

Platform 4 Group Limited

Consolidated Financial Statements
For the year ended
31 March 2022

Platform 4 Group Limited
Table of Contents
For the year ended 31 March 2022

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

Platform 4 Group Limited

Compilation report

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Independent Auditor's Report

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To the Shareholder of Platform 4 Group Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Platform 4 Group Limited (the "Company") and its controlled entities (the "Group") on pages 5 to 33 which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2022 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)") issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Directors' Responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of these consolidated financial statements in accordance with NZ IFRS RDR, and for such internal control as those charged with governance determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Restriction on use of our report

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state to the Company's shareholder, those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its shareholder for our audit work, for this report or for the opinion we have formed.

Grant Thornton

Grant Thornton New Zealand Audit Limited

Auckland

27 April 2022

**Platform 4 Group Limited
Directors' Report
For the year ended 31 March 2022**

Directors' Report

The board of Directors present their annual report, including consolidated financial statements, of the Group for the year ended 31 March 2022.

Directors

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

Devesh Desai
Michael John McKinnon
Aaron Mark Colthurst (ceased 25 November 2021)

Information

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

Principal Activities

The principal activities of the Group during the year were security services. There have been no significant changes in the nature of these activities during the year ended 31 March 2022.

Significant Changes in the State of Affairs

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

Shareholding

	Total Shares
SIS Australia Group Pty Ltd	119
	<hr/> 119

Platform 4 Group Limited
Directors' Report
For the year ended 31 March 2022

Directors' Report

Shares Options and Dividends Paid

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

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


Approval

The Directors present the annual report of Platform 4 Group Limited, incorporating the financial consolidated statements for the year ended 31 March 2022.

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

For and on behalf of the Directors who authorise these consolidated financial statements on pages 4 to 33 on 27 April 2022.

Signed in accordance with a resolution of the Directors.



Devesh Desai



Michael John McKinnon

Platform 4 Group Limited
Consolidated Statement of Profit or Loss and Other Comprehensive
Income
For the year ended 31 March 2022

	Notes	2022 \$	2021 \$
Revenue	3.1	28,174,689	26,198,592
Other Income	3.4	-	1,938,261
Employee Benefits Expense	3.2	(21,194,907)	(18,321,372)
Other Expenses	3.3	(5,318,374)	(4,769,978)
		<u>1,661,408</u>	<u>5,045,503</u>
Net Finance Expense	4	(638,672)	(678,762)
Profit Before Income Tax		<u>1,022,736</u>	<u>4,366,741</u>
Income Tax	5	(247,422)	(1,357,168)
Net Profit After Tax		<u>775,314</u>	<u>3,009,573</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u><u>775,314</u></u>	<u><u>3,009,573</u></u>

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

Platform 4 Group Limited
Consolidated Statement of Financial Position
As at 31 March 2022

	Notes	2022	2021
		\$	\$
Assets			
Current Assets			
Cash and Cash Equivalents	6	1,859,184	2,691,793
Trade and Other Receivables	7	4,206,044	3,262,595
Inventories		3,862	10,785
		6,069,090	5,965,173
Non-Current Assets			
Property, Plant and Equipment	10	1,518,142	1,374,103
Intangible Assets	9	8,674,139	8,946,597
		10,192,281	10,320,700
Total Assets		16,261,371	16,285,873
Liabilities			
Current Liabilities			
Bank Overdraft	6	-	245
Trade and Other Payables	8	3,265,813	3,105,552
Income Tax Payable		262,153	1,364,479
Lease Liability	16	285,529	188,907
Interest Bearing Loans and Borrowings	11	7,930,672	7,976,008
		11,744,167	12,635,191

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

Platform 4 Group Limited
Consolidated Statement of Financial Position
As at 31 March 2022

	Notes	2022 \$	2021 \$
Non-Current Liabilities			
Lease Liability	16	706,595	474,136
Deferred Tax Liabilities	5	529,732	661,037
Interest Bearing Loans and Borrowings	11	-	9,946
		<u>1,236,327</u>	<u>1,145,119</u>
Total Liabilities		<u>12,980,494</u>	<u>13,780,310</u>
Net Assets		<u>3,280,877</u>	<u>2,505,563</u>
Equity			
Issued Capital	14	404,203	404,203
Retained Earnings		2,876,674	2,101,360
Total Equity		<u>3,280,877</u>	<u>2,505,563</u>

