SIS Australia Group Pty Ltd

ABN 58 132 211 806

Annual Report
for the year ended 31 March 2023

SIS Australia Group Pty Ltd ABN 58 132 211 806
Annual Report
for the year ended 31 March 2023

Contents

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of SIS Australia Group Pty Ltd and the entities it controlled for the year ended 31 March 2023.

Directors

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

Uday Singh

Rituraj Sinha

Devesh Desai

Michael McKinnon

Principal activities

The principal activities of the consolidated entity during the financial year were the provision of services relating to all aspects of physical security, and paramedic and emergency response services.

Dividends

Dividends paid to the shareholder during the financial year amounted to $11,602,000 (2022: $10,744,000).

Review of operations

A summary of consolidated revenues and results is set out below:

Particulars	**31 March 2023 $000's**	31 March 2022 $000's
Revenue	**855,384**	852,809
Earnings before interest, depreciation and amortisation, and taxation	**39,780**	55,212
Depreciation and amortisation	**(9,842)**	(7,604)
Earnings before interest and taxation	**29,938**	47,608
Finance costs	**(5,357)**	(5,308)
Other Income	**1,492**	1,108
Other gain	**1,150**	4,341
Share of profit of associates	**57**	58
Earnings before taxation	**27,280**	47,807
Income tax (expense)	**(8,346)**	(13,203)
Profit after tax	**18,934**	34,604

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group from the beginning of the financial year to the date of this report, other than those listed below:

Effective 1 September 2022, SIS Australia Group Pty Limited acquired 85% of the voting shares of Safety Direct Solutions Pty Limited (SDS) for cash consideration of $4.95m AUD with put/call options to buy the remaining 15% of the shares of SDS on or before 30 June 2024.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect:

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

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

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

Likely developments and expected results of operations

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

Environmental regulation

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

Insurance of officers

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

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

Proceedings on behalf of the Group

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

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

Auditor's independence declaration

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

Rounding of amounts

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

Auditor

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

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

Devesh Desai
Director

Michael McKinnon
Director

Sydney
02 May 2023

Auditor's Independence Declaration

(To be provided by PwC)

SIS Australia Group Pty Ltd ABN 58 132 211 806
Financial Statements
for the year ended 31 March 2023

Contents

These financial statements cover both the separate financial statements of SIS Australia Group Pty Ltd as an individual entity and the financial statements of the consolidated entity consisting of SIS Australia Group Pty Ltd and its subsidiaries. The financial statements are presented in Australian dollars.

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

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

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

The financial statements were authorised for issue by the directors on 02 May 2023. The directors have the power to amend and reissue the financial statements.

SIS Australia Group Pty Ltd
Statement of financial position
For the year ended 31 March 2023
All figures in $'000

Particulars	Note	Consolidated As at 31 March 2023	Consolidated As at 31 March 2022	Parent entity As at 31 March 2023	Parent entity As at 31 March 2022
ASSETS					
Non-current assets					
Property, plant and equipment	4	**19,757**	17,430	**-**	-
Intangible Assets	5	**113,295**	108,944	**-**	-
Financial assets					
(i) Investments in associates and joint ventures	6	**83**	51	**-**	-
(ii) Investments in subsidiaries	6	**-**	-	**83,842**	78,715
(iii) Other Investments	6	**13,627**	13,180	**13,627**	13,180
(iv) Other non-current financial assets	7	**437**	513	**29**	249
Deferred tax assets (net)	8	**12,524**	15,429	**1,243**	1,825
Total non-current assets		**159,723**	155,547	**98,741**	93,969
Current assets					
Inventories	10	**255**	357	**-**	-
Financial assets					
(i) Trade receivables	11	**87,139**	81,131	**-**	-
(ii) Cash and Cash Equivalents	12	**49,454**	50,281	**3,288**	10,853
(iii) Other current financial assets	7	**31,492**	28,027	**269**	260
Other current assets	9	**124,502**	118,420	**123,536**	111,495
Total current assets		**292,842**	278,216	**127,093**	122,608
Total assets		**452,565**	433,763	**225,834**	216,577
EQUITY AND LIABILITIES					
EQUITY					
Equity share capital	13	**15,800**	15,800	**15,800**	15,800
Other equity	14	**187,686**	180,176	**20,303**	17,341
Total equity		**203,486**	195,976	**36,103**	33,141
LIABILITIES					
Non-current liabilities					
(i) Borrowings	15	**103,754**	98,413	**99,753**	94,753
(ii) Non-current lease liabilities	20	**7,328**	6,712	**-**	-
(iii) Other non-current financial liabilities	17	**957**	-	**-**	-
Provisions	18	**8,216**	8,688	**-**	-
Total non-current liabilities		**120,255**	113,813	**99,753**	94,753
Current liabilities					
Financial liabilities					
(i) Borrowings	15	**4,317**	2,055	**-**	-
(ii) Trade payables	16	**2,801**	790	**-**	-
(iii) Current lease liabilities	20	**2,912**	3,523	**-**	-
(iv) Other current financial liabilities	17	**56,566**	56,141	**4,071**	4,307
Other current liabilities	19	**619**	656	**85,907**	84,376
Provisions	18	**61,492**	59,599	**-**	-
Current tax liabilities	8	**117**	1,210	**-**	-
Total current liabilities		**128,824**	123,974	**89,978**	88,683
Total liabilities		**249,079**	237,787	**189,731**	183,436
Total equity and liabilities		**452,565**	433,763	**225,834**	216,577

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

All figures in $'000

Particulars	Note	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
INCOME					
Revenue from operations	21	**855,384**	852,809	**-**	-
Other income	22	**1,492**	1,108	**17,898**	16,804
Other gains/ (losses)	23	**1,150**	4,341	**520**	(278)
Total income		**858,026**	858,258	**18,418**	16,526
EXPENSES					
Cost of materials consumed		**660**	317	**-**	-
Purchases of stock-in-trade		**283**	143	**-**	-
Changes in inventories of stock-in-trade		**-**	6	**-**	-
Employee benefits expense	24	**601,846**	539,666	**-**	-
Finance costs	25	**5,357**	5,308	**4,134**	4,330
Depreciation and amortization expenses	26	**9,842**	7,604	**-**	-
Other expenses	27	**212,815**	257,465	**289**	79
Total expenses		**830,803**	810,509	**4,423**	4,409
Profit before tax and exceptional items		**27,223**	47,749	**13,995**	12,117
Share of profit of associates		**57**	58	**-**	-
Profit before tax		**27,280**	47,807	**13,995**	12,117
Tax expense/(benefit)					
Current tax		**6,204**	13,932	**(1,151)**	447
Deferred tax		**2,142**	(729)	**582**	(1,358)
Total tax expense	8	**8,346**	13,203	**(569)**	(911)
Profit for the year		**18,934**	34,604	**14,564**	13,028
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss:					
a) Foreign exchange gain/(loss) on monetary items included in net investment in foreign operations		**195**	(41)	**-**	-
Other comprehensive profit/(loss) for the year (net of taxes)		**195**	(41)	**-**	-
Total comprehensive income for the year		**19,129**	34,563	**14,564**	13,028

