

Annual report

SIS Henderson Holdings Pte. Ltd. and its subsidiaries
For the year ended 31 March 2022

Company information

Company registration number	201905888D
Registered office	8 Jalan Kilang Timor #04-13/14 Kewalram House Singapore 159305
Directors	Michael John Mckinnon Uday Singh Chow Kwok-Ho, Daniel Marc (appointed on 18 May 2021)
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 year ended 31 March 2022

The directors present this annual report to the member of the Company together with the audited financial statements for the year ended 31 March 2022.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements set out on page 6 to 36 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of Companies Act 1967 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company 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
Uday Singh
Chow Kwok-Ho, Daniel Marc (appointed on 18 May 2021)

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 directors of the Company to acquire benefits by means of 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 of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 (the "Act"), none of the directors who held office at the end of the financial year had any interests in shares, debenture, warrants, or share options of the Company or its related corporations except as follows:

	Direct interest	
	At the beginning of financial year or date of appointment	At the end of financial year
(No. of ordinary shares)		
The ultimate holding company		
<u>SIS Limited</u>		
Uday Singh	397,691	397,691
The Company		
Lim Tommy	675,558	-

Directors' statement (cont'd) For the financial year ended 31 March 2022

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

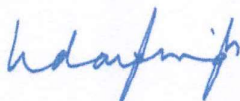
Auditor

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

On behalf of the Board of Directors



.....
MICHAEL JOHN MCKINNON



.....
UDAY SINGH

Date: 30 September 2022



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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SIS Henderson Holdings Pte. Ltd. (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group 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 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 1967, (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022, 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 Group 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 Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditor's report thereon.

We have obtained the Directors' statement prior to the date of this auditor's report.

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 member 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 that give a true and fair view 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.

Consolidated statement of comprehensive income for the year ended 31 March 2022

	Note	2022 \$	2021 \$
Revenue	3	29,558,551	48,660,184
Other income	4	2,434,932	13,828,032
		<u>31,993,483</u>	<u>62,488,216</u>
Cost & expenses			
Employee benefits expense	5	(32,447,971)	(45,523,793)
Entertainment and refreshment		(28,776)	(213,358)
Insurance		(234,411)	(325,466)
Telephone expenses		(119,712)	(145,162)
Upkeep of motor vehicles		(147,643)	(155,443)
Depreciation of property, plant and equipment	7	(366,699)	(349,238)
Loss allowance (recognised) /reversed on trade receivables	10	(43,374)	40,389
Professional fees		(149,213)	(106,469)
Short term lease expenses	16	(130,970)	(118,889)
Security expenses		(164,297)	(115,995)
Uniforms		(29,559)	(37,175)
Other operating expenses		(348,573)	(294,615)
(Loss)/profit from operations	5	<u>(2,217,715)</u>	<u>15,143,002</u>
Finance costs		(11,926)	(7,956)
(Loss)/profit before tax		<u>(2,229,641)</u>	<u>15,135,046</u>
Tax credit/(expenses)	6	123,442	(770,272)
(Loss)/profit for the year, representing total comprehensive income for the year		<u>(2,106,199)</u>	<u>14,364,774</u>

The accompanying notes form an integral part of these financial statements.

Statement of financial position as at 31 March 2022

		<u>Group</u>	
	Note	2022 \$	2021 \$
ASSETS			
Non-current assets			
Property, plant and equipment	7	309,878	618,090
Deferred tax assets	8	196,632	71,091
Investment in subsidiaries	9	-	-
Total non-current assets		506,510	689,181
Current assets			
Trade receivables	10	5,846,155	9,135,988
Other receivables, deposits and prepayments	11	226,521	1,449,768
Cash and cash equivalents	13	30,848,626	31,685,419
Income tax receivable		-	-
Total current assets		36,921,302	42,271,175
Total assets		37,427,812	42,960,356
EQUITY AND LIABILITIES			
Non-current liabilities			
Lease liabilities	16	17,102	104,155
Total non-current liabilities		17,102	104,155
Current liabilities			
Trade payables	14	35,251	32,137
Other payables	15	3,063,992	5,191,876
Lease liabilities	16	120,270	229,414
Income tax payable		69,123	1,174,501
Total current liabilities		3,288,636	6,627,928
Total liabilities		3,305,738	6,732,083
Net assets		34,122,074	36,228,273
Equity			
Share capital	17	16,888,950	16,888,950
Capital reserve		500,000	-
Retained earnings		16,733,124	19,339,323
Total equity		34,122,074	36,228,273
Total equity and liabilities		37,427,812	42,960,356

