Financial Statements

SIS Henderson Holdings Pte. Ltd. and its subsidiaries

For the year ended 31 March 2021

Company information

Company registration number	201905888D
Registered office	8 Jalan Kilang Timor #04-13/14 Kewalram House Singapore 159305
Directors	Michael John Mckinnon Lim Tommy Uday Singh
Secretary	Lim Horng Ling
Bankers	DBS Bank Ltd United Overseas Bank Limited Oversea-Chinese Banking Corporation, Limited
Independent auditor	Grant Thornton Audit LLP 8 Marina View Asia Square Tower 1, #40-04/05 Singapore 018960

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Directors' statement
for the financial year ended 31 March 2021

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2021 and the financial position of the Company as at 31 March 2021.

Opinion of the directors
In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Directors
The directors of the Company in office at the date of this statement are as follows:

Michael John Mckinnon
Lim Tommy
Uday Singh

Arrangements to enable director to acquire shares or debentures
Neither at the end of nor at any time during the financial year was the Company nor any of its subsidiaries party to any arrangement of which the object was to enable the director to acquire benefits through the acquisition of shares in or debentures of the Company or of any other body corporate.

Director interest in shares or debentures
According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50, none of the directors who held office at the end of the financial year had any interests in shares of the Company and its related corporations except as follows:

	Holdings registered in name of director	
	At 1 April 2020	**At 31 March 2021**
The Company		
(No. of ordinary shares)		
Lim Tommy	**675,558**	**675,558**

Directors' statement (cont'd)
For the financial year ended 31 March 2021

Share options
No options to subscribe for unissued shares of the Company were granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option at the end of the financial year.

Auditor
The independent auditor, Grant Thornton Audit LLP, has expressed its willingness to accept reappointment.

On behalf of the Directors

....
MICHAEL JOHN MCKINNON

....
UDAY SINGH

Dated: 11 May 2021

Independent auditor's report to the members of SIS Henderson Holdings Pte. Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SIS Henderson Holdings Pte. Ltd. (the "Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and of the Company as at 31 March 2021, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended on that date, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial positions of the Group and the Company as at 31 March 2021, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Group and the statement of financial position of the Company for the year ended 31 March 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 27 April 2020.

Other Information

Management is responsible for the other information. Other information is defined as all information in the annual report other than the financial statements and our auditor's report thereon, which comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of SIS Henderson Holdings Pte. Ltd. (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the members of SIS Henderson Holdings Pte. Ltd. (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Grant Thornton Audit LLP

Grant Thornton Audit LLP
Public Accountants and Chartered Accountants

Singapore, 11 May 2021

Consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 March 2021

	Note	2021	2020
		$	$
Revenue	3	48,660,184	57,284,413
Other income	4	13,828,032	2,128,556
		62,488,216	59,412,969
Cost & expenses			
Employee benefits expense	5	(45,641,709)	(50,409,666)
Entertainment and refreshment		(213,358)	(304,242)
Insurance		(325,466)	(204,085)
Telephone expenses		(145,162)	(130,323)
Upkeep of motor vehicles		(128,052)	(138,578)
Uniforms		(37,175)	(47,027)
Other operating expenses	5	(854,292)	(1,390,478)
Profit from operations		15,143,002	6,788,570
Finance costs	5	(7,956)	(7,148)
Profit before taxation		15,135,046	6,781,422
Taxation	6	(770,272)	(1,181,528)
Profit for the year		14,364,774	5,599,894
Other comprehensive income		-	-
Total comprehensive income for the year		14,364,774	5,599,894

This statement should be read in conjunction with the notes in the financial statements.