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

SIS Australia Group Pty Ltd
Statement of changes in equity
For the year ended 31 March 2023
All figures in $'000

		Attributable to owners		
Consolidated	Notes	**Equity Share Capital**	**Retained earnings**	**Total**
For the Year ended 31 March 2022				
Balance at 1 April 2021		15,800	156,356	172,156
Profit for the year		-	34,604	34,604
Other comprehensive income		-	(41)	(41)
Total comprehensive income for the year		**-**	**34,563**	**34,563**
Dividends provided for or paid		-	(10,744)	(10,744)
Other appropriations		-	1	1
Balance at 31 March 2022		**15,800**	**180,176**	**195,976**
For the Year ended 31 March 2023				
Balance at 1 April 2022		15,800	180,176	195,976
Profit for the year		-	18,934	18,934
Other comprehensive income		-	195	195
Total comprehensive income for the year		**-**	**19,129**	**19,129**
Dividends provided for or paid		-	(11,602)	(11,602)
Other appropriations		-	(17)	(17)
Balance at 31 March 2023		**15,800**	**187,686**	**203,486**

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

All figures in $'000

Parent entity	Notes	Equity share capital	Retained earnings	Total equity
For the year ended 31 March 2022				
Balance at 1 April 2021		15,800	15,057	30,857
Profit for the year		-	13,028	13,028
Total comprehensive income for the year		**-**	**13,028**	**13,028**
Dividends provided for or paid		-	(10,744)	(10,744)
As at 31 March 2022		**15,800**	**17,341**	**33,141**
For the year ended 31 March 2023				
Balance at 1 April 2022		15,800	17,341	33,141
Profit for the year		-	14,564	14,564
Total comprehensive income for the year		**-**	**14,564**	**14,564**
Dividends provided for or paid		-	(11,602)	(11,602)
As at 31 March 2023		**15,800**	**20,303**	**36,103**

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

All figures in $'000

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before tax	**27,280**	47,807	**13,995**	12,117
Adjusted for:				
Depreciation and Amortisation expenses	**9,842**	7,604	**-**	-
Unrealised Foreign exchange (Gain)/Loss	**(513)**	609	**(520)**	278
Net (Gain) on sale of fixed assets	**(637)**	(219)	**-**	-
Finance costs	**5,357**	5,308	**4,134**	4,331
Interest income classified as investing cash flows	**(1,492)**	(5,839)	**(1,873)**	(1,651)
Dividend Income	**-**	-	**(16,025)**	(15,153)
Bad debts written off	**121**	(51)	**-**	-
Share of (Profit) of associates and joint ventures	**(57)**	(58)	**-**	-
Other items	**7**	-	**-**	-
Other non-cash items	**(164)**	-	**-**	-
Operating profit/(loss) before working capital changes	**39,744**	55,161	**(289)**	(78)
Movement in working capital:				
(Increase)/Decrease in Trade receivables	**(3,624)**	(4,100)	**-**	-
Decrease/(Increase) in Inventories	**103**	(15)	**-**	-
(Increase) in other current assets	**(8,003)**	(27,492)	**(12,041)**	(25,547)
(Increase)/Decrease in other current financial assets	**(1,683)**	(4,064)	**(9)**	88
Increase/(Decrease) in Trade payables	**1,118**	(5,418)	**-**	-
Increase in provisions	**700**	1,365	**-**	-
(Decrease)/Increase in other current liabilities	**(294)**	(757)	**1,530**	10,584
Increase/(Decrease) in other current financial liabilities	**2,366**	1,556	**(241)**	-
Decrease/(Increase) in other non-current financial assets	**212**	(297)	**220**	(249)
Increase in other non-current financial liabilities	**116**	119	**71**	56
Other items	**4**	-	**-**	-
Cash generated/(used in) from operations	**30,759**	16,058	**(10,759)**	(15,146)
Direct tax paid including fringe benefit tax (net of refunds)	**(7,347)**	(15,127)	**1,151**	(447)
Net cash inflow/(outflow) from operating activities	**23,412**	931	**(9,608)**	(15,593)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property plant and equipment/ Intangibles and changes in capital work in progress	**(6,454)**	(4,722)	**-**	-
Proceeds from sale/disposal of property, plant and equipment	**1,056**	410	**-**	-
Investments made	**(5,653)**	(6,540)	**(5,127)**	(5,197)
Dividend received	**25**	59	**16,025**	15,153
Investment Reserve Account	**-**	478	**-**	478
Interest received	**1,483**	1,651	**1,864**	2,194

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

All figures in $'000

Net cash (outflow)/inflow from investing activities	**(9,543)**	(8,664)	**12,762**	12,628
CASH FLOWS FROM FINANCING ACTIVITIES				
Foreign exchange (Gain)/Loss realised	**(6)**	(114)	**1**	(49)
Proceeds from term loans	**8,630**	25,176	**5,000**	22,700
Repayment of term loans	**(3,875)**	(18,005)	**-**	(15,000)
Increase/(Repayment) of bank overdraft	**(66)**	(803)	**-**	-
Leases paid	**(3,346)**	(3,310)	**-**	-
Interest paid	**(4,626)**	(3,057)	**(4,118)**	(2,662)
Dividends paid to Parent's shareholders	**(11,602)**	(10,744)	**(11,602)**	(10,744)
Net cash (outflow) from financing activities	**(14,891)**	**(10,857)**	**(10,719)**	**(5,755)**
Net (decrease) in cash and cash equivalents	**(1,021)**	(18,591)	**(7,565)**	(8,720)
Cash and cash equivalents at the beginning of the year	**50,280**	68,912	**10,853**	19,573
Effects of exchange rate on cash and cash equivalents	**195**	(41)	**-**	-
Cash and cash equivalents at the end of the year*	**49,454**	50,281	**3,288**	10,853

* Please note that other bank balances referred to in note 13 have been excluded from the cash flow as the balances are restricted for use in the ordinary course of business.

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

All figures in $'000

Contents of the notes of the financial statements

1. The Group Overview

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

The principal activities of the consolidated entity during the financial year were the provision of services relating to all aspects of physical security, and paramedic and emergency response services.

These financial statements are the consolidated financial statements of the Group consisting of SIS Australia Group Pty Ltd and its subsidiaries, associates and joint ventures in accordance with applicable accounting standards. A list of subsidiaries is included in note 35.