The accompanying notes form an integral part of these financial statements.

Statement of financial position as at 31 March 2022 (cont'd)

	Note	2022 \$	Company 2021 \$ (Restated)	1 April 2020 \$ (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	7	-	-	-
Deferred tax assets	8	3,825	4,186	2,066
Investment in subsidiaries	9	16,888,950	16,888,950	16,888,950
Total non-current assets		16,892,775	16,893,136	16,891,016
Current assets				
Trade receivables	10	-	-	-
Other receivables, deposits and prepayments	11	923,325	-	2,229
Cash and cash equivalents	13	26,024,972	-	-
Income tax receivable		11,206	8,772	-
Total current assets		26,959,503	8,772	2,229
Total assets		43,852,278	16,901,908	16,893,245
EQUITY AND LIABILITIES				
Non-current liabilities				
Lease liabilities	16	-	-	-
Deferred tax liabilities	8	-	-	-
Total non-current liabilities		-	-	-
Current liabilities				
Trade payables	14	-	-	-
Other payables	15	22,500	62,009	12,150
Lease liabilities	16	-	-	13,112
Income tax payable		-	-	-
Total current liabilities		22,500	62,009	25,262
Total liabilities		22,500	62,009	25,262
Net assets		43,829,778	16,839,899	16,867,983
Equity				
Share capital	17	16,888,950	16,888,950	16,888,950
Capital reserve		-	-	-
Retained earnings		26,940,828	(49,051)	(20,967)
Total equity		43,829,778	16,839,899	16,867,983
Total equity and liabilities		43,852,278	16,901,908	16,893,245

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 March 2022

	Note	Share capital \$	Capital reserve \$	Retained earnings \$	Total \$
Group					
At 1 April 2020		16,888,950	-	4,974,549	21,863,499
Profit for the financial year, representing total comprehensive income for the year		-	-	14,364,774	14,364,774
At 31 March 2021		16,888,950	-	19,339,323	36,228,273
Loss for the financial year, representing total comprehensive income for the year		-	-	(2,106,199)	(2,106,199)
Issuance of shares to subsidiary out of retained earnings		-	500,000	(500,000)	-
At 31 March 2022		16,888,950	500,000	16,733,124	34,122,074

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows for the year ended 31 March 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
(Loss)/profit before tax		(2,229,641)	15,135,046
Adjustments for:			
Depreciation of property, plant and equipment	7	366,699	322,373
Finance costs	16	11,926	7,956
Interest income	4	(24,892)	(1,059)
Loss allowance recognised/(reversal) on trade receivables	10	43,374	(40,389)
		<u>(1,832,534)</u>	15,423,927
Changes in:			
Trade receivables	10	3,246,459	5,648,621
Other receivables, deposits and prepayments	11	1,223,247	(1,298,287)
Trade payables	14	3,114	(121,878)
Other payables	15	(2,127,884)	1,137,723
Cash generated from operations		<u>512,402</u>	20,790,106
Income tax paid		(1,107,477)	(901,023)
Net cash (used in)/generated from operating activities		<u>(595,075)</u>	19,889,083
Cash flows from investing activities			
Purchase of property, plant and equipment		(23,911)	(26,536)
Net cash used in investing activities		<u>(23,911)</u>	(26,536)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	16	(230,773)	(207,204)
Interest received	4	24,892	1,059
Interest paid	16	(11,926)	(7,956)
(Pledged)/withdrawal of deposits from bank	13	(516,469)	123,149
Net cash used in financing activities		<u>(734,276)</u>	(90,952)
Net (decrease)/increase in cash and cash equivalents		(1,353,262)	19,771,595
Cash and cash equivalents at beginning of the year		31,622,958	11,851,363
Cash and cash equivalents at end of the year	13	<u>30,269,696</u>	<u>31,622,958</u>

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

The notes form an integral part of the financial statements.

