SIS Australia Holdings Pty Ltd

ABN 65 132 211 459

Annual Report
for the year ended 31 March 2021

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Annual Report
for the year ended 31 March 2021

Contents

Directors' report

Your directors present their report on the entity (referred to hereafter as the Company) for the year ended 31 March 2021.

Directors

The following persons were directors of SIS Australia Holdings Pty Ltd during the whole of the financial year and up to the date of this report:

Uday Singh

Rituraj Sinha

Rivoli Sinha

Michael McKinnon

Principal activities

SIS Australia Holdings Pty Ltd is engaged in making investments as a holding company.

Dividends

Dividends paid to the shareholders during the financial year amounted to $nil (2020: $3,323,000).

Review of operations

A summary of revenues and results is set out below:

Particulars	**31 March 2021 $000's**	31 March 2020 $000's
Revenue	**-**	-
Earnings before interest, depreciation and amortisation, and taxation	**(1,674)**	(1,812)
Earnings before interest and taxation	**(1,674)**	(1,812)
Finance costs	**(1)**	(2)
Other Income	**1,675**	5,144
Earnings before taxation	**-**	3,330
Income tax expense	**-**	564
(Loss)/Profit after tax	**-**	3,894

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company from the beginning of the financial year to the date of this report.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2021 that has significantly affected, or may significantly affect:

(a) the Company's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Company's state of affairs in future financial years.

Likely developments and expected results of operations

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. There have been unprecedented measures put in place by the Australian Government, as well as governments across the globe, to contain the coronavirus which have had a significant impact on the economy.

As of the date these financial statements were authorised, the directors have concluded that there has not been a material adverse impact on the Company's financial position, results or cash flows for the year ended 31 March 2021, as a result of COVID-19.

Information on other likely developments in the operations of the Company and the expected results of operations have not been included in these financial statements because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company is not subject to any significant environmental regulation under either Commonwealth or State legislation.

Insurance of officers

During the financial year, a related entity, MSS Security Pty Ltd paid a premium to insure the directors and officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts

The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 325 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.

RSinha

Rituraj Sinha
Director

Sydney
28 April 2021

Auditor's Independence Declaration

As lead auditor for the audit of SIS Australia Holdings Pty Ltd for the year ended 31 March 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

David Ronald

David Ronald
Partner
PricewaterhouseCoopers

Sydney
28 April 2021

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SIS Australia Holdings Pty Ltd ABN 65 132 211 459
Financial Statements
for the year ended 31 March 2021

Contents

These financial statements cover SIS Australia Holdings Pty Ltd as an individual entity. The financial statements are presented in Australian dollars.

SIS Australia Holdings Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

SIS Australia Holdings Pty Ltd Level 2, 63 - 79 Parramatta Road Silverwater NSW 2128

A description of the nature of the entity's operations and its principal activities is included in the directors' report on pages 1 to 3, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 28 April 2021. The directors have the power to amend and reissue the financial statements.

SIS Australia Holdings Pty Ltd
Statement of financial position
For the year ended 31 March 2021
All figures in $'000

Particulars	Note No.	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Financial assets			
(i) Investments in subsidiaries	4	**15,010**	15,010
Total non-current assets		**15,010**	15,010
Current assets			
Financial assets			
(i) Cash and Cash Equivalents	8	**2,278**	2,033
(ii) Other current financial assets	6	**66**	111
Other current assets	5	**1,451**	1,573
Total current assets		**3,795**	3,716
Total assets		**18,805**	18,726
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	**4,000**	4,000
Other equity	10	**830**	831
Total equity		**4,830**	4,831
LIABILITIES			
Current liabilities			
Financial liabilities			
(i) Other current financial liabilities	11	**288**	225
Other current liabilities	12	**8,143**	9,151
Current tax liabilities		**5,544**	4,519
Total current liabilities		**13,975**	13,895
Total liabilities		**13,975**	13,895
Total equity and liabilities		**18,805**	18,726

The above statement of financial position should be read in conjunction with the accompanying notes.