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

Platform 4 Group Limited
Consolidated Statement of Changes in Equity
For the year ended 31 March 2022

	Notes	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1 April 2020		404,203	(908,213)	(504,010)
Net Profit After Tax		-	3,009,573	3,009,573
Other Comprehensive Income		-	-	-
Balance at 31 March 2021		<u>404,203</u>	<u>2,101,360</u>	<u>2,505,563</u>
Net Profit After Tax		-	775,314	775,314
Other Comprehensive Income		-	-	-
Balance at 31 March 2022		<u><u>404,203</u></u>	<u><u>2,876,674</u></u>	<u><u>3,280,877</u></u>

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

Platform 4 Group Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2022

	Notes	2022	2021
		\$	\$
Operating Activities			
Receipts from Customers		31,457,443	28,167,115
Payments to Suppliers and Employees		(26,098,221)	(19,550,191)
Income Tax Paid		(1,502,795)	(259,430)
Other Taxes Payable		<u>(3,561,605)</u>	<u>(3,331,162)</u>
Net Cash from Operating Activities		<u>294,822</u>	<u>5,026,332</u>
Investing Activities			
Purchase of Property, Plant and Equipment		(121,200)	(263,037)
Proceeds from Sale Plant and Equipment		71,184	8,378
Business Combination		(80,000)	(634,595)
Interest Received		<u>1,040</u>	<u>1,363</u>
Net Cash used in Investing Activities		<u>(128,976)</u>	<u>(887,891)</u>
Financing Activities			
Proceeds from/(Payments to) Loans		(55,282)	(712,380)
Payments for Lease Liability - Principal Portion		(303,216)	(205,143)
Interest Paid		<u>(639,712)</u>	<u>(680,125)</u>
Net Cash Flows used in Financing Activities		<u>(998,210)</u>	<u>(1,597,648)</u>
Net Change in Cash and Cash Equivalents		(832,364)	2,540,793
Cash and Cash Equivalents at the Beginning of the Financial Year		<u>2,691,548</u>	<u>150,755</u>
Cash and Cash Equivalents at the End of the Financial Year		<u><u>1,859,184</u></u>	<u><u>2,691,548</u></u>

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

Platform 4 Group Limited
Notes to the Financial Consolidated Statements
For the year ended 31 March 2022

1 General Information and Statement of Compliance

Platform 4 Group Limited is a profit orientated entity.

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

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

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

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

Changes in Accounting Policies and Disclosures

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

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ("NZ IFRS RDR").

The Group has elected to report under NZ IFRS – Reduced Disclosure Regime of the External Reporting Board as the Group is a For-Profit Tier 2 entity for financial reporting purposes on the basis that it does not have public accountability and is not a large for-profit public sector entity.

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 2013. They have been prepared under the assumption that the Group operates as a going concern.

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

The financial report of Platform 4 Group Limited for the year ended 31 March 2022 was authorised for issue in accordance with a resolution of the directors on 27 April 2022.

Platform 4 Group Limited
Notes to the Financial Consolidated Statements
For the year ended 31 March 2022

1 General Information and Statement of Compliance

Basis of Consolidation

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

All subsidiaries have a reporting date of 31 March.

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

Business Combinations

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

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

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Overall Considerations

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

Operating Expenses

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

Goodwill

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

Intangible Assets

Acquired Intangible Assets

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

Subsequent Measurement

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

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

- Customer Relationships 10 years

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Property, Plant and Equipment

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

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

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

- Plant & Equipment	10%-67%
- Motor Vehicles	30%

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

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

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

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Impairment Testing

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

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

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements.

Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Leased Assets

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

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

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

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

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

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Income Taxes

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

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

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

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

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

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

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Cash and Cash Equivalents

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

Equity, Reserves and Dividend Payments

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

Retained earnings include all current and prior period retained profits.

