
<b>Total Financial Assets at Amortised Cost</b>	<u>5,145,707</u>	<u>1,474,574</u>
<b>Financial Liabilities at Amortised Cost</b>		
Bank Overdraft	(245)	(100,339)
Trade Payables	(566,336)	(300,434)
Interest Bearing Loans and Borrowings	(7,985,954)	(8,698,334)
<b>Total Financial Liabilities at Amortised Cost</b>	<u>(8,552,535)</u>	<u>(9,099,107)</u>

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**13 Reconciliation of Liabilities arising from Financing Activities**

The changes in liabilities arising from financing activities can be classified as follows:

	<b>Lease Liabilities</b>	<b>Long-term</b>	<b>Short-term</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>1 April 2020</b>	(672,130)	(29,201)	(8,669,133)	(9,370,464)
<i>Cashflows:</i>				
- Repayment	205,143	23,241	1,328,782	1,557,166
<i>Non-cash:</i>				
- Additions through Business Combination	(22,478)	-	-	(22,478)
- Additions to right-of-use asset in exchange for increased lease liabilities	(173,578)	-	-	(173,578)
- Interest	-	(3,986)	(635,657)	(639,643)
<b>Balance at 31 March 2021</b>	<u>(663,043)</u>	<u>(9,946)</u>	<u>(7,976,008)</u>	<u>(8,648,997)</u>
 <b>Year ended 31 March 2020</b>				
Opening Balance	(630,409)	(98,103)	(293,253)	(1,021,765)
<i>Cashflows:</i>				
- Repayment	184,141	79,184	110,700	374,025
- Proceeds	-	-	(7,913,664)	(7,913,664)
<i>Non-cash:</i>				
- Additions through Business Combination	(226,862)	-	-	(226,862)
- Additions to right-of-use asset in exchange for increased lease liabilities	1,000	-	-	1,000
- Interest	-	(10,282)	(572,916)	(583,198)
<b>Balance at 31 March 2020</b>	<u>(672,130)</u>	<u>(29,201)</u>	<u>(8,669,133)</u>	<u>(9,370,464)</u>

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

<b>14 Issued Capital</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Issued Capital Opening Balance	404,203	440,680
Share Capital Repaid	-	(36,477)
<b>Total Issued Capital</b>	404,203	404,203

As at 31 March 2021, share capital comprised of 119 issued ordinary shares (2020:119). All issued shares are fully paid.

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

During the year no dividends were paid to shareholders (2020: Nil).

**15 Interest in Subsidiaries**

Name of the Subsidiary	Country of Incorporation & Principal Place of Business	Principal Activity	Interest Held 31 March 2021	Interest Held 31 March 2020
Triton Security Services Limited	New Zealand	Security Monitoring	100%	100%
The Alarm Centre Limited	New Zealand	Alarm Monitoring	100%	100%

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**16 Leases**

		2021	2020
	Note	\$	\$
Right of Use Assets	12	644,263	653,537
Lease Liability (Current)		(188,907)	(163,899)
Lease Liability (Non-Current)		(474,136)	(508,230)

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 lessee'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 in months	Average remaining term in months	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	19 to 67	39	-	1	-
Motor Vehicle	11	4 to 49	28	-	-	-

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	79,392



**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**17 Related Party**

**Transactions with Related Parties**

**Balances for the Period Ending  
31 March 2021**

<b>Related Party Entity:</b>	<b>Relationship:</b>	<b>Accrued Interest and Dividends</b>	<b>Paid to (Received from) Related Parties</b>	<b>Related Party Balance</b>
		\$	\$	\$
SIS Australia Group Pty Ltd	Shareholder	576,481	1,150,953	(7,860,000)
Aaron Colthurst	Director	-	137,800	-
Southern Cross Protection Pty Ltd	Common Shareholding	-	74,976	-
MSS Security Pty Ltd	Common Shareholding	-	(41,113)	-

**Balances for the Period Ending  
31 March 2020**

<b>Related Party Entity:</b>	<b>Relationship:</b>	<b>Accrued Interest and Dividends</b>	<b>Paid to (Received from) Related Parties</b>	<b>Related Party Balance</b>
		\$	\$	\$
SIS Australia Group Pty Ltd	Shareholder	470,789	(8,384,453)	(8,384,453)
Aaron Colthurst	Director	-	11,820	9,320

**Key Management Personnel Compensation**

The total compensation paid to Key Management Personnel for the period was \$578,990 (2020: \$102,500).

**Transactions with Directors and Related Entities**

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

**Platform 4 Group Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 March 2021**

**18 Contingent Assets and Liabilities**

There are no contingent assets or liabilities at year end (2020: Nil).

**19 Subsequent Events**

There are no other subsequent events after 31 March 2021 that require disclosure.

**20 Covid-19**

The period has been marked by the impact of the Coronavirus (COVID-19) pandemic. Platform 4 Group's priority during this time has been to ensure the health and safety of the employees to ensure we maintain our ability to service our customers. We have implemented health and safety measures for our staff and customers like providing the necessary PPE gear to the staff, regular communication on changing Covid-19 levels and ensuring compliance to health and safety guidelines issued by the Ministry of Health from time to time.

The most significant impact to the business as a result of COVID-19 is an adverse impact to the Platform 4 Group's revenue from events, hospitality and Film & TV divisions as mass gatherings were banned to prevent spread of the virus. However, the Platform 4 Group remains in a very strong position as it is profitable and continues to be profitable, with positive operating cashflows. This positions the business well to handle the COVID-19 crisis.

Finally, while the short-term financial position of the Platform 4 Group has not been materially impacted, there remains inherent uncertainty regarding the longer-term impact. At the time of approving these financial statements, there are no known material adverse impacts on the Platform 4 Group.

This event however does not change the reported results for the period ended 31 March 2021.

# Platform 4 Group Limited

## Notes to the Consolidated Financial Statements

### For the year ended 31 March 2021

#### 21 Acquisition through Business Combination

##### Conroy Security Limited

On 11 December 2020, the Group acquired the assets of Conroy Security Limited as a going concern. The acquisition was made to enhance the Group's position in South Auckland, New Zealand.

The details of the business combination are as follows:

	CSL 2021 \$
<b>Fair Value of Consideration Transferred</b>	
Amount Settled via Cash	237,846
<b>Total Fair Value of Consideration Transferred</b>	<b>237,846</b>
<b>Recognised Identifiable Net Assets</b>	
Property, Plant and Equipment	111,313
Deferred Tax	655
Employee Entitlements	(71,606)
Lease Liabilities	(22,478)
Customer Relationships	69,266
Goodwill	150,696
<b>Total Identifiable Net Assets</b>	<b>237,846</b>

##### Guard Force Security Limited

On 31 July 2020, the Group acquired the assets of Guard Force Security Limited as a going concern. The acquisition was made to enhance the Group's position in the North Shore of Auckland, New Zealand.

The details of the business combination are as follows:

	GFSL 2021 \$
<b>Fair Value of Consideration Transferred</b>	
Amount Settled via Cash	372,499
<b>Total Fair Value of Consideration Transferred</b>	<b>372,499</b>
<b>Recognised Identifiable Net Assets</b>	
Property, Plant and Equipment	14,337
Deferred Tax	(12,780)
Inventory	662
Customer Relationships	229,484
Employee Entitlements	(183,839)
Goodwill	324,635
<b>Total Identifiable Net Assets</b>	<b>372,499</b>