SIS Australia Holdings Pty Ltd
Statement of comprehensive income
For the year ended 31 March 2021
All figures in $'000

Particulars	Note No.	**31 March 2021**	31 March 2020
INCOME			
Other income	14	**1,675**	5,144
Total income		**1,675**	5,144
EXPENSES			
Employee benefits expense	15	**905**	782
Finance costs	16	**1**	2
Other expenses	13	**769**	1,030
Total expenses		**1,675**	1,814
Profit before tax		**-**	3,330
Tax expense/(benefit)			
Current tax		**-**	(564)
Total tax expense	7	**-**	(564)
Profit for the year		**-**	3,894
Other comprehensive income for the year (net of taxes)		**-**	-
Total comprehensive income for the year		**-**	3,894

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

All figures in $'000

	Equity share capital	Retained earnings	Total equity
For the year ended 31 March 2020			
Balance at 1 April 2019	4,000	259	4,259
Profit for the year	-	3,894	3,894
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**3,894**	**3,894**
Dividends provided for or paid	-	(3,323)	(3,323)
As at 31 March 2020	**4,000**	**830**	**4,830**
Balance at 1 April 2020	4,000	830	4,830
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**
Dividends provided for or paid	-	-	-
As at 31 March 2021	**4,000**	**830**	**4,830**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SIS Australia Holdings Pty Ltd
Statement of cash flows
For the year ended 31 March 2021
All figures in $'000

Particulars	31 March 2021	31 March 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net /profit before tax	**-**	3,330
Adjusted for:		
Finance costs	**1**	2
Interest income classified as investing cash flows	**-**	(7)
Dividend income	**(1,675)**	(5,137)
Operating (loss) before working capital changes	**(1,674)**	(1,812)
Movement in working capital:		
Decrease/(Increase) in other current assets	**121**	(146)
Decrease in other current financial assets	**45**	10
(Decrease) in other current liabilities	**(1,008)**	(3,805)
Increase/(Decrease) in other current financial liabilities	**63**	(16)
Cash (used in) from operations	**(2,453)**	(5,769)
Direct tax paid including fringe benefit tax (net of refunds)	**1,024**	4,289
Net Cash (outflow) from operating activities	**(1,429)**	(1,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	**1,675**	5,137
Interest received	**-**	7
Net Cash inflow from investing activities	**1,675**	5,144
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(1)**	(2)
Dividends paid to Parent's shareholders	**-**	(3,322)
Net Cash (outflow) from financing activities	**(1)**	(3,324)
Net Cash Increase in cash and cash equivalents	**245**	340
Cash and cash equivalents at the beginning of the year	**2,033**	1,693
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at the end of the year	**2,278**	2,033

The above statement of cash flows should be read in conjunction with the accompanying notes.

All figures in $'000

Contents of the notes of the financial statements

1. The Company Overview

SIS Australia Holdings Pty Ltd ("the Company") is a company limited by shares, incorporated and domiciled in Australia. The Company is a wholly owned subsidiary of SIS Limited (incorporated in India), an entity listed on the Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). Its registered office is situated at Level 2, 63 - 79 Parramatta Road, Silverwater NSW 2128.

SIS Australia Holdings Pty Ltd is engaged in making investments as a holding company.

These financial statements are the financial statements of the Company in accordance with applicable accounting standards.

The financial statements are presented in Australian Dollars (AUD) rounded off to nearest thousand dollars, or in certain cases, the nearest dollar as issued by the Australian Securities and Investments Commission under Class Order 2016/191.

These financial statements were authorised for issue by the directors on 28 April 2021.

2. Summary of significant accounting policies

This note provides a list of significant accounting policies adopted in the preparation of these financial statements.

2.1 Basis of preparation

In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the sole purpose of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the members and must not be used for any other purpose.

The financial statements have been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and Interpretations and mandatory professional requirements issued by the Australian Accounting Standards Board and the Corporations Act 2001. They contain only those disclosures considered necessary by the directors to meet the needs of the members. The Company is a for-profit entity for the purpose of preparing the financial statements.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following material items which have been measured at fair value as required by relevant AASB:

a. Certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;
b. Share based payments; and
c. Liability in respect of forward contract/ call and put options for acquisition of Non-controlling interests are measured at fair value.
d. Contingent liability and indemnification of asset acquired in a business combination are measured at fair value.