Statement of financial position as at 31 March 2021

	Note	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
ASSETS					
Non-current assets					
Property, plant and equipment	7	618,090	655,500	-	-
Deferred tax assets	8	79,110	73,443	4,186	2,066
Investment in subsidiaries	9	-	-	18,666,515	18,666,515
Total non-current assets		697,200	728,943	18,670,701	18,668,581
Current assets					
Trade receivables	10	9,135,988	14,744,220	-	-
Other receivables, deposits and prepayments	11	1,565,553	267,266	115,785	118,014
Cash and cash equivalents	13	31,685,419	12,036,973	-	-
Income tax receivable		-	-	8,772	-
Total current assets		42,386,960	27,048,459	124,557	118,014
Total assets		43,084,160	27,777,402	18,795,258	18,786,595
EQUITY AND LIABILITIES					
Non-current liabilities					
Lease liabilities	16	104,155	114,914	-	-
Deferred tax liabilities	8	8,019	61,630	-	-
Total non-current liabilities		112,174	176,544	-	-
Current liabilities					
Trade payables	14	32,137	154,015	-	-
Other payables and accruals	15	5,191,876	4,054,153	24,626	12,150
Amount due to a subsidiary	12	-	-	37,383	13,112
Lease liabilities	16	229,414	167,432	-	-
Income tax payable		1,174,501	1,245,974	-	-
Total current liabilities		6,627,928	5,621,574	62,009	25,262
Total liabilities		6,740,102	5,798,118	62,009	25,262
Net assets		36,344,058	21,979,284	18,733,249	18,761,333
Equity					
Share capital	18	16,888,950	16,888,950	16,888,950	16,888,950
Retained earnings		19,455,108	5,090,334	1,844,299	1,872,383
Total equity		36,344,058	21,979,284	18,733,249	18,761,333
Total equity and liabilities		43,084,160	27,777,402	18,795,258	18,786,595

This statement should be read in conjunction with the notes in the financial statements.

Consolidated statement of changes in equity
for the financial year ended 31 March 2021

	Share capital $	Retained earnings / (Accumulated losses) $	Total $
Group			
At 1 April 2019	16,888,950	(506,964)	16,381,986
Effect of adopting FRS 116	-	(2,596)	(2,596)
At 1 April 2019 (restated)	16,888,950	(509,560)	16,379,390
Total comprehensive income for the year	-	5,599,894	5,599,894
At 31 March 2020	16,888,950	5,090,334	21,979,284
Total comprehensive income for the year	-	14,364,774	14,364,774
At 31 March 2021	16,888,950	19,455,108	36,344,058

Consolidated statement of cash flows
for the financial year ended 31 March 2021

	Note	2021	2020
		$	$
Cash flows from operating activities			
Profit before tax		15,135,046	6,781,422
Adjustments for:			
Depreciation	7	322,373	521,711
Interest expense	5	7,956	7,148
Interest income	4	(1,059)	(2,540)
(Reversal of provision)/provision for impairment of trade receivables	10	(40,389)	42,036
Operating cash flows before working capital changes		15,423,927	7,349,777
Changes in working capital:			
Trade receivables		5,648,621	(305,974)
Other receivables, deposits and prepayments		(1,298,287)	(10,850)
Trade payables		(121,878)	62,800
Other payables and accruals		1,137,723	(2,122,477)
Cash generated from operations		20,790,106	4,973,276
Income tax paid		(901,023)	(1,202,909)
Net cash generated from operating activities		19,889,083	3,770,367
Cash flows from investing activities			
Purchase of property, plant and equipment		(59,495)	(384,597)
Net cash used in investing activities		(59,495)	(384,597)
Cash flows from financing activities			
Repayment of obligation under finance lease		-	185,304
Payment of principal portion of lease liabilities		(174,245)	-
Interest received		1,059	2,540
Interest paid	17	(7,956)	(7,148)
Pledged deposits with bank	13	123,149	55,455
Net cash (used in)/generated from financing activities		(57,993)	236,151
Net increase in cash and cash equivalents		19,771,595	3,621,921
Cash and cash equivalents at beginning of year		11,851,363	8,229,442
Cash and cash equivalents at end of year	13	31,622,958	11,851,363

Notes to the financial statements

1 General

SIS Henderson Holdings Pte. Ltd. ("the Company") is a private limited liability company incorporated and domiciled in Singapore.

The registered office of the Company is located at 8 Jalan Kilang Timor, #04-13/14 Kewalram House, Singapore 159305. The immediate holding company is SIS Group International Holdings Pty. Ltd. which is incorporated in Australia and ultimate holding company is SIS Limited (formerly known as Security and Intelligence Services (India) Limited), which is incorporated in India.

The principal activities of the Company are that of investment holding. The principal activities of its subsidiaries are the provision of security services, and installation of fire protection and security alarm systems.