Employee Benefits

Short-term Employee Benefits

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

Goods and Services Tax ("GST")

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

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

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Significant Management Judgement in Applying Accounting Policies and Estimation Uncertainty

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

Significant Management Judgement

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

Estimation Uncertainty

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

Impairment of non financial assets or goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. For Goodwill recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Business Combinations

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Revenue Recognition

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

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

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

Security service revenue

The Group enters into agreements with customers to provide security services being guarding, patrols and alarm monitoring in exchange for a fixed fee and recognises the related revenue over time. Each of the services is covered by a separate contract and therefore each is accounted for as separate performance obligations.

The Group measures its progress towards complete satisfaction of the performance obligations by reviewing the stage of completion of the services being offered. This basis provides the most accurate depiction of the transfer of services to each customer.

If payments are received from customers in advance or exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Financial Instruments

Recognition and Derecognition

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

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

Classification and Initial Measurement of Financial Assets

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

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

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

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

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Summary of Significant Accounting Policies

Financial Instruments

Impairment of Financial Assets

The Group makes use of a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance as lifetime expected credit losses.

These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. Historical experience, external indicators and forward-looking information are used to calculate the expected credit losses using a provision matrix.

Classification and Initial Measurement of Financial Liabilities

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

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are included within finance costs or finance income.

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

	2022	2021
	\$	\$
3 Revenue and Expenses		
3.1 Revenue		
Alarm Revenue	2,237,542	2,611,869
Guarding Revenue	22,237,675	21,228,224
Patrols Revenue	3,699,472	2,358,499
Total Revenue	<u>28,174,689</u>	<u>26,198,592</u>
3.2 Employee Benefits Expense		
Salaries and Wages	20,856,195	18,115,314
Defined Contribution Plan Expense	338,712	206,058
Total Employee Benefits Expense	<u>21,194,907</u>	<u>18,321,372</u>
3.3 Other Expenses include the following:		
Motor Vehicle	467,665	330,056
Subcontractors	386,029	378,416
Travel & Accommodation	81,861	140,868
3.4 Other Income		
Profit on Sale of Fixed Assets	-	305
Wage Subsidy	-	1,936,795
Other Income	-	1,161
Total Other Income	<u>-</u>	<u>1,938,261</u>
4 Net Finance Expense		
Interest Expenses for Borrowings	(595,922)	(639,642)
Interest Expenses for Lease Liability	(43,790)	(40,483)
Interest Income from Cash and Cash Equivalents	1,040	1,363
Total Net Finance Expense	<u>(638,672)</u>	<u>(678,762)</u>

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

	2022	2021
	\$	\$
5 Income Tax		
Tax Expense		
Profit Before Income Tax	1,022,736	4,366,741
Domestic Tax Rate (28%)	<u>28%</u>	<u>28%</u>
Expected Tax Expense	286,366	1,222,687
Non-deductible Expenses	15,640	134,480
Prior Period Adjustment	(54,584)	-
Actual Income Tax Expense	<u>247,422</u>	<u>1,357,167</u>
Income Tax Expense is Represented by:		
Current Tax	531,913	1,494,611
Deferred Tax	<u>(284,491)</u>	<u>(137,444)</u>
	247,422	1,357,167
Deferred Tax Asset		
The Balance Comprises Temporary Differences Attributable to:		
Expected Credit Losses	9,894	7,930
Holiday Pay Accrual	322,297	277,941
Accrued Bonuses	-	15,206
Leases	(7,856)	-
General Accruals	24,576	18,972
Customer Relationships	(878,643)	(959,171)
Loss to Carry Forward	-	(21,915)
	<u>(529,732)</u>	<u>(661,037)</u>
Deferred Tax Reconciliation		
Opening Balance	(661,037)	(786,356)
Prior Period Adjustment	(131,444)	-
Recognised in the Profit or Loss	284,491	137,444
Business Combination	(21,742)	(12,125)
	<u>(529,732)</u>	<u>(661,037)</u>

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

	2022	2021
	\$	\$
6 Cash and Cash Equivalents		
Cash at Bank	1,859,184	2,691,793
Bank Overdraft	-	(245)
Total Cash and Cash Equivalents	1,859,184	2,691,548

The group has no overdraft facility at the end of the year (2021: \$100,000)