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

These financial statements were authorised for issue by the directors on 02 May 2023.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations and mandatory professional reporting requirements issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The consolidated financial statements of the Group have been prepared to comply with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

2.2 Basis of measurement

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

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

Accounting policies have been applied consistently to all periods presented in these financial statements.

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

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent its subsidiaries and share in net assets of associates and joint ventures as at, and for the year ended, 31 March 2023. Control is achieved when the Group 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. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Group.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent, i.e., year ended on 31 March 2023.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. The policy for accounting for Business combinations explains the accounting for any related goodwill.

(c) Eliminate in full intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intraGroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. However, intraGroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(f) If the Group loses control over a subsidiary, it:

  - Derecognises the assets (including goodwill) and liabilities of the subsidiary,
  - Derecognises the carrying amount of any non-controlling interests,
  - Derecognises 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,

- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interest

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Parent's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

2.4 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

The Group classifies all other liabilities as non-current.

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

b. Property, plant and equipment

Recognition and measurement

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. Items of property, plant and equipment ('PPE') initially recognised at cost. All items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, asset retirement obligation and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statements of profit or loss and other comprehensive income for the year during which such expenses are incurred.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Depreciation

The Group depreciates property, plant and equipment over the estimated useful lives using a written down value method (and straight-line method in respect of certain subsidiaries) from the date the assets are available for use. Assets acquired under finance lease are depreciated over the asset's useful life or over the shorter of the estimated useful life of the asset and the related lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term. Leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Freehold land is not depreciated.

Category	Useful life
Furniture and Fixtures	3-10 years
Plant and Machinery	3-10 years
Vehicles	3-5 years
Computer Equipment	3-5 years

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment.

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Additions are depreciated on a pro-rata basis from the date the asset is available for use till the date the assets are derecognised.

An item of property, plant and equipment and any significant part, initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of profit or loss and other comprehensive income when the asset is derecognised.

c. Intangible assets

Intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised software development costs, are not capitalised and the related expenditure is reflected in the statements of profit or loss and other comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life on written down value method (or straight line method in respect of certain subsidiaries) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statements of profit or loss and other comprehensive income.

The estimated useful lives of assets are as follows:

Category	Useful life
Goodwill	Indefinite

Computer Software	3-10 years
Brand name	Indefinite
Customer contracts	Expected contract duration

Intangible assets with indefinite useful lives are not amortised, but are tested annually for impairment, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statements of profit or loss and other comprehensive income when the asset is derecognised.

Goodwill
Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is allocated to cash generating units, and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or the groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in the Group's case are the respective entities carrying out business.

Software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials, services, and direct payroll and payroll related costs of employees' time spent on the project.

Brand name
Brand name is not amortised and tested annually for impairment.

Customer contracts
Customer contracts acquired on an acquisition of business are recorded at the fair value of respective assets on the date of acquisition. Customer contracts are amortised based on their useful life.

d. Investment in subsidiaries, associates and joint ventures
A subsidiary is an entity over which the Group has control. The Group controls an investee when it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

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

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

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

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

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

e. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial instruments at amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Borrowings
After initial recognition, borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares which are mandatorily redeemable are classified as liabilities. The dividends on these preference shares, to the extent such dividends are mandatorily payable, are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible debenture/ bond/ preference share or a zero-coupon debenture/ bond/ preference share or compulsorily convertible debenture where the price of conversion of the debenture into equity share is not fixed, is determined using a market rate of interest for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

When the terms of a financial liability are renegotiated and the entity issues equity instrument to a creditor to extinguish all or part of a liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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

Reclassification of financial instruments
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines changes in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

f. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

g. Current and deferred tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

Tax consolidation legislation

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

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

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

h. Inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost includes custom duty, freight and other charges as applicable. The Group periodically reviews inventories to provide for diminution in the value of, and/or any unserviceable or obsolete, inventories.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Chemicals and consumables: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis or on weighted average method in respect of certain subsidiaries.
- Stores and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

i. Cash and cash equivalents

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

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

j. Non-current assets held for sale/distribution to owners and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and sale is considered highly probable. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell/distribute will be withdrawn and Management must be committed to the sale/distribution being completed within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposals are measured at the lower of their carrying amount and the fair value less costs to sell/distribute except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Assets and liabilities classified as held for sale/distribution are presented separately in the statement of financial position.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell/distribute. A gain is recognised for any subsequent increases in fair value less costs to sell/ distribute an asset (or a disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale/ distribution of the non-current asset (or disposal group) is recognised on the date of derecognition.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statements of profit or loss and other comprehensive income.

k. Contributed equity

Equity shares are classified as equity.

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

l. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m. Fair value measurement

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

Fair value hierarchy

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

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

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

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

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

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

(c) Cost approach – Replacement cost method.

n. Provisions and contingent liabilities

Provisions

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

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

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

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

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

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

o. Government grants
Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to income are recognised in the statements of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of related assets and presented within other income.

During the year, Platform 4 Group Limited, a subsidiary of the Group based in New Zealand, claimed the Covid-19 Wage subsidy under the New Zealand Government scheme and recognized the same as Income subject to the following criteria:

(a) There is reasonable assurance that the entity complies with the conditions attaching to them and
(b) The grants were received during the year

On the fulfilment of the above criteria, government grants were recognised in in the Statement of comprehensive Income to match the related costs for which the grants are intended to compensate.

p. Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts recognised as revenue are net of returns, trade allowances, discounts, rebates, deductions by customers, service tax, value added tax, goods and services tax and amounts collected on behalf of third parties. The Group also recognised a loss allowance for contract assets following the adoption of AASB 9 Financial Instruments. See Note 11 for further information.

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

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

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

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

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

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

Sale of goods
Revenue from the sale of goods is recognised when the control of goods has been transferred, being when the products are delivered to the buyer, the buyer having the full discretion over the use of the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Discounts and rebates are estimated based on accumulated experience. Certain subsidiaries of the Group provide normal warranty provisions for general repairs for one year on all its products sold, in line with industry practice. A liability is recognised at the time the product is sold. Revenue is deferred and recognised on a straight line basis over the extended warranty period in the case warranty is provided to a customer for a period beyond one year.

Rendering of services
In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

Multiple-element arrangements
When a sales arrangement contains multiple elements, such as services, material and maintenance, revenue for each element is determined based on each element's fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortised costs. If the unamortised costs exceed the undiscounted cash flow, a loss is recognised.

Interest income
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of comprehensive income.

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

q. Foreign currency translation
Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency').

The consolidated financial statements of the Group are presented in Australian Dollars (AUD) which is also the Parent's functional currency.