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The Group's consolidated financial statements are presented in Singapore dollar (SGD), which is also the Company and its subsidiaries' functional currency.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.5.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.3 Standards issued but not yet effective

The following are the new or amended Standards and Interpretations that are not yet applicable, but may be early adopted for the current financial year.

Description	**Effective date (Annual periods beginning on or after)**
Amendment to FRS 116 *Leases*: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to FRS 16 *Property, Plant and Equipment*: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Summary of significant accounting policies

Currency translation

Transactions and balances
Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

2.4 Summary of significant accounting policies (cont'd)

Basis of consolidation

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives
Leasehold buildings	Over the lease period ranging from 1 to 2 years
Motor vehicles	5 to 10 years
Office equipment	3 years
Security equipment	3 years
Renovation	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate in circumstances indicate that the carrying value may not be recoverable.

2.4 Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.

Financial assets

Initial recognition and measurement
Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2.4 Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL. The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 Summary of significant accounting policies (cont'd)

Impairment of financial assets (cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a "lifetime ECL").

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Investments in subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, 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.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.4 Summary of significant accounting policies (cont'd)

Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

Employee benefits

<u>Defined contribution plan</u>
The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

<u>Short-term employee benefits</u>
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

<u>Employee leave entitlement</u>
Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability is recognised for services rendered by employees up to the balance sheet date.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>As a lessee</u>
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

2.4 Summary of significant accounting policies (cont'd)

Leases(cont'd)

As a lessee (cont'd)
Right-of-use assets (cont'd)
If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed above (see Impairment of non-financial assets).

The Group's right-of-use assets are presented within property, plant and equipment (Note 7).

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2.4 Summary of significant accounting policies (cont'd)

Revenue (cont'd)

Rendering of services
The Group renders security services and other support activities like management and maintenance of land, buildings and other properties. Revenue from the provision of package services is recognised upon completion of the series of distinct services rendered over time. The measure of progress is based on the number of a sessions utilised as a percentage of the total sessions sold in a package.

Interest income
Interest income is recognised on accrual basis (using effective interest method).

Taxes

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or 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; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where 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 unused tax losses, 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:

- Where 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; and
- 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.

2.4 Summary of significant accounting policies (cont'd)

Taxes (cont'd)

Deferred tax (cont'd)
The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit 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 end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Sales tax
Revenues, expenses and assets are recognised net of the amount of sales tax except:
- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Related parties

A related party is defined as follows:
(a) A person or a close member of that person's family is related to the Company if that person:
   i. has control or joint control over the Company;
   ii. has significant influence over the Company; or
   iii. is a member of the key management personnel of the Company or of a parent of the Company
(b) An entity is related to the Company if any of the following conditions applies:
   i. the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the other);
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. both entities are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
   vi. the entity is controlled or jointly controlled by a person identified in (a);
   vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

2.4 Summary of significant accounting policies (cont'd)

Related parties (cont'd)

viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company

2.5 Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

Lease term of contracts with extension options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend. As at 31 March 2021, potential future (undiscounted) cash outflows of approximately $204,000 (2020: $114,000) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 21(a).

2.5 Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

Provision for expected credit losses of trade receivables (cont'd)
As at 31 March 2021, the carrying amounts of the Group's trade receivables was $9,135,988 (2020: $14,744,220) and the allowance for impairment on trade receivables was $214 (2020: $40,603).

3 Revenue

Disaggregation of revenue

	2021 $	2020 $
Security services	39,677,947	44,670,727
Facility management services	5,074,956	8,421,878
Other services	3,907,281	4,191,808
	48,660,184	57,284,413

All revenues are recognised over time.

Contract balances

	31 March 2021 $	31 March 2020 $	1 April 2020 $
Trade receivables (Note 10)	9,135,988	14,744,220	14,477,304

Transaction price allocated to remaining performance obligations

The Group has applied the practical expedient not to disclose information about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration for one year or less, or the Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

At the reporting date, all the Group's unsatisfied (or partially satisfied) performance obligations meets the criteria described above. Consequently, the aggregate amount of transaction price allocated to these performance obligations and when the Group expects to recognise these as revenue has not been disclosed.