1 Domicile and activities

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.

The financial statements of the Group as at and for the year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as “the Group” and individually as “Group entities”).

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRS”). The financial statements have been prepared on the historical cost basis, except as otherwise described in the notes below.

The financial statements are presented in Singapore dollars (SGD), which is the Company’s and its subsidiaries’ functional currency.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed 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 periods beginning on or after 1 April 2021. 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. The Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 16 <i>Property, Plant and Equipment</i> : Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint venture	Date to be determined

The directors are still assessing whether the adoption of the standards above will have any material impact on the financial statements in the year of initial application.

2.4 Summary of significant accounting policies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities 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. Foreign currency differences arising on translation are generally recognised in profit or loss.

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 measured 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 recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of the assets for the current and comparative years as follows:

	<u>Useful lives</u>
Leasehold buildings	Over the lease period
Motor vehicles	5 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 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 the end of each reporting period and adjusted, 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.

The Group classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

2.4 Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Initial recognition and measurement (cont'd)

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.

Subsequent measurement

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.

2.4 Summary of significant accounting policies (cont'd)

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.

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.

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

Defined contribution plan

The Group makes contributions to the Central Provident Fund 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.

Short-term employee benefits

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.

Employee leave entitlement

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 reporting 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.

As a lessee

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. subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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).

2.4 Summary of significant accounting policies (cont'd)

Leases (cont'd)

As a lessee (cont'd)

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 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 (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 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.

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 services is recognised as the customer simultaneously receives and consumes the benefits of the services rendered.

Interest income

Interest income is recognised (using the effective interest method). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset. Interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.4 Summary of significant accounting policies (cont'd)

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.

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 assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they related to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and asset on a net basis or their tax asset and liabilities will be realised simultaneously.

2.4 Summary of significant accounting policies (cont'd)

Taxes (cont'd)

Deferred tax (cont'd)

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.

Share capital and share issuance expenses

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

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

Management is of the opinion that there are no critical judgements made in applying the Group's policies.

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 expected credit loss ("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 19.

As at 31 March 2022, the carrying amounts of the Group's trade receivables was \$5,846,155 (2021: \$9,135,988) and the allowance for impairment on trade receivables was \$43,588 (2021: \$214).

3 Revenue

Disaggregation of revenue

	2022	2021
	\$	\$
Security services	25,799,536	39,677,947
Facility management services	1,426,061	5,074,956
Other services	2,332,954	3,907,281
	<u>29,558,551</u>	<u>48,660,184</u>

All revenues are recognised over time when services are provided. Invoices are issued on a monthly basis and credit terms ranges from 30 to 60 days.

Contract balances

	31 March 2022	31 March 2021	1 April 2021
	\$	\$	\$
Trade receivables (Note 10)	<u>5,846,155</u>	9,135,988	14,744,220

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

	2022	2021
	\$	\$
Government grants	2,378,627	13,803,040
Interest income	24,892	1,059
Others	31,413	23,933
	<u>2,434,932</u>	<u>13,828,032</u>

Government grant income includes \$1,172,337 (2021: \$10,405,772) of Jobs Support Scheme (the "JSS") recognised during the financial year. 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 (Loss)/profit before tax

(Loss)/profit before tax has been arrived at after charging:

	2022	2021
	\$	\$
Employee benefit expenses		
Salaries, bonuses and other staff costs	29,373,931	41,262,903
Employer's CPF and contribution	3,074,040	4,260,890
	<u>32,447,971</u>	<u>45,523,793</u>
Operating expenses		
Purchases of stock-in-trade	-	5,629
License and permit	124,581	67,398
Office supplies	40,229	25,178
Software expenses	62,052	16,948
Utilities	31,031	26,346
	<u>31,031</u>	<u>26,346</u>
Finance costs		
Interest on lease liabilities (Note 16)	11,926	7,956
	<u>11,926</u>	<u>7,956</u>

6 Tax (credit)/expense

	2022	2021
	\$	\$
Current income tax:		
- Current taxation	(2,434)	829,550
- Under provision in respect of prior years	4,533	-
	<u>2,099</u>	<u>829,550</u>
Deferred income tax:		
- Origination and reversal of temporary differences	(125,541)	(59,278)
	<u>(125,541)</u>	<u>(59,278)</u>
Tax (credit)/expense recognised in profit or loss	<u>(123,442)</u>	<u>770,272</u>

6 Tax (credit)/expense (cont'd)

Reconciliation of effective tax rate

	2022	2021
	\$	\$
(Loss)/profit before tax	(2,229,641)	15,135,046
Taxation at statutory tax rate of 17% (2021: 17%)	(379,039)	2,572,958
Tax exemptions	-	(34,850)
Non-deductible expenses	63,782	61,559
Income not subject to taxation	(219,357)	(1,768,981)
Under provision in respect of prior years	4,533	-
Deferred tax assets not recognised	476,805	-
Others	(70,166)	(60,414)
	(123,442)	770,272

As at 31 March 2022, the Group had unutilised tax losses amounting to approximately \$2,804,735 (2021: \$Nil) which are available for offset against future taxable profits. No deferred tax asset was recognised due to the uncertainty of there being sufficient taxable profits against which the Company can use the benefits thereon. The tax losses do not expire under the current tax legislation.

7 Property, plant and equipment

	<u>Leasehold buildings</u>	<u>Motor vehicle</u>	<u>Office equipment</u>	<u>Security equipment</u>	<u>Renovation</u>	<u>Website development</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
Group							
Cost							
At 1 April 2020	69,584	1,020,010	607,698	1,376,475	763,265	-	3,837,032
Additions	287,725	-	11,034	48,471	-	-	347,230
Termination of leases	(43,947)	-	-	-	-	-	(43,947)
At 31 March 2021	313,362	1,020,010	618,732	1,424,946	763,265	-	4,140,315
Additions	34,576	-	769	13,642	-	9,500	58,487
Write off	-	-	-	(219,466)	-	-	(219,466)
Termination of leases	(25,636)	-	-	(216,935)	-	-	(242,571)
At 31 March 2022	322,302	1,020,010	619,501	1,002,187	763,265	9,500	3,736,765
Accumulated depreciation and impairment							
At 1 April 2020	18,311	759,481	567,217	1,088,087	754,538	-	3,187,634
Depreciation	48,425	114,861	22,334	158,549	5,071	-	349,240
Termination of leases	(14,649)	-	-	-	-	-	(14,649)
At 31 March 2021	52,087	874,342	589,551	1,246,636	759,609	-	3,522,225
Depreciation	149,625	61,646	16,692	136,112	1,749	875	366,699
Write off	-	-	-	(219,466)	-	-	(219,466)
Termination of leases	(25,636)	-	-	(216,935)	-	-	(242,571)
At 31 March 2022	176,076	935,988	606,243	946,347	761,358	875	3,426,887
Net carrying value							
At 31 March 2021	261,275	145,668	29,181	178,310	3,656	-	618,090
At 31 March 2022	146,226	84,022	13,258	55,840	1,907	8,625	309,878

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 16.