Transactions in foreign currencies are initially recorded by the entities of the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in statements of profit or loss and other comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation or a monetary item for which settlement is neither planned nor likely to occur in foreseeable future is considered as part of the entity's net investment in that foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into AUD at the rate of exchange prevailing at the reporting date and their statements of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates prevailing at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedge of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

r. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and compensated absences expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as other payables and accruals.

Bonus

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually or legally obliged or where there is a past practice that has created a constructive obligation.

Compensated absences

The employees of the entities of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to a specified portion of the unutilised accumulated compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences relating to long service leave is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date. The expense on non-accumulating compensated absences is recognised in the statements of profit or loss and other comprehensive income in the year in which the absences occur. Actuarial gains / losses are immediately taken to the statements of profit or loss and other comprehensive income and are not deferred.

In respect of those employees who are entitled to an encashment of the leave at the end of every calendar year, a provision is created to account for the liability.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Post-employment obligations: Defined Contribution Plan
The Group's policy is to contribute on a defined contribution basis for eligible employees, to Employees' Superannuation Fund, Employees' Pension Scheme and Employees' State Insurance Scheme towards post-employment benefits, and has no further obligation beyond making its contribution which is expected in the year in which it pertains. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

s. Equity settled stock-based compensation

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of options granted under various Employee Share option plans is recognised as an employee benefit expense with a corresponding increase in equity.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with corresponding adjustment to equity.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions, if any, are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

t. Borrowing costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

u. Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group leases various buildings and vehicles. Rental contracts are typically made for fixed years of three to six years but may have extension options as described below. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Measurement and recognition of leases as a lessee

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

(i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
(ii) The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
(iii) The Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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).

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

After 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.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Extension and termination options

Extension and termination options are included in several property leases across the Group. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

On the statement of financial position, right-of-use assets have been included in property, plant, and equipment (except those meeting the definition of investment property) and lease liabilities have been included in other current financial liabilities.

Short-term and low value leases

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. 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 on a straight-line basis over the lease term.

v. Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units or CGU). Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's CGUs expected to benefit from the synergies arising from the business combination. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognised in the statement of comprehensive income is not reversed in the subsequent period. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

w. Exceptional items

Significant items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

x. Cash dividend and non-cash distribution to equity holders of the parent

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

y. Goods and services tax (GST)

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

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

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

z. Cash flow statement

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

2.5 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for first time for their annual reporting period commencing 1 April 2022:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139]
- AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments [AASB 1060].

Other than the new standards and amendments listed above, no other items were early adopted by the Group.

The Group adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities in the current year. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the consolidated financial statements because the Group previously complied with Australian Accounting Standards – Reduced Disclosure Requirements in preparing its consolidated financial statements.

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

3. Critical accounting estimates and judgements

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

3.1 Key estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Litigation provision

At reporting date, the Group assesses its litigation provision. Management is required to use estimates and assumptions in calculating the balance included within this provision.

(ii) Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There are no reasonably foreseeable changes in these key estimates which would have caused an impairment of these assets.

(iii) Estimation of fair values of contingent consideration in a business combination

The Group assesses the fair value of the contingent consideration in a business combination. Refer to note 31 to the financial statements for further details.

All figures in $'000

4. Property, Plant and Equipment

Year ended 31 March 2022

Consolidated Group	Gross block					Depreciation				Net book value
Description of Assets	As at April 1, 2021	Acquired on Acquisition	Additions during the year	Sale and adjustments	As at March 31, 2022	Up to March 31, 2021	For the year	Sale and adjustments	Up to March 31, 2022	As at March 31, 2022
Right of Use Buildings	11,902	-	1,415	(185)	13,132	3,741	2,166	(107)	5,800	7,332
Plant & Machinery	3,169	-	765	(23)	3,911	2,565	524	(24)	3,065	846
Furniture & Fixture	3,436	-	64	-	3,500	2,036	336	(397)	1,975	1,525
Vehicles	10,868	292	1,568	(901)	11,827	4,085	2,368	(286)	6,167	5,660
Right of Use Vehicles	993	-	437	(108)	1,322	675	227	(91)	811	511
Computer Equipment	3,277	-	555	(40)	3,792	2,359	325	(40)	2,644	1,148
	33,645	**292**	**4,804**	**(1,257)**	**37,484**	**15,461**	**5,946**	**(945)**	**20,462**	**17,022**
Capital work in progress	903	-	1,049	(1,544)	408	-	-	-	-	408
Grand Total	**34,548**	**292**	**5,853**	**(2,801)**	**37,892**	**15,461**	**5,946**	**(945)**	**20,462**	**17,430**

Year ended 31 March 2023

Consolidated Group	Gross block					Depreciation				Net book value
Description of Assets	As at April 1, 2022	Acquired on Acquisition	Additions during the year	Sale and adjustments	As at March 31, 2023	Up to March 31, 2022	For the year	Sale and adjustments	As at March 31, 2023	As at March 31, 2023
Right of Use Buildings	13,132	65	3,200	(424)	15,973	5,800	2,546	(234)	8,112	7,861
Plant & Machinery	3,911	649	695	(80)	5,175	3,065	611	(57)	3,619	1,556
Furniture & Fixture	3,500	583	104	(1)	4,186	1,975	413	-	2,388	1,798
Vehicles	11,827	345	3,512	(1,540)	14,144	6,167	2,756	(1,391)	7,532	6,612
Right of Use Vehicles	1,322	-	346	(1)	1,667	811	178	(1)	988	679
Computer Equipment	3,792	48	514	(44)	4,310	2,644	663	(29)	3,278	1,032
	37,484	**1,690**	**8,371**	**(2,090)**	**45,455**	**20,462**	**7,167**	**(1,712)**	**25,917**	**19,538**
Capital work in progress	408	22	(211)	-	219	-	-	-	-	219
Grand Total	**37,892**	**1,712**	**8,160**	**(2,090)**	**45,674**	**20,462**	**7,167**	**(1,712)**	**25,917**	**19,757**

All figures in $'000

5. Other Intangible Assets

Year ended 31 March 2022

Consolidated group	Gross block						Amortisation				Net book value
Description of Assets	As at April 1, 2021	Acquired on Acquisition	Additions during the year	Sale and adjustments	Impairment during the year	As at March 31, 2022	Up to March 31, 2021	For the year	Sale and adjustments	Up to March 31, 2022	As at March 31, 2022
Goodwill	99,382	986	-	-	-	100,368	-	-	-	-	100,368
Computer Software	9,808	-	2,265	-	-	12,073	7,394	909	-	8,303	3,770
Customer Contracts	10,842	949	-	31	-	11,822	6,295	749	3	7,047	4,775
Brand name	31	-	-	-	-	31	-	-	-	-	31
Total	**120,063**	**1,935**	**2,265**	**31**	**-**	**124,294**	**13,689**	**1,658**	**3**	**15,350**	**108,944**
Intangible Assets under development											
Computer Software	-	-	-	-	-	-	-	-	-	-	-
Grand Total	**120,063**	**1,935**	**2,265**	**31**	**-**	**124,294**	**13,689**	**1,658**	**3**	**15,350**	**108,944**