Going Concern

As of 31 March 2021, the Company had net liabilities of $13,975,000 (2020 $13,895,000). Included in the current liabilities are amounts totaling $744,000 (2020: $6,253,000) due to MSS Security Pty Ltd, $7,021,000 (2020: $1,846,000) due to SIS MSS Security Holdings Pty Ltd and $378,000 (2020: $779,000) due to MSS Strategic Medical and Rescue Pty ltd, all subsidiaries of SIS Australia Group Pty Ltd, which is further the subsidiary of the Company. The directors of the subsidiary, SIS Australia Group Pty Ltd, have acknowledged the current liabilities of the Company and have agreed not to recall any loans or request the repayment of any funding to the extent that it would prejudice the Company's ability to pay its debts as and when they fall due. The directors have also confirmed that the entity will provide the financial support that may be necessary to enable the Company to meet its commitments as and when they fall due for a minimum period of 12 months from the date of this report.

Accounting policies have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

For clarity, various items are aggregated in the statement of comprehensive income and statement of financial position. These items are disaggregated separately in the notes to the financial statements, where applicable. Comparative information is reclassified where appropriate to enhance comparability or in conformity with revised standards and interpretations.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as either non-current assets or liabilities.

b. Investment in subsidiaries, associates and joint ventures

A subsidiary is an entity over which the Company has control. The Company controls an investee when it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company's investments in subsidiaries are initially recognized at cost. The Company's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is generally the case where the Company holds between 20% and 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control exist are similar to those necessary to determine control over the subsidiaries.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The statement of comprehensive income reflects the Company's share of the results of operations of the associate or joint venture. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Dividends receivable from associates and joint ventures reduce the carrying amount of the investment.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Company's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate or joint venture, for the purpose of reflecting the Company's share of the results of operations of the associate or joint venture, are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as "Share of profit of associates /joint ventures" in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Financial instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions call and similar options) but does not consider the expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income based on EIR is included as interest income as a part of other income in the statement of comprehensive income. The losses arising from impairment are recognised in profit or loss. A gain or loss on such financial asset which is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised. This category generally applies to trade and other receivables.

Financial instrument at FVTOCI
A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognises interest income calculated using the EIR method, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Financial instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortised cost or at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL. However, such election is made only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss in respect of such assets that are not part of a hedging relationship. The gain /loss on assets measured at FVTPL are presented in the statement of comprehensive income within other gains/losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments
All equity investments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an Instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with gain/loss presented in the statement of comprehensive income within other gains/losses in the period in which it arises.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Similarly, where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets
The Company recognises loss allowances on a forward-looking basis using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Lifetime ECL allowance is recognised for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised in the statement of comprehensive income.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of comprehensive income.

Financial liability at fair value through profit or loss also includes liabilities arising from forward contract/ call and put options for the purpose of non-controlling interests in subsidiaries and contingent liability acquired in a business combination. The fair value gain/loss arising on such liabilities is recognised in profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ losses. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income as other gains/losses.

Reclassification of financial instruments
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines changes in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant

to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company of the counterparty.

d. Current and deferred tax
Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses and unused tax credits.

The current income tax is a charge calculated on the basis of tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are netted off in the statement of financial position.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation
SIS Australia Holdings Pty Ltd and its wholly-owned Australian controlled entities are members of a consolidated group under the tax consolidation legislation.

The head entity SIS Australia Holdings Pty Ltd and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

e. Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (including cash credit facilities) as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

f. Contributed equity
Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

g. Fair value measurement
The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, bonds and debentures and mutual funds that have quoted price. The fair value of all financial instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Assets and liabilities are to be measured based on the following valuation techniques:

(a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

(b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

(c) Cost approach – Replacement cost method.

h. Provisions and contingent liabilities

Provisions

A provision is recognised when the Company has a present legal or a constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are recognised for legal claims and service warranties. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an interest expense.