4 Other income

	2021 $	2020 $
Special Employment Credit	951,598	985,655
Wages Credit Scheme	1,057,530	678,391
Inclusive Growth Programme (“IGP”) grant	-	275,000
Skills Development Fund (“SDF”) grant	33,407	186,628
Job Support Scheme	10,405,772	-
Jobs Growth Incentive	281,013	-
Interest income	1059	2,540
Foreign worker levy rebates	1,017,690	-
Others	79,963	342
	13,828,032	2,128,556

Government grant income of $10,405,772 was recognised during the financial year under the Jobs Support Scheme (the “JSS”). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

5 Profit before taxation

	2021 $	2020 $
Employee benefit expenses		
Course and training fees	44,345	320,847
Employer’s CPF and contribution	4,260,890	4,427,678
Directors’ remuneration (including CPF)	312,240	315,867
Foreign worker levy	1,492,474	2,530,127
Medical expenses	52,576	39,631
Staff salaries	39,322,840	42,666,607
Staff benefits	156,344	108,909
	45,641,709	50,409,666
Operating expenses		
(Reversal of impairment loss) / impairment loss on trade receivables	(40,389)	42,035
Purchases of stock-in-trade	32,494	295,375
Depreciation	322,373	521,711
Lease expense (Note 17)	146,279	269,123
Others	393,535	262,234
	854,292	1,390,478
Finance costs		
Interest on lease liabilities	7,956	7,148
	7,956	7,148

6 Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial year ended 31 March was:

	2021	2020
	$	$
Current income tax:		
- Current taxation	829,550	1,168,554
- Under provision in respect of prior years	-	-
	829,550	1,168,554
Deferred income tax:		
- Origination and reversal of temporary differences	(59,278)	12,974
- Under provision in respect of previous period	-	-
	(59,278)	12,974
Income tax recognised in profit or loss	770,272	1,181,528

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the application corporate tax rate are as follows:

	2021	2020
	$	$
Profit before tax	15,135,046	6,781,422
Taxation at statutory tax rate of 17% (2020: 17%)	2,572,958	1,152,842
Tax exemptions	(34,850)	-
Non-deductible expenses	61,559	28,686
Income not subject to taxation	(1,768,981)	-
Deferred tax	(55,432)	-
Others	(4,982)	-
	770,272	1,181,528

7 Property, plant and equipment

	Leasehold buildings	Motor vehicle	Office equipment	Security equipment	Renovation	Total
	$	$	$	$	$	$
Group						
Cost						
At 1 April 2019	-	1,020,010	575,315	1,071,583	759,900	3,426,808
Effect of adopting FRS 116	43,947	-	-	-	-	43,947
At 1 April 2019 (restated)	43,947	1,020,010	575,315	1,071,583	759,900	3,470,755
Additions	43,947	-	32,392	304,893	3,365	384,597
At 31 March 2020	87,894	1,020,010	607,707	1,376,476	763,265	3,855,352
Additions	225,468	-	11,025	48,470	-	284,963
At 31 March 2021	313,362	1,020,010	618,732	1,424,946	763,265	4,140,315
Accumulated depreciation and impairment						
At 1 April 2019	-	610,176	538,966	904,131	612,661	2,665,934
Effect of adopting FRS 116	12,207	-	-	-	-	12,207
At 1 April 2019 (restated)	12,207	610,176	538,966	904,131	612,661	2,678,141
Depreciation charge for the year	18,311	149,305	28,261	183,957	141,877	521,711
At 31 March 2020	30,518	759,481	567,227	1,088,088	754,538	3,199,852
Depreciation charge for the year	21,569	114,861	22,324	158,548	5,071	322,373
At 31 March 2021	52,087	874,342	589,551	1,246,636	759,609	3,522,225
Net carrying value						
At 31 March 2020	57,376	260,529	40,480	288,388	8,727	655,500
At 31 March 2021	261,275	145,668	29,181	178,310	3,656	618,090

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17(a).