Year ended 31 March 2023

Consolidated group	Gross block						Amortisation				Net book value
Description of Assets	As at April 1, 2022	Acquired on Acquisition	Additions during the year	Sale and adjustments	Impairment during the year (a)	As at March 31, 2023	Up to March 31, 2022	For the year	Sale and adjustments	Up to March 31, 2023	As at March 31, 2023
Goodwill	100,368	456	-	-	-	100,824	-	-	-	-	100,824
Computer Software	12,073	-	168	-	-	12,241	8,303	1,139	-	9,442	2,799
Customer Contracts	11,822	4,384	132	20	-	16,358	7,047	1,536	(399)	8,184	8,174
Brand name	31	-	-	-	-	31	-	-	-	-	31
Total	**124,294**	**4,840**	**300**	**20**	**-**	**129,454**	**15,350**	**2,675**	**(399)**	**17,626**	**111,828**
Intangible Assets under development											
Computer Software	-	-	1,467	-	-	1,467	-	-	-	-	1,467
Grand Total	**124,294**	**4,602**	**2,005**	**20**	**-**	**130,921**	**15,350**	**2,675**	**(399)**	**17,626**	**113,295**

All figures in $'000

6. Investments

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023		Parent entity For the year ended 31 March 2022
Investments in associates					
Unquoted equity shares (fully paid)					
49 equity shares (March 31, 2022: 49) each fully paid up in Habitat Security Pty Ltd	**83**	51	**-**		-
Total Investment in associates	**83**	51	**-**		-
Investments in subsidiaries					
15,000,000 equity shares (March 31, 2022: 15,000,000) each fully paid up in SIS MSS Security Holdings Pty Ltd	**-**	-	**15,000**		15,000
10,000 equity shares (March 31, 2022: 10,000) each fully paid up in MSS Strategic Medical and Rescue Pty Ltd	**-**	-	**10**		10
392,061 equity shares (March 31, 2022: 392,061) each fully paid up in SX Protective Holdings Pty Ltd	**-**	-	**57,197**		57,197
131 equity shares (March 31, 2022: 131) each fully paid up in Platform 4 Group Pty Ltd	**-**	-	**6,508**		6,508
361 equity shares (March 31, 2022: nil) each fully paid up in Safety Direct Solutions Pty Ltd	**-**	-	**5,127**	**(a)**	-
Total Investment in subsidiaries	**-**	-	**83,842**		78,715
Other Investments					
Investment in Bonds	**13,627**	13,180	**13,627**		13,180
Total non-current investments	**13,710**	13,231	**97,469**		91,895

Note (a) - Acquisition of 85% voting shares in Safety Direct Solutions Pty Ltd
Effective 1 September 2022, SIS Australia Group Pty Limited acquired 85% of the voting shares of Safety Direct Solutions Pty Limited (SDS) for cash consideration of $4.95m AUD with put/call options to buy the remaining 15% of the shares of SDS on or before 30 June 2024. The total acquisition costs are $181,063.

7. Other Financial Assets

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Other non-current financial assets				
Security deposits	**285**	191	**-**	-
Other non-current financial assets	**152**	322	**29**	249
Total Other non-current financial assets	**437**	513	**29**	249
Other current financial assets				
Unbilled revenue	**31,171**	27,701	**-**	-
Interest accrued on investments	**269**	260	**269**	260
Security deposits	**52**	-	**-**	-
Advances to related parties	**-**	66	**-**	-
Total other current financial assets	**31,492**	28,027	**269**	260
Total financial assets	**31,929**	28,540	**298**	509

The amounts receivable from related parties are non-interest bearing and represent transactions made in the ordinary course of business.

All figures in $'000

8. Income Tax Assets, Liabilities and Expense

The balance in deferred tax assets (liabilities) comprises temporary differences

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Total deferred tax assets	**12,524**	15,429	**1,243**	1,825

Reflected in the statement of financial position as

Particulars				
Deferred tax assets	**20,864**	21,469	**1,243**	1,825
Deferred tax liabilities	**(8,340)**	(6,040)	**-**	-
Total deferred tax assets, Net*	**12,524**	15,429	**1,243**	1,825

* Deferred tax liabilities also include liabilities amounting to $497,398 pertaining to New Zealand tax jurisdiction

Reconciliation of Consolidated deferred tax assets (liabilities), net

	Property, plant and equipment	Intangible Assets	Employee Provisions	Accruals and other	Allowance for doubtful debts - trade receivables	**Total**
As at April 1, 2021	**(4,066)**	(873)	**20,661**	(1,101)	325	**14,946**
Tax income/(expense) during the period recognised in profit or loss	574	(172)	761	(402)	(278)	**483**
As at March 31 2022	**(3,492)**	**(1,045)**	**21,422**	**(1,503)**	**47**	**15,429**
Tax income/(expense) during the period recognised in profit or loss	363	343	(641)	(2,223)	16	**(2,142)**
Addition on business combination	-	(1,424)	-	582	-	**(842)**
Conversion of foreign currency denominated balances		79				**79**
As at March 31 2023	**(3,129)**	**(2,047)**	**20,781**	**(2,982)**	**63**	**12,524**

Deferred tax assets and liabilities above have been determined by applying the income tax rates applicable to respective entities in the group. However, deferred tax liabilities in relation to taxes payable by the Group's subsidiary in New Zealand have been offset in the financial statements.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

All figures in $'000

The major components of income tax expense for the years ended 31 March, 2023 and 31 March, 2022 are:

Reflected in the statement of financial position as follows:

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Current income tax:				
Current income tax charge	**6,204**	13,932	**(1,151)**	447
Deferred tax:				
Decrease/(Increase) in deferred tax assets	**2,142**	(729)	**582**	(1,358)
Income tax expense/(benefit) reported in the income statement	**8,346**	13,203	**(569)**	(911)

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for 31 March, 2023 and 31 March, 2022 are:

Particulars	**31 March 2023**	31 March 2022	**31 March 2023**	31 March 2022
Accounting profit before tax from continuing operations	**27,280**	47,807	**13,995**	12,117
Tax at the Australian tax rate of 30.0% (2022 - 30%)	**8,184**	14,342	**4,199**	3,635
Tax effect of amount subject to New Zealand tax rate of 28% (2022 - 28%)	**(2)**	(20)	**-**	-
Tax effect of amounts which are not deductible in calculating taxable income:				
Share of net profit of associates	**(17)**	(17)	**-**	-
Non-taxable dividends	**7**	18	**-**	-
Prior period adjustments	**6**	-	**-**	-
Other permanent differences	**165**	(1,126)	**(4,768)**	(4,546)
Franking credits on dividend	**3**	6	**-**	-
Income tax expense/(benefit) reported in the income statement	**8,346**	13,203	**(569)**	(911)

9. Other Assets

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Other current assets				
Balances with related parties	**118,931**	112,546	**121,107**	109,426
Prepaid expenses	**5,558**	5,861	**2,416**	2,056
Other advances	**13**	13	**13**	13
Total other current assets	**124,502**	118,420	**123,536**	111,495
Total other assets	**124,502**	118,420	**123,536**	111,495

10. Inventory

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Stock-in-trade	**-**	4	**-**	-
Uniforms	**42**	37	**-**	-
Consumables	**213**	316	**-**	**-**
Total Inventories at the lower of cost or net realisable value	**255**	357	**-**	-

11. Trade Receivables

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Trade receivables	**87,476**	81,268	**-**	-
Less: Loss allowance	**(420)**	(215)	**-**	-
Trade receivables from related parties	**83**	78	**-**	-
Total trade receivables	**87,139**	81,131	**-**	-

12. Cash and cash equivalents

Cash and cash equivalents

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Balance with banks:				
On current accounts	**49,429**	50,281	**3,288**	10,853
Cash on hand	**25**	-	**-**	-
Total cash and cash equivalent	**49,454**	50,281	**3,288**	10,853

13. Equity Share Capital

a. Share capital

Particulars	**31 March 2023 Shares**	31 March 2022 Shares	**31 March 2023 $'000**	31 March 2022 $'000
Ordinary Shares				
Fully Paid	**15,800,000**	15,800,000	**15,800**	15,800

b. Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of, and amounts paid on, the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

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

All figures in $'000

14. Other Equity

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Reserves and surplus				
Equity Contribution by Parent	**239**	239	**239**	239
Retained Earnings	**186,933**	179,618	**20,064**	17,102
Total reserves and surplus	**187,172**	179,857	**20,303**	17,341
Other reserves				
Foreign currency translation reserve	**514**	319	**-**	-
Total other reserves	**514**	319	**-**	**-**
Total other equity	**187,686**	180,176	**20,303**	17,341

	Consolidated	Parent entity
At April 1, 2021	155,758	14,819
Add: Net profit for the year	34,604	13,028
Add: Appropriations		
Dividends	(10,744)	(10,744)
Other appropriations	-	(1)
At March 31, 2022	**179,618**	**17,102**
Add: Net profit for the year	**18,934**	14,564
Add: Appropriations		
Dividends	**(11,602)**	**(11,602)**
Other appropriations	**(17)**	**-**
At March 31, 2023	**186,933**	**20,064**

Foreign currency translation reserve		
At April 1, 2021		
Translation reserve	**360**	-
Add: Foreign exchange (loss) on monetary items included in net investment in foreign operations	**(41)**	-
At March 31, 2022	**319**	**-**
Add: Foreign exchange gain on monetary items included in net investment in foreign operations	**195**	-
At March 31, 2023	**514**	**-**

15. Borrowings

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Non-current Borrowings				
Term Loans				
From Banks	**99,753**	94,953	**99,753**	94,753
Vehicle Loan from various banks	**4,001**	3,367	**-**	-
Equipment Loan from Banks	**-**	93	**-**	-
Total non-current borrowings	**103,754**	98,413	**99,753**	94,753
Current Borrowings				
Term loans From Banks	**-**	66	**-**	-
Vehicle Loan from other parties	**2,881**	663	**-**	-
Other loans	**1,436**	1,326	**-**	-
Total current borrowings	**4,317**	2,055	**-**	-

All figures in $'000

16. Trade Payables

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Current trade payables				
Trade payables	**2,801**	790	**-**	-
Total trade payables	**2,801**	790	**-**	-

The terms and conditions of the above financial liabilities are as follows:

Trade payables are non-interest bearing and are normally settled on credit terms ranging from 30-60 days which vary by vendor and type of service.

17. Other financial liabilities

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Non-current				
Liability towards put and call options to purchase non-controlling interests in a subsidiary (refer note 31)	**957**	-	**-**	-
Current				
Interest accrued but not due on borrowings	**3,928**	3,913	**3,928**	3,913
Employee benefits payable	**129**	113	**-**	-
Other payables and accruals	**52,510**	52,115	**143**	394
Total other current financial liabilities	**56,567**	56,141	**4,071**	4,307
Total other financial liabilities	**57,686**	56,141	**4,071**	4,307

18. Provisions

Consolidated

Particulars	IBNR	Leave liabilities	Others	**Total**
As at March 31, 2022				
Current	1,124	58,049	426	59,599
Non-current	-	8,538	150	**8,688**
Total	1,124	66,587	576	**68,287**
As at March 31, 2023				
Current	1,124	59,939	429	**61,492**
Non-current	-	7,859	357	**8,216**
Total	1,124	67,798	786	**69,708**

IBNR
The IBNR, which is the abbreviated form of incurred but not reported (IBNR), are the reserves for claims that become due with the occurrence of events but have not been reported yet. The sum of IBNR losses plus reported losses yields an estimate of the total eventual liabilities.

Movements in provisions

Particulars	IBNR	Leave liabilities	Others	**Total**
As at March 31, 2022	1,124	66,587	576	**68,287**
Amounts used during the year	-	1,211	210	**1,421**
As at March 31, 2023	1,124	67,798	786	**69,708**

All figures in $'000

19. Other Liabilities

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Other current liabilities				
Amounts due to related parties	**619**	656	**85,907**	84,377
Total other current liabilities	**619**	656	**85,907**	84,377

The amounts due to related parties are non-interest bearing and represent transactions made in the ordinary course of business. The balance is unsecured and payable on demand.

20. Lease Liabilities

This note provides information for leases where the Group is a lessee.