These are reviewed at each statement of financial position date and adjusted to reflect the current best estimates. In respect of losses that are covered by insurance, such losses are recognised as an expense when there is clear evidence or determination or probability that any portion of the loss is not expected to be settled through insurance or other forms of recovery.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

Liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

i. Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, discounts, rebates, deductions by customers, service tax, value added tax, goods and services tax and amounts collected on behalf of third parties. The Company also recognised a loss allowance for contract assets following the adoption of AASB 9.

Revenue is recognised when the control is transferred to the customer and when the Company has completed its performance obligations under the contract. Revenue is recognised in a manner that depicts the transfer of goods and services to customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenue is recognised as follows:

(a) Revenue from services represents the amounts receivable for services rendered.

(b) For non-contract-based business, revenue represents the value of goods delivered or services performed.

(c) For contract-based business, revenue represents the sales value of work carried out for customers during the period. Such revenues are recognised in the accounting period in which the services are rendered.

(d) Contract assets representing unbilled revenue net of expected deductions is recognised at the end of each period. Such contract assets are reversed in the subsequent period when an actual invoice is raised.

(e) Contract Liabilities representing revenue billed but for which services have not yet been performed are included under Advances from customers. The same is released to the profit and loss account as and when the services are rendered and the control is transferred to the customer.

Dividends
Dividend income from investments are recognised in the statement of comprehensive income as other income when the Company's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

j. Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statements of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

k. Cash flow statement
Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.4 Recently issued accounting pronouncements
New accounting standards and interpretations adopted by the Company

The Company has adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the current reporting period:

1) AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material [AASB 101 and AASB 108]
2) AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business [AASB 3]
3) AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform [AASB 9, AASB 139 and AASB 7
4) AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]
5) Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The Company also elected to adopt the following amendments early:
1) AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141]
2) AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions [AASB 16]

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

All figures in $'000

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. There have been unprecedented measures put in place by the Australian Government, as well as governments across the globe, to contain the coronavirus which have had a significant impact on the economy.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the services offered, customers, staffing, and geographic regions in which the company operates. As of the date of these financial statements were authorised, the directors have concluded that there has not been a material adverse impact on the Company's financial position, results or cash flows for the year ended 31 March 2021, as a result of COVID-19.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that result in a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Investments

Particulars	**31 March 2021**	31 March 2020
Investments in subsidiaries		
10,000 equity shares (March 31, 2019: 10,000) of AUD 1 each fully paid up in SIS Group International Holdings Pty Ltd	**10**	10
15,000,000 equity shares (March 31, 2019: 15,000,000) of AUD 1 each fully paid up in SIS Australia Group Pty Ltd	**15,000**	15,000
Total Investment in subsidiaries	**15,010**	15,010
Total non-current investments	**15,010**	15,010
Total investments	**15,010**	15,010

5. Other Assets

Particulars	**31 March 2021**	31 March 2020
Other current assets		
Balances with related parties	**1,425**	1,547
Prepaid expenses	**26**	26
Total other current assets	**1,451**	1,573
Total other assets	**1,451**	1,573

6. Other financial assets

Particulars	**31 March 2021**	31 March 2020
Other current financial assets		
Advances	**66**	111
Total other current financial assets	**66**	111
Total financial assets	**66**	111

7. Income Tax Assets, Liabilities and Expense

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

Reflected in the statement of financial position as follows:

Particulars	**31 March 2021**	31 March 2020
Current income tax:		
Current income tax charge	**-**	(564)
Deferred tax:		
Income tax expense/(benefit) reported in the statement of comprehensive income	**-**	(564)

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for 31 March 2021 and 31 March 2020 are:

Particulars	**31 March 2021**	31 March 2020
Accounting profit before tax from continuing operations	**-**	3,330
Tax at the Australian tax rate of 30.0% (2020 -30%)	**-**	999
Tax effect of amounts which are not deductible / not taxable in calculating taxable income:		
Permanent differences	**-**	(1,563)
Income tax expense/(benefit) reported in the statement of comprehensive income	**-**	(564)