8 Deferred tax

(a) Deferred tax assets

Deferred tax assets as at 31 March relates to the following:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Excess of tax written down values over net book values of other provisions:				
- Accrual and others	11,496	2,066	4,186	2,066
- Allowance for doubtful debts	10,672	20,835	-	-
- Employee benefit	56,942	50,542	-	-
	79,110	73,443	4,186	2,066

(b) Deferred tax liabilities

Deferred tax liabilities as at 31 March relates to the following:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Excess of net book values over tax written down values of plant and equipment	8,019	61,630	-	-

(c) Movement in deferred tax

	Group	
	2021	2020
	$	$
Deferred tax asset	79,110	73,443
Deferred tax liability	(8,019)	(61,630)
Net deferred tax asset	71,091	11,813

The movement in the net deferred income tax account is as follows:

	Group	
	2021	2020
	$	$
At 1 April	11,813	24,787
Recognised in profit or loss	59,278	(12,974)
At 31 March	71,091	11,813

9 Investments in subsidiaries

	2021 $	2020 $
Unquoted shares at cost	18,666,515	18,666,515

At the reporting dates presented, no impairment loss has been recognised against the Company's investments in subsidiaries as there is no indication of impairment loss.

Name of company (Country of incorporation)	Principle activities (Place of business)	Cost		Percentage of equity held	
		2021 $	2020 $	2021 %	2020 %
Henderson Security Services Pte. Ltd. (Singapore) *	Providing security services and other support activities necessary, like management and maintenance of land, buildings, and other properties (Singapore)	**16,347,505**	16,347,505	**100**	100
Henderson Technologies Pte. Ltd. (Singapore) *	Installation of fire protection and security alarm systems (Singapore)	**2,319,010**	2,319,010	**100**	100
		18,666,515	18,666,515	**100**	100

* Audited by Grant Thornton Audit LLP

10 Trade receivables

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Trade receivables – third parties	9,136,202	14,784,823	-	-
Less: Allowance for expected credit losses	(214)	(40,603)	-	-
	9,135,988	14,744,220	-	-

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2020: 30 to 60 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Movement in allowance account				
Balance at beginning of the year	40,603	2,978	-	-
(Reversal of provision) / provision made for expected credit losses	(40,389)	42,036	-	-
Write off	-	(4,411)	-	-
Balance at end of the year	214	40,603	-	-

Trade receivables are denominated in Singapore dollar.

11 Other receivables, deposits and prepayments

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Prepayments	50,447	48,886	-	-
Deposits	89,435	93,055	-	-
Other receivables	24,886	9,540	-	2,229
Amounts due from shareholders	115,785	115,785	115,785	115,785
Government grant receivable (Note 4)	1,285,000	-	-	-
	1,565,553	267,266	115,785	118,014

Amounts due from shareholders are non-trade in nature, unsecured, interest-free and repayable on demand.

12 Amount due to a subsidiary

The amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

13 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Cash at bank	31,622,958	11,465,673	-	-
Deposit pledge with bank*	62,461	185,610	-	-
Fixed deposit	-	385,690	-	-
	31,685,419	12,036,973	-	-

*Pledge as security against guarantees issued by bank.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2021	2020
	$	$
Group		
Cash and cash equivalents (as above)	31,685,419	12,036,973
Less: Pledged deposits	(62,461)	(185,610)
Cash and cash equivalents per statement of cash flows	31,622,958	11,851,363

14 Trade payables

	Group 2021	Group 2020	Company 2021	Company 2020
	$	$	$	$
Trade payable – third parties	32,137	154,015	-	-

Trade payables are normally settled on 30 to 60 days (2020: 30 to 60 days) terms.

15 Other payables and accruals

	Group 2021	Group 2020	Company 2021	Company 2020
	$	$	$	$
Accruals	2,856,712	3,064,574	24,626	12,150
Deferred government grant income	1,620,406	-		
GST payables	714,758	989,579	-	-
	5,191,876	4,054,153	24,626	12,150

Other payables are non-interest bearing and are normally settled on 30 to 60 days (2020: 30 to 60 days) terms.