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Current	**2,912**	3,523	**-**	-
Non-current	**7,328**	6,712	**-**	-
Total lease liabilities	**10,240**	10,235	**-**	-

Future lease payments in relation to lease liabilities as at period end are as follows:	
Within one year	3,344
Later than one year but not later than five years	7,754
Later than five years	-
	11,098

21. Revenue from operations

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Sale of products				
Revenue from sale of electronic security devices	**491**	2,492	**-**	-
Total	**491**	2,492	**-**	-
Rendering of services				
Security services				
From guarding and other security services	**854,889**	850,317	**-**	-
Total rendering of services	**854,889**	850,317	**-**	-
Other operating revenues	**4**	-	**-**	-
Total	**854,893**	850,317	**-**	-
Revenue from operations	**855,384**	852,809	**-**	-
Time of revenue recognition				
At a point in time				
Sale of products	**491**	2,492	**-**	-
Total at a point in time	**491**	2,492	**-**	**-**
Over time				
Security services	**854,889**	850,317	**-**	-
Other services	**4**	-	**-**	-
Total over time	**854,893**	850,317	**-**	-
Revenue from operations	**855,384**	852,809	**-**	-

All figures in $'000

22. Other Income

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Interest income from banks	**1,492**	1,108	**1,873**	1,651
Dividends Received	**-**	-	**16,025**	15,153
Total	**1,492**	1,108	**17,898**	16,804

Franked dividends:
The franked portions of the final dividends recommended after 31 March 2023 will be franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 31 March 2024.

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2022 - 30%)	**-**	-	**6,868**	6,494

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

23. Other gain/(loss)

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Net gain on sale of property, plant and equipment	**637**	219	**-**	-
Foreign exchange gain/(loss)	**513**	(608)	**520**	(278)
Net gain/(loss) on financial liabilities measured at fair value through profit or loss	**-**	4,730 (a)	**-**	-
Total	**1,150**	4,341	**520**	(278)

Note (a) - Gain on Fair Value arising on acquisition of remaining shares in Platform 4 Group Ltd, New Zealand
Effective November 24, 2021, the Group acquired the remaining shares in Platform 4 Group Ltd (P4G), New Zealand under the put and call option in place as part of the share purchase agreement for a consideration of $5,197,000. As a result of this transaction, the Group recognised a gain of $4,730,471 based on the fair value of the liability as on the date of settlement compared to its carrying value. The gain has been recognised as Income in the statement of comprehensive income.

24. Employee Benefits

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Salaries, wages and bonus	**548,868**	493,360	**-**	-
Contribution to provident and other funds	**38,968**	34,039	**-**	-
Employee share-based payment expense	**495**	784	**-**	-
Staff welfare expenses	**13,515**	11,483	**-**	-
Total employee benefit expense	**601,846**	539,666	**-**	-

All figures in $'000

25. Finance Costs

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Interest on Lease Liability	**691**	582	**-**	-
Other borrowing costs	**4,666**	4,726	**4,134**	4,330
Finance costs expenses in profit or loss	**5,357**	5,308	**4,134**	4,330

26. Depreciation and Amortisation Expenses

Particulars	Consolidated For the year ended		Parent entity For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Depreciation on property, plant and equipment (Note 4)	**7,167**	5,946	**-**	-
Amortisation of intangible assets (Note 5)	**2,675**	1,658	**-**	-
Total depreciation and amortisation expenses	**9,842**	7,604	**-**	-

The above amounts include Depreciation on Right of use assets recognised under AASB 16 as below:

Particulars	Consolidated For the year ended	
	31 March 2023	31 March 2022
Right of use assets - Building	**2,546**	2,166
Right of use assets - Vehicles	**178**	227
	2,724	2,393

All figures in $'000

27. Other Expenses

Particulars	Consolidated		Parent entity	
	For the year ended		For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Training expenses	**2,490**	1,717	**-**	-
Uniform and kit items	**2,367**	2,532	**-**	-
Sub-contracting costs	**171,900**	227,049	**-**	-
Selling expenses	**1,133**	750	**-**	-
Administrative expenses:				
Travelling and conveyance	**10,020**	6,987	**-**	-
Postage and telephone	**4,150**	4,067	**-**	-
Rent	**663**	608	**-**	-
Rates & taxes	**845**	782	**-**	-
Insurance	**1,769**	1,673	**-**	-
Stationary & Printing	**547**	458	**-**	-
Repairs and maintenance:				
Buildings	**260**	205	**-**	-
Machinery	**296**	435	**-**	-
Vehicle expenses*	**533**	379	**-**	-
Consulting fees	**310**	418	**19**	19
Legal and professional fees	**5,749**	5,012	**268**	34
Bad and doubtful debts provided/written off	**121**	(51)	**-**	-
Bank charges	**169**	148	**2**	25
Other administration and general expenses	**9,493**	4,296	**-**	1
Total	**212,815**	257,465	**289**	79

*Vehicle expenses include expenses relating to short term leases.

Remuneration of auditors

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

Particulars	Consolidated		Parent entity	
	For the year ended		For the year ended	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	$	$	**$**	$
(a) PricewaterhouseCoopers Australia				
(i) Audit and other assurance services				
Audit and review of financial statements	**385,386**	170,075	**32,585**	32,762
Other services	**352,795**	176,460	**-**	-
Total remuneration for audit and other services	**738,181**	346,535	**32,585**	32,762
(ii) Taxation services				
Tax	**55,547**	44,000	**7,801**	9,167
Other services	**-**	46,250	**-**	-
Total remuneration for taxation services	**55,547**	90,250	**7,801**	9,167
Total remuneration of PricewaterhouseCoopers Australia	**793,728**	436,785	**40,386**	41,929
(b) Other auditors				
(i) Audit and other assurance services				
Audit and review of financial statements	**-**	158,359	**-**	-
Total remuneration for audit and other services	**-**	158,359	**-**	-

All figures in $'000

28. Distributions Made and Proposed

Particulars	**Consolidated For the year ended**		**Parent entity For the year ended**	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Ordinary shares				
Total dividend paid or provided for	**11,602**	10,744	**11,602**	10,744

29. Commitments and Contingencies

a. Operating lease commitments – Group as lessee

From 1 April 2019, the Group has recognised right-of-use assets and a lease liability for these leases, except for short-term and low-value leases. See Note 2.4(v) for further information.

Rental expenses relating to short term and low value leases

Particulars				
Rental expenses relating to short term and low value leases	**1,196**	987	**-**	-

b. Commitment for purchase of non-controlling interests under a put and call option

Effective September 01, 2022, The Group, acquired 85% of the voting rights and shares in Safety Direct Solutions Pty Limited (SDS) by way of a purchase of shares. SDS as a result of the acquisition has become a subsidiary in the Group. Further, a deed of put and call option, executed on September 01, 2022 provides an option the Group to acquire the remaining voting rights and equity interests in SDS on or after June 30, 2024. The Group has recognized a liability of $957,392 as at March 31, 2023 towards such call and put options.

c. Contingent liabilities

The Group had the following contingencies: Bank guarantees and surety bonds 31 March 2023: $7,169,260 (31 March 2022: $6,340,764).