8 Deferred tax

(a) Deferred tax assets

Deferred tax assets as at 31 March 2022 and 2021 are attributable to the following:

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade receivables	35,446	10,672	-	-
Other payable	161,186	68,438	3,825	4,186
	<u>196,632</u>	<u>79,110</u>	<u>3,825</u>	<u>4,186</u>

(b) Deferred tax liabilities

Deferred tax liabilities as at 31 March 2022 and 2021 are attributable to the following

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Property, plant and equipment	-	8,019	-	-

(c) Movement in deferred tax

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Deferred tax asset	196,632	79,110	3,825	4,186
Deferred tax liability	-	(8,019)	-	-
Net deferred tax asset	<u>196,632</u>	<u>71,091</u>	<u>3,825</u>	<u>4,186</u>

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
At 1 April	71,091	11,813	4,186	2,066
Recognised in profit or loss	125,541	59,278	(361)	2,120
At 31 March	<u>196,632</u>	<u>71,091</u>	<u>3,825</u>	<u>4,186</u>

9 Investments in subsidiaries

	<u>Company</u>	
	2022	2021
	\$	\$
Equity investment - at cost	<u>16,888,950</u>	<u>16,888,950</u>

(Restated)

9 Investments in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principle activities (Place of business)	Cost		Ownership interest	
		2022 \$	2021 \$	2022 %	2021 %
			(Restated)		
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)	14,469,160	14,469,160	100	100
Henderson Technologies Pte. Ltd. (Singapore) *	Installation of fire protection and security alarm systems (Singapore)	2,419,790	2,419,790	100	100
		16,888,950	16,888,950	100	100

* Audited by Grant Thornton Audit LLP

10 Trade receivables

	<u>Group</u>		<u>Company</u>	
	2022 \$	2021 \$	2022 \$	2021 \$
Trade receivables – third parties	5,889,743	9,136,202	-	-
Loss allowance	(43,588)	(214)	-	-
	5,846,155	9,135,988	-	-

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2021: 30 to 60 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	<u>Group</u>		<u>Company</u>	
	2022 \$	2021 \$	2022 \$	2021 \$
<i>Movement in loss allowance account</i>				
At 1 April	214	40,603	-	-
Recognised in profit or loss	43,374	-	-	-
Reversal of loss allowance	-	(40,389)	-	-
At 31 March	43,588	214	-	-

Trade receivables are denominated in Singapore dollar.

11 Other receivables, deposits and prepayments

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
				(Restated)
Prepayments	115,367	50,447	-	-
Deposits	96,315	89,435	-	-
Other receivables	14,839	24,886	-	-
Grant receivables	-	1,285,000	-	-
Amount due from subsidiary	-	-	923,325	-
	<u>226,521</u>	<u>1,449,768</u>	<u>923,325</u>	<u>-</u>

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

12 Related party transactions

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Group considers the directors of the Company to be key management personnel of the Company.

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:

	2022	2021
	\$	\$
Expenses paid on behalf by ultimate holding company	(43,670)	-
	<u>(43,670)</u>	<u>-</u>

Key management personnel compensation

	2022	2021
	\$	\$
Salaries and bonuses	580,110	300,000
Employer's contribution to Central Provident Fund	32,612	12,240
	<u>612,722</u>	<u>312,240</u>

13 Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash at bank	30,269,696	31,622,958	26,024,972	-
Deposit pledge with bank	578,930	62,461	-	-
	<u>30,848,626</u>	<u>31,685,419</u>	<u>26,024,972</u>	<u>-</u>

Deposit is pledge with the bank as security against guarantees issued by the bank.

13 Cash and cash equivalents (cont'd)

The cash and cash equivalents are denominated in Singapore dollars. 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:

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash and cash equivalents in the statement of financial position	30,848,626	31,685,419	26,024,972	-
Less: Deposits pledge with bank	(578,930)	(62,461)	-	-
Cash and cash equivalents in the statement of cash flows	30,269,696	31,622,958	26,024,972	-

14 Trade payables

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade payable – third parties	35,251	32,137	-	-

Trade payables are normally settled on 30 days to 60 days (2021: 30 to 60 days) payment terms.