7 Trade and Other Receivables		
Trade Receivables	3,777,012	2,482,234
Other Receivables	464,368	808,681
Less: Allowance for Expected Credit Losses	(35,336)	(28,320)
Total Trade Receivables	4,206,044	3,262,595

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

8 Trade and Other Payables		
Trade Payables	114,113	566,336
Other Payables and Accruals	325,904	222,067
Other Taxes Payable	843,713	688,735
Employee Entitlements	1,982,083	1,628,414
Total Trade and Other Payables	3,265,813	3,105,552

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

9 Intangible Assets

	Goodwill	Customer Relationships	Total
	\$	\$	\$
Year ended 31 March 2022			
Opening Balance	5,520,987	3,931,750	9,452,737
Additions through Business Combination	15,141	77,651	92,792
Total Intangible Assets at Cost	<u>5,536,128</u>	<u>4,009,401</u>	<u>9,545,529</u>
Accumulated Amortisation			
Opening Balance	-	506,140	506,140
Amortisation Expense	-	365,250	365,250
Total Accumulated Amortisation	<u>-</u>	<u>871,390</u>	<u>871,390</u>
Summary			
Net Carrying Amount at 31 March 2021	<u>5,520,987</u>	<u>3,425,610</u>	<u>8,946,597</u>
Net Carrying Amount at 31 March 2022	<u>5,536,128</u>	<u>3,138,011</u>	<u>8,674,139</u>

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

10 **Property, Plant and Equipment**

	Right of Use Asset - Buildings \$	Right of Use Asset - Motor Vehicles \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 March 2022					
Opening Balance	671,123	450,276	684,976	632,693	2,439,068
Additions	155,829	476,468	86,214	34,986	753,497
Additions Through Business Combination	-	-	-	8,950	8,950
Disposals	-	(123,724)	-	(128,490)	(252,214)
Total Property, Plant and Equipment at Cost	<u>826,952</u>	<u>803,020</u>	<u>771,190</u>	<u>548,139</u>	<u>2,949,301</u>
Accumulated Depreciation					
Opening Balance	258,329	218,808	376,828	211,000	1,064,965
Disposals	-	(98,966)	-	(40,519)	(139,485)
Depreciation Expense	146,723	128,278	131,668	99,010	505,679
Total Accumulated Depreciation	<u>405,052</u>	<u>248,120</u>	<u>508,496</u>	<u>269,491</u>	<u>1,431,159</u>
Summary					
Net Carrying Amount at 31 March 2021	412,794	231,468	308,148	421,693	1,374,103
Net Carrying Amount at 31 March 2022	<u>421,900</u>	<u>554,900</u>	<u>262,694</u>	<u>278,648</u>	<u>1,518,142</u>

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

11	Interest Bearing Loans and Borrowings	2022	2021
		\$	\$
	Current		
	Secured Bank Loan	71,791	116,008
	Amounts Due to Related Parties	7,858,881	7,860,000
	Total Current	7,930,672	7,976,008
	Non-Current		
	Secured Bank Loan (Non-Current)	-	9,946
	Total Non-Current	-	9,946
	Total Interest Bearing Loans and Borrowings	7,930,672	7,985,954

The Group has a loan from its Parent SIS Australia Group Pty Ltd. At reporting date the loan was \$7,858,881 (2021: \$7,860,000). Interest is charged at 7.64% (2021:7.64%).

12	Classification of Financial Assets and Liabilities	2022	2021
		\$	\$
	Financial Assets at Amortised Cost		
	Cash at Bank	1,859,184	2,691,793
	Trade Receivables	3,741,676	2,453,914
	Total Financial Assets at Amortised Cost	5,600,860	5,145,707
	Financial Liabilities at Amortised Cost		
	Bank Overdraft	-	(245)
	Trade Payables	(114,113)	(566,336)
	Interest Bearing Loans and Borrowings	(7,930,672)	(7,985,954)
	Total Financial Liabilities at Amortised Cost	(8,044,785)	(8,552,535)