16 Lease liabilities

	Group 2021	Group 2020
	$	$
Current	229,414	167,432
Non-current	104,155	114,914
	333,569	282,346

A reconciliation of liabilities arising from financing activities is as follows:

	1 April	Principal and interest payments	Non-cash changes: Adoption of FRS 116	Non-cash changes: Addition – new leases	Non-cash changes: Interest expense	31 March
	$	$	$	$	$	$
Group						
2021						
Lease liabilities	282,346	(182,201)	-	225,468	7,956	333,569
2020						
Obligations under finance leases	97,042	-	(97,042)	-	-	-
Lease liabilities	-	(117,061)	131,377	260,882	7,148	282,346
	97,042	(117,061)	34,335	260,882	7,148	282,346

17 Leases

Group as a lessee

The Group has lease contracts for leasehold buildings and security equipment. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of apartment for staff accommodation with lease terms of 12 months or less and leases of motor vehicles with low value. The group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold buildings	Security equipment	Total
	$	$	$
Group			
At 1 April 2019	75,687	216,935	292,622
Depreciation	(18,311)	(27,117)	(45,428)
At 31 March 2020	57,376	189,818	247,194
Additions	225,468	-	225,468
Depreciation	(21,569)	(108,468)	(130,037)
At 31 March 2021	261,275	81,350	342,625

(b) Amounts recognised in profit or loss

	2021	2020
	$	$
Group		
Depreciation of right-of-use assets	130,037	45,428
Interest expense on lease liabilities (Note 5)	7,956	7,148
Lease expenses not capitalised in lease liabilities:		
- Expense relating to short-term leases	146,279	268,933
- Expense relating to leases of low-value assets (included in other operating expenses)	-	190
Total (Note 5)	146,279	269,123
Total amount recognises in profit or loss	284,272	321,699

(c) Total cash outflow

The Group had total cash outflows for leases of $328,479 in 2021 (2020: $386,184).

(d) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 2.5).

18 Share capital

	Group and Company 2021 $	Group and Company 2020 $
Issued and fully paid:		
At 31 March		
1,688,895 (2020: 1,688,895) ordinary shares	16,888,950	16,888,950

The holder of ordinary share is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

19 Related party transactions

In addition to those related party information disclosed elsewhere in the financial statements, the Group had the following transactions with related parties, on terms agreed between the respective parties:

Compensation of key management personnel

	2021	2020
Salaries and bonuses	300,000	303,100
Employer's contribution to Central Provident Fund	12,240	12,767
Other benefits	-	-
	312,240	315,867

20 Financial instruments

(a) Classification of financial instruments

	Note	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Financial assets at amortised cost					
Trade receivables	10	9,135,988	14,744,220	-	-
Other receivables, deposits and prepayments[(1)]	11	230,106	218,380	115,785	118,014
Cash and cash equivalents	13	31,685,419	12,036,973	-	-
		41,051,513	26,999,573	115,785	118,014
Financial liabilities at amortised cost					
Trade payables	14	32,137	154,015	-	-
Other payables and accruals[(2)]	15	2,856,712	3,064,574	24,626	12,150
Amount due to a subsidiary	12	-	-	37,383	13,112
Lease liabilities[(3)]	16	333,569	282,346	-	-
		3,222,418	3,500,935	62,009	25,262

(1) Excludes prepayments and government grant receivable.
(2) Excludes GST payables and deferred government grant.
(3) Lease liabilities are financial instruments although they are outside the scope of certain parts of FRS 107 and FRS 109. Lease liabilities are within the scope for FRS 107 disclosure (except for disclosure of fair value), and within the scope of FRS 109 derecognition.

20 Financial instruments (cont'd)

(b) Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amounts of trade receivables, other receivables, deposits, amount due from a subsidiary, cash and cash equivalents, trade payables, other payables and accruals, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

21 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

The following sections provide details regarding the Groups' exposure to the above- mentioned financial risks and the objectives, policies, and processes for the management of these risks. There has been no significant change to the Group's exposure to these financial risks or the manner in which it manages and measures risk.

(a) Credit risk

Risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Groups' exposure to credit risk arises primarily from trade and other receivables.

For other financial assets, the Groups minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficult of the counterparty.

To minimise credit risk, the Group has developed and maintained the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Groups' own trading records to rate its major customer and other debtors.

21 Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Risk management (cont'd)
The group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic condition that are expected to cause a significant change to the debtor's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the debtor.
- Significant increase in credit risk on other financial instruments of the same debtor
- Significant changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making contractual payment.