15 Other payables

	<u>Group</u>		<u>Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Accrued operating expenses	2,132,144	2,521,757	22,500	24,626
Provision for unutilised leave	408,897	334,955	-	-
Amount due to a subsidiary	-	-	-	37,383
Amount due to ultimate holding company	43,670	-	-	-
Deferred grant income	-	1,620,406	-	-
GST payables	479,281	714,758	-	-
	3,063,992	5,191,876	22,500	62,009

Other payables are denominated in Singapore dollars.

Amount due to a subsidiary and amount due to ultimate holding company are non-trade in nature, unsecured, interest-free and repayable on demand.

16 Leases

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 for software, staff accommodation and mobile command centre with lease terms of 12 months or less. The Group applies the 'short-term lease' 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 2020	51,273	189,818	241,091
Additions	287,725	-	287,725
Termination of leases	(29,298)	-	(29,298)
Depreciation	(48,425)	(108,468)	(156,893)
At 31 March 2021	261,275	81,350	342,625
Additions	34,576	-	34,576
Depreciation	(149,625)	(81,350)	(230,975)
At 31 March 2022	146,226	-	146,226

(b) Lease liabilities

	Group	
	2022 \$	2021 \$
Current	120,270	229,414
Non-current	17,102	104,155
	137,372	333,569

Reconciliation of movement of liabilities to cash flows arising from financing activities.

	1 April \$	Principal and interest payments \$	Addition – new leases \$	Termination of leases	Interest expense \$	Non-cash changes	31 March \$
Group							
2022							
Lease liabilities	333,569	(242,699)	34,576	-	11,926		137,372
2021							
Lease liabilities	282,346	(215,160)	287,725	(29,298)	7,956		333,569

The maturity analysis of lease liabilities is disclosed in Note 19.

16 Leases (cont'd)

(c) Amounts recognised in profit or loss

	2022	2021
	\$	\$
Group		
Depreciation of right-of-use assets	230,975	156,892
Loss of termination of leases	-	29,298
Interest expense on lease liabilities (Note 5)	11,926	7,956
Lease expenses not capitalised in lease liabilities:		
- Expense relating to short-term leases	130,970	118,889
Total amount recognised in profit or loss	<u>373,871</u>	<u>313,035</u>

(d) Total cash outflow

The Group had total cash outflows for leases of \$242,699 in 2022 (2021: \$182,201).

(e) 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.

The Group applies judgement in evaluating whether it is reasonably certain 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 Group 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 2022, potential future (undiscounted) cash outflows of approximately \$90,000 (2021: \$204,000) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

17 Share capital

	Group and Company	
	2022	2021
	\$	\$
Issued and fully paid		
At 31 March		
1,688,895 (2021: 1,688,895) ordinary shares	<u>16,888,950</u>	<u>16,888,950</u>

The holders of ordinary share are entitled to receive dividends as and when declared by the Company. All ordinary shares are entitled to one vote per share at meetings of the Company. The ordinary shares have no par value. All shares rank equally with regards to the Group's residual assets.

18 Financial instruments

(a) Classification of financial instruments

	Note	Group		Company	
		2022 \$	2021 \$	2022 \$	2021 \$
Financial assets at amortised cost					(Restated)
Trade receivables	10	5,846,155	9,135,988	-	-
Other receivables and deposits ⁽¹⁾	11	111,154	114,321	923,325	-
Cash and cash equivalents	13	30,848,626	31,685,419	26,024,972	-
		36,805,935	40,935,728	26,948,297	-
Financial liabilities at amortised cost					
Trade payables	14	35,251	32,137	-	-
Other payables ⁽²⁾	15	2,584,711	2,856,712	22,500	62,009
		2,619,962	2,888,849	22,500	62,009

(1) Excludes prepayments and grant receivable.

(2) Excludes GST payables and deferred grant income.

(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 amount of trade receivables, other receivables and deposits, cash and cash equivalents, trade payables and other payables reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

19 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 receivables and other receivables and deposits.

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

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

(a) Credit risk (cont'd)

Risk management (cont'd)

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.