30. Events Occurring After the Reporting Date

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

31. Business Combination – Safety Direct Solutions Pty Ltd

On 1 September 2022, SIS Australia Group Pty Limited acquired 85% of the voting shares of Safety Direct Solutions Pty Limited (SDS), a non-listed company based in Australia and New Zealand specializing in providing critical risk, medical, training and security services to a diversified portfolio of customers comprising the defence, mining and resource sectors for cash consideration of $4.95m AUD. The Group acquired SDS because of the continue building along with SMR the largest Paramedic business in Australia, and to increase the SIS Group's overall margin profile. The Group has put/call options to buy the remaining 15% of the shares of SDS on or before 30 June 2024.

All figures in $'000

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Safety Direct Solutions Pty Ltd as at the date of acquisition were:

	Fair value recognised on AUD ($)
Assets	
Property, plant and equipment	3,318,749
Cash and cash equivalents	109,590
Trade and other receivables	3,191,052
Deferred tax assets on Employee provisions	581,970
Current Tax assets	227,125
Other assets	1,762,786
Total assets	**9,191,272**
Liabilities	
Trade and other payables	253,313
Borrowings	1,395,263
Provisions	855,441
Other liabilities	3,744,847
Total liabilities	**6,248,864**
Total identifiable net assets at fair value	2,942,408
Goodwill arising on acquisition (Note 5)	218,443
Acquired contracts on acquisition (Note 5)	2,719,299
Purchase consideration transferred	**5,880,150**

(b) Purchase consideration - cash outflow	**AUD ($)**
Purchase consideration	
Amount settled in cash	4,945,401
Contingent consideration payable	934,749
Total consideration	**5,880,150**

Transaction costs of $181,063 have been expensed and are included in other expenses.

All figures in $'000

32. Asset Acquisitions

During the year ended 31 March 2023, the Group acquired the assets of the following entities through its subsidiaries as below:

Particulars (amounts in $)	**Sentry Security**	**Fortitude Security**	**Protection Plus Security**	**Security One**
Acquiring entity	Southern Cross Protection	Southern Cross Protection	Southern Cross Protection	Platform 4 Group
Effective date of acquisition	20 December 2022	1 February 2023	29 September 2022	15 August 2022
Nature of business	Patrols	Patrols	Cash-in transit	Monitoring
Fair value of consideration transferred				
Amount settled in cash	45,025	119,718	200,000	371,623
Deferred consideration	15,000	29,930	-	36,970
Total fair value of consideration	**60,025**	**149,648**	**200,000**	**408,593**
Identifiable net assets				
Property, plant and equipment	-	-	189,100	-
Employee entitlements	-	-	(82,899)	-
Lease liabilities	-	-	(170,200)	-
Customer contracts	85,750	213,782	36,687	566,966
Deferred Tax liability on above	(25,725)	(64,135)	(11,006)	(158,373)
Identifiable net assets	**60,025**	**149,648**	**(38,318)**	**408,593**
Goodwill on purchase	-	-	238,318	-

33. Group Information

Particulars	**Country of Incorporation**	**Class of Shares**	**Equity Holding *** **2023** **%**	2022 %
SIS MSS Security Holdings Pty Ltd	**Australia**	Ordinary	**100**	100
MSS Strategic Medical and Rescue Pty Ltd	**Australia**	Ordinary	**100**	100
Platform 4 Group Ltd	**New Zealand**	Ordinary	**100**	100
Triton Security Services Ltd	**New Zealand**	Ordinary	**100**	100
MSS Security Pty Ltd	**Australia**	Ordinary	**100**	100
Australian Security Connections Pty Ltd	**Australia**	Ordinary	**100**	100
MSS AJG Pty Ltd**	**Australia**	Ordinary	**-**	100
Southern Cross Protection Pty Ltd	**Australia**	Ordinary	**100**	100
Charter Security Protective Services Pty Ltd	**Australia**	Ordinary	**100**	100
Askara Pty Ltd	**Australia**	Ordinary	**100**	100
Safety Direct Solutions Pty Ltd *	**Australia**	Ordinary	**85**	-
Safety Direct Solutions NZ Pty Ltd *	**New Zealand**	Ordinary	**85**	-

* The proportion of ownership interest is equal to the proportion of voting power held.

** The entities were de-registered during the current reporting period.

All figures in $'000

34. Interest in Other Entities

Particulars	Consolidated For the year ended 31 March 2023	Consolidated For the year ended 31 March 2022	Parent entity For the year ended 31 March 2023	Parent entity For the year ended 31 March 2022
Carrying amount at the beginning of the financial year	**51**	52	**-**	-
Share of profits after income tax	**57**	58	**-**	-
Dividends received/receivable	**(24)**	(59)	**-**	-
Carrying amount at the end of the financial year	**84**	51	**-**	-

35. Related Party Transactions

Particulars		**Associates**	**Key management personnel, their relatives, and owned enterprises**	**Members of the same Group**	**Total**
Transactions during the year					
Dividend paid	Mar-23	-	-	11,602	**11,602**
	Mar-22	-	-	10,744	**10,744**
Fixed Assets purchased/(sold)	Mar-23	-	790	-	**790**
	Mar-22	-	691	-	**691**
Interest Received on Bonds; Debentures and loans	Mar-23	-	251	-	**251**
	Mar-22	-	192	-	**192**
Sub-contracting service charge (net) received	Mar-23	-	-	-	**-**
	Mar-22	-	19	-	**19**
Service charges / Expenses paid	Mar-23	-	2,355	-	**2,355**
	Mar-22	-	2,014	-	**2,014**
Salary & remuneration paid	Mar-23	-	2,473	-	**2,473**
	Mar-22	-	2,771	-	**2,771**
Balances outstanding at end of the year					
Investment in shares	Mar-23	-	218	-	**218**
	Mar-22	-	302	-	**302**
Other payables and accruals	Mar-23	201	497	362	**1,060**
	Mar-22	202	693	656	**1,551**
Other receivables and accruals	Mar-23	31	-	114,836	**114,867**
	Mar-22	8	-	109,142	**109,150**
Bonds and Debentures	Mar-23	-	-	3,484	**3,484**
	Mar-22	-	-	3,263	**3,263**

Terms and conditions of transactions with related parties
Transactions relating to dividends paid, subscription for new equity shares were on the same terms and conditions that applied to other shareholders.The sales to, and purchases from, related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances at the year-end are unsecured and carry interest equivalent to market rate, where specified, in terms of the transactions and settlement occurs in cash. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: AUD Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

In the directors' opinion:

(a) the financial statements and notes set out on pages 5 to 47 are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the Group's and consolidated entity's financial position as at 31 March 2023 and of their performance for the financial year ended on that date, and

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

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

Devesh Desai
Director

Michael McKinnon
Director

Sydney
02 May 2023

Independent auditor's report to the members of

SIS Australia Group Pty Ltd

{The Auditor's report will be provided by your Auditor.}