The Group is determined that its financial assets are credit impaired when:
- There is a significant difficult of the debtor.
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assts recognised in the balance sheet. There were no significant concentrations of credit risk due to the Group's varied customers.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	There is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

21 Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Impairment of financial assets

The table below details the credit quality of the Group and the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Credit rating category	12-month of lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			$	$	$
Group					
31 March 2021					
Trade receivables – third parties	Note 1	Lifetime ECL (simplified)	9,136,202	(214)	9,135,988
Other receivables and deposits	Performing	12-month ECL	230,106	-	230,106
Cash and cash equivalents	Performing	12-month ECL	31,685,419	-	31,685,419
			41,051,727	(214)	41,051,513
31 March 2020					
Trade receivables – third parties	Note 1	Lifetime ECL (simplified)	14,784,823	(40,603)	14,744,220
Other receivables and deposits	Performing	12-month ECL	218,380	-	218,380
Cash and cash equivalents	Performing	12-month ECL	12,036,973	-	12,036,973
			27,040,176	(40,603)	26,999,573
Company					
31 March 2021					
Other receivables and deposits	Performing	12-month ECL	115,785	-	115,785
			115,785	-	115,785
31 March 2020					
Other receivables and deposits	Performing	12-month ECL	118,014	-	118,014
			118,014	-	118,014

Trade receivables (Note 1)

The Group has applied the simplified approach to provide for impairment for ECLs prescribed by FRS 109, which permits the use of the lifetime expected loss provision for impairment of all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward looking information.

Other receivables and deposits

Other financial assets measured at amortised cost includes other receivables and deposits, which are short-term in nature. Impairment on other receivables and deposits has been measured on the 12-month expected loss basis and reflects the short maturities of exposures. The Group considers its receivables to have low credit risk and the amounting allowance on other receivables and deposits to be insignificant.

21 Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Impairment of financial assets (cont'd)
Cash and cash equivalents
Cash and cash equivalents comprise of cash at banks, deposits pledged and fixed deposits. These are held with banks and financial institution counterparties which are rated at least A, based on Standard & Poor's ratings.

The Group considers that its cash and cash equivalents has low credit risk based on the external credit ratings of the counterparties. No impairment allowance has been recorded for this balance.

(b) Liquidity risk

Liquidity risk is the risk that Group will encounter difficulty in meeting financial obligations due to shortage of funds. Liquidity risk arises in the general funding of the Group's business activities. It includes the risks of not being able to fund business activities at settlement dates and liquidate positions in a timely manner at a reasonable price.

The management manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's business operations and development activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	On demand or within 1 year	1 – 5 years	>5 years	Total
	$	$	$	$
Group				
At 31 March 2021				
Trade payables	32,137	-	-	32,137
Other payables and accruals	2,856,712	-	-	2,856,712
Lease liabilities	236,700	110,800	-	347,500
	3,125,549	110,800	-	3,236,349
At 31 March 2020				
Trade payables	154,015	-	-	154,015
Other payables and accruals	3,064,574	-	-	3,064,574
Lease liabilities	180,076	117,700	-	297,776
	3,398,665	117,700	-	3,516,365

21 Financial risk management objectives and policies (cont'd)

(b) Liquidity risk

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within 1 year	1 – 5 years	>5 years	Total
	$	$	$	$
Company				
At 31 March 2021				
Other payables and accruals	24,626	-	-	24,626
Amount due to a subsidiary	37,383	-	-	37,383
Total undiscounted financial liabilities	62,009	-	-	62,009
At 31 March 2020				
Other payables and accruals	12,150	-	-	12,150
Amount due to a subsidiary	13,112	-	-	13,112
Total undiscounted financial liabilities	25,262	-	-	25,262

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Company does not hold any financial instruments that are exposed to significant market risk at the reporting dates presented.

22 Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate amount of capital in order to support its business and maximise shareholder value. The capital managed is defined as the total equity and liabilities of the Group.

The Group manages its capital structure and makes adjustments to it, in light changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the return to shareholders, funding through financial support of shareholders or obtain credit facilities from the financial institutions. No changes were made in objectives, policies or processes during the financial year ended 31 March 2020 and 31 March 2021.

23 Comparative figures

The comparative financial information of the Group and the Company for the financial year ended 31 March 2020 were audited by another firm of auditors.

24 Authorisation of financial statements for issue

The financial statements for the period ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 11 May 2021.