The Group determined that its financial assets are credit impaired when:

- There is a significant difficulty 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 statement of financial position. There were no significant concentrations of credit risk due to the Group's varied customers.

The Group uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

The Company'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

19 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 or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
Group					
31 March 2022					
Trade receivables – third parties	Note 1	Lifetime ECL (simplified)	5,889,743	(43,588)	5,846,155
Other receivables and deposits ⁽¹⁾	Performing	12-month ECL	111,154	-	111,154
Cash and cash equivalents	Performing	12-month ECL	30,848,626	-	30,848,626
			36,849,523	(43,588)	36,805,935

31 March 2021

Trade receivables – third parties	Note 1	Lifetime ECL (simplified)	9,136,202	(214)	9,135,988
Other receivables and deposits ⁽¹⁾	Performing	12-month ECL	114,321	-	114,321
Cash and cash equivalents	Performing	12-month ECL	31,685,419	-	31,685,419
			40,935,942	(214)	40,935,728

(1) Excludes prepayments and grant receivable.

	Credit rating category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
Company					
31 March 2022					
Other receivables and deposits	Performing	12-month ECL	923,325	-	923,325
Cash and cash equivalents	Performing	12-month ECL	26,024,972	-	26,024,972
			26,948,297	-	26,948,297
31 March 2021 (Restated)					
Other receivables and deposits	Performing	12-month ECL	-	-	-
Cash and cash equivalents	Performing	12-month ECL	-	-	-
			-	-	-

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

(a) Credit risk (cont'd)

Impairment of financial assets (cont'd)

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. The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and deposits pledged with bank. 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 reporting date based on contractual undiscounted repayment obligations.

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

(b) Liquidity risk (cont'd)

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

	Carrying amount \$	On demand or within 1 year \$	2 – 5 years \$	Total \$
Group				
At 31 March 2022				
Trade payables	35,251	35,251	-	35,251
Other payables ⁽¹⁾	2,584,711	2,584,711	-	2,584,711
Lease liabilities	137,372	128,800	12,000	140,800
	2,757,334	2,748,762	12,000	2,760,762
At 31 March 2021				
Trade payables	32,137	32,137	-	32,137
Other payables ⁽¹⁾	2,856,712	2,856,712	-	2,856,712
Lease liabilities	333,569	236,700	110,800	347,500
Total undiscounted financial liabilities	3,222,418	3,125,549	110,800	3,236,349

(1) Excludes deferred grant income and GST payables

	Carrying amount \$	On demand or within 1 year \$	Total \$
Company			
At 31 March 2022			
Other payables	22,500	22,500	22,500
	22,500	22,500	22,500
At 31 March 2021			
Other payables	62,009	62,009	62,009
	62,009	62,009	62,009

(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.

20 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 total equity of the Group.

The Group manages its capital structure and makes adjustments to it, in light of 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 2021 and 31 March 2022.

21 Comparative information

Prior year adjustments

Management has identified certain adjustments with regards to dividend payments made to shareholders in the previous year. Consequently, the comparative financial information was appropriately adjusted to rectify and align the consistency of the presentation of these amounts to the current year in accordance with FRS 8 *Accounting Policies, Change in Accounting Estimates and Errors*.

31 March 2021	As previously reported \$	Adjustments \$	As currently reported \$
Company			
Statement of financial position			
Investment in subsidiaries	18,666,515	(1,777,565)	16,888,950
Other receivables, deposits a prepayments	115,785	(115,785)	-
Retained earnings	1,844,299	(1,893,350)	(49,051)

1 April 2020	As previously reported \$	Adjustments \$	As currently reported \$
Company			
Statement of financial position			
Investment in subsidiaries	18,666,515	(1,777,565)	16,888,950
Other receivables, deposits a prepayments	118,014	(115,785)	2,229
Retained earnings	1,872,383	(1,893,350)	(20,967)

22 Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2022 were authorised for issue by the Board of the Directors on 30 September 2022.