8. Cash and cash equivalents

Cash and cash equivalents

Particulars	**31 March 2021**	31 March 2020
Balance with banks:		
On current accounts	**2,278**	2,033
Total cash and cash equivalent	**2,278**	2,033

9. Equity Share Capital

a. Share capital

Particulars	**31 March 2021 Shares**	31 March 2020 Shares	**31 March 2021 $'000**	31 March 2020 $'000
Ordinary Shares				
Fully Paid	**501,000**	501,000	**4,000**	4,000

All figures in $'000

b. Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have a $1 par value and the Company does not have a limited amount of authorised capital.

10. Other Equity

Particulars	**31 March 2021**	31 March 2020
Reserves and surplus		
Retained earnings	**830**	831
Total other equity	**830**	831
Retained earnings		
At April 1, 2019		**259**
Add: Net profit for the year		3,894
Add: Appropriations		
Dividends		(3,323)
At March 31, 2020		**830**
Add: Net loss for the year		-
Add: Appropriations		
Dividends		-
At March 31, 2021		**830**

11. Other financial liabilities

Particulars	**31 March 2021**	31 March 2020
Current		
Other payables and accruals	**288**	225
Total other current financial liabilities	**288**	225
Total other financial liabilities	**288**	225

12. Other Liabilities

Particulars	**31 March 2021**	31 March 2020
Other current liabilities		
Payable to related parties	**8,143**	9,151
Total other current liabilities	**8,143**	9,151
Total other liabilities	**8,143**	9,151

13. Other Expenses

Particulars	**31 March 2021**	31 March 2020
Training expenses	**-**	5
Administrative expenses:		
Travelling and conveyance	**13**	211
Postage and telephone	**7**	16
Machinery	**1**	-
Consulting fees	**161**	212
Legal and professional fees	**550**	485

All figures in $'000

Bank charges	**-**	2
Other administration and general expenses	**36**	99
Total	**769**	1,030

Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company:

Particulars	**31 March 2021 $**	31 March 2020 $
(a) PricewaterhouseCoopers Australia		
(i) Audit and other assurance services		
Audit and review of financial statements	**130,988**	206,210
Total remuneration for audit and other services	**130,988**	206,210
(ii) Taxation services		
Other services	**-**	55,794
Total remuneration for taxation services	**-**	55,794
Total remuneration of PricewaterhouseCoopers Australia	**130,988**	262,004

14. Other Income

Particulars	**31 March 2021**	31 March 2020
Interest income from banks	**-**	7
Dividends received	**1,675**	5,137
Total	**1,675**	5,144

15. Employee Benefits

Particulars	**31 March 2021**	31 March 2020
Salaries, wages and bonus	**865**	760
Contribution to provident and other funds	**38**	20
Staff welfare expenses	**2**	2
Total employee benefit expense	**905**	782

16. Finance Costs

Particulars	**31 March 2021**	31 March 2020
Interest and finance charges on financial liabilities not at fair value through profit or loss	**1**	2
Finance costs expenses in profit or loss	**1**	2

17. Events Occurring After the Reporting Date

No other matter or circumstance has occurred subsequent to reporting date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

As stated in note 2.1 to the financial statements, in the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared to meet *Corporations Act 2001* requirements.

The financial statements have been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in note 2.

In the directors' opinion:

(a) the financial statements and notes set out on pages 5 to 23 are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the Company's financial position as at 31 March 2021 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

RSinha

Rituraj Sinha
Director

Sydney
28 April 2021

Independent auditor's report

To the members of SIS Australia Holdings Pty Ltd

Our opinion

In our opinion:

The accompanying financial report of SIS Australia Holdings Pty Ltd (the Company) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 31 March 2021 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards to the extent described in Note 2 and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 March 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 2 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for SIS Australia Holdings Pty Ltd and its members and should not be used by parties other than SIS Australia Holdings Pty Ltd and its members. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 March 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

David Ronald

David Ronald
Partner

Sydney
28 April 2021