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

13 Reconciliation of Liabilities arising from Financing Activities

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

	Lease			
	Liabilities	Long-term	Short-term	Total
	\$	\$	\$	\$
1 April 2021	(663,043)	(9,946)	(7,976,008)	(8,648,997)
<i>Cashflows:</i>				
- Repayment	303,216	11,203	640,001	954,420
<i>Non-cash:</i>				
- Additions through Business Combination	-	-	-	-
- Additions to right-of-use asset in exchange for increased lease liabilities	(632,297)	-	-	(632,297)
- Interest	-	(1,257)	(594,665)	(595,922)
Balance at 31 March 2022	<u>(992,124)</u>	<u>-</u>	<u>(7,930,672)</u>	<u>(8,922,796)</u>
Year ended 31 March 2021				
Opening Balance	(672,130)	(29,201)	(8,669,133)	(9,370,464)
<i>Cashflows:</i>				
- Repayment	205,143	23,241	1,328,782	1,557,166
- Proceeds	-	-	-	-
<i>Non-cash:</i>				
- Additions through Business Combination	(22,478)	-	-	(22,478)
- Additions to right-of-use asset in exchange for increased lease liabilities	(173,578)	-	-	(173,578)
- Interest	-	(3,986)	(635,657)	(639,643)
Balance at 31 March 2021	<u>(663,043)</u>	<u>(9,946)</u>	<u>(7,976,008)</u>	<u>(8,648,997)</u>

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

14 Issued Capital	2022	2021
	\$	\$
Issued Capital Opening Balance	404,203	404,203
Total Issued Capital	<u>404,203</u>	<u>404,203</u>

As at 31 March 2022, share capital comprised of 119 issued ordinary shares (2021:119). All issued shares are fully paid.

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

During the year no dividends were paid to shareholders (2021: Nil).

15 Interest in Subsidiaries

Name of the Subsidiary	Country of Incorporation & Principal Place of Business	Principal Activity	Interest Held 31 March 2022	Interest Held 31 March 2021
Triton Security Services Limited	New Zealand	Security Monitoring	100%	100%
The Alarm Centre Limited	New Zealand	Alarm Monitoring	100%	100%

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

16 Leases

	Note	2022 \$	2021 \$
Right of Use Assets	12	976,800	644,263
Lease Liability (Current)		(285,529)	(188,907)
Lease Liability (Non-Current)		(706,595)	(474,136)

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

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

Right of Use Asset	No. of Right of Use Assets leased	Range of remaining term in months	Average remaining term in months	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Building	5	7 to 69	39	-	1	-
Motor Vehicle	23	4 to 43	34	-	-	-

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

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

Short Term Leases	\$ 180,215
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Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

17 Related Parties

17.1 Transactions with Related Parties

**Balances for the Period Ending
31 March 2022**

Related Party Entity:	Relationship:	Accrued Interest and Dividends \$	Paid to (Received from) Related Parties \$	Related Party Balance \$
SIS Australia Group Pty Ltd	Shareholder	588,936	590,055	(7,858,881)
Aaron Colthurst	Director	-	234,647	-
Southern Cross Protection Pty Ltd	Common Shareholding	-	(28,926)	(6,626)
MSS Security Pty Ltd	Common Shareholding	-	100,199	-

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

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

17.2 Key Management Personnel Compensation

The total compensation paid to Key Management Personnel for the period was \$879,049 (2021: \$578,990).

17.3 Transactions with Directors and Related Entities

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

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

18 Contingent Assets and Liabilities

There are contingent liabilities at year end of \$10,000 (2021: Nil).

19 Subsequent Events

There are no other subsequent events after 31 March 2022 that require disclosure.

20 COVID-19

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

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

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

This event however does not change the reported results for the period ended 31 March 2022.

Platform 4 Group Limited
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

21 Acquisition through Business Combination

Protective Services Limited

On 14 June 2021, the Group acquired the assets of Protective Services Limited as a going concern. The acquisition was made to enhance the Group's position in the lower North Island Regions of New Zealand.

The details of the business combination are as follows:

	2022
	\$
Fair Value of Consideration Transferred	
Amount Settled via Cash	80,000
Total Fair Value of Consideration Transferred	<u>80,000</u>
Recognised Identifiable Net Assets	
Property, Plant and Equipment	8,950
Customer Contracts	77,651
Deferred Tax Liability	(21,742)
Goodwill	15,141
Total Identifiable Net Assets	<u>80,000</u>