SIS HENDERSON HOLDINGS PTE. LTD.
AND ITS SUBSIDIARIES

(Incorporated in Singapore. Registration Number: 201905888D)

ANNUAL REPORT

For the financial year ended 31 March 2023

SIS HENDERSON HOLDINGS PTE. LTD.
AND ITS SUBSIDIARIES
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 March 2023

Contents

DIRECTORS' STATEMENT
For the financial year ended 31 March 2023

The directors present their statement to the member together with the audited financial statements of the Group for the financial year ended 31 March 2023 and balance sheet of the Company as at 31 March 2023.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on page 7 to 43 are drawn up so as to give a true and fair view of the financial position of the Company and the Group as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

Directors

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

Michael John Mckinnon
Uday Singh
Chow Kwok-Ho, Daniel Marc

Arrangements to enable director to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Director interest in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interests in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director	
	At 31.03.2023	At 01.04.2022
Ultimate holding corporation – SIS Limited		
(No. of ordinary shares)		
Uday Singh	**397,691**	397,691

Share options

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

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

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

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept appointment.

On behalf of the directors

MICHAEL JOHN MCKINNON
Director
28 April 2023

UDAY SINGH
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of SIS Henderson Holdings Pte Ltd. ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Company Act 1967 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheet of the Group as at 31 March 2023;
- the balance sheet of the Company as at 31 March 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Matter

The financial statements for the preceding financial year were reported on by an audit firm other than PricewaterhouseCoopers LLP. The auditor's report dated 30 September 2022 issued by the predecessor audit firm on the financial statements for the financial year ended 31 March 2022 was unqualified.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES (continued)

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES (continued)

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

		Group	
			Restated
		2023	2022
	Note	**$**	$
Revenue	**4**	**29,538,963**	29,558,551
Other income	**5**	**319,328**	137,450
Other gain / (loss)	**6**	**81,198**	-
		29,939,489	29,696,001
Cost & expenses			
Employee benefits expense	**7**	**(30,290,496)**	(30,150,489)
Entertainment and refreshment		**(37,373)**	(28,776)
Insurance		**(190,016)**	(234,411)
Telephone expenses		**(90,687)**	(119,712)
Upkeep of motor vehicles		**(208,402)**	(147,643)
Depreciation of property, plant and equipment	**9**	**(405,413)**	(366,699)
Loss allowance recognised on trade receivables	**12**	**-**	(43,374)
Professional fees		**(158,591)**	(149,213)
Short term lease expenses	**18(e)**	**(112,294)**	(130,970)
Security expenses		**(91,554)**	(164,297)
Uniforms		**(36,657)**	(29,559)
Other operating expenses		**(460,649)**	(348,573)
Loss from operations	**7**	**(2,142,643)**	(2,217,715)
Finance costs	**18(d)**	**(19,889)**	(11,926)
Loss before tax		**(2,162,532)**	(2,229,641)
Tax credit	**8**	**123,990**	123,442
Loss for the year, representing total comprehensive loss for the year		**(2,038,542)**	(2,106,199)

BALANCE SHEET
As at 31 March 2023

		Group	
		2023	2022
	Note	**$**	$
ASSETS			
Non-current assets			
Property, plant and equipment	**9**	**1,341,113**	309,878
Deferred income taxes, net	**10**	**260,908**	196,632
Total non-current assets		**1,602,021**	506,510
Current assets			
Trade receivables	**12**	**6,097,491**	5,846,155
Other receivables, deposits and prepayments	**13**	**581,623**	226,521
Cash and cash equivalents	**15**	**28,543,560**	30,848,626
Total current assets		**35,222,674**	36,921,302
Total assets		**36,824,695**	37,427,812
EQUITY AND LIABILITIES			
Non-current liabilities			
Lease liabilities	**18**	**460,175**	17,102
Total non-current liabilities		**460,175**	17,102
Current liabilities			
Trade payables	**16**	**64,004**	35,251
Other payables	**17**	**3,799,151**	3,063,992
Lease liabilities	**18**	**408,433**	120,270
Income tax payable		**9,400**	69,123
Total current liabilities		**4,280,988**	3,288,636
Total liabilities		**4,741,163**	3,305,738
Equity			
Share capital	**19**	**16,888,950**	16,888,950
Capital reserve		**500,000**	500,000
Retained earnings		**14,694,582**	16,733,124
Total equity		**32,083,532**	34,122,074
Total equity and liabilities		**36,824,695**	37,427,812

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

BALANCE SHEET
As at 31 March 2023

		Company	
		2023	2022
	Note	**$**	$
ASSETS			
Non-current assets			
Deferred tax assets (net)	**10**	**4,240**	3,825
Investment in subsidiaries	**11**	**16,888,950**	16,888,950
Total non-current assets		**16,893,190**	16,892,775
Current assets			
Other receivables, deposits and prepayments	**13**	**2,778,792**	923,325
Cash and cash equivalents	**15**	**24,393,218**	26,024,972
Income tax receivable		**-**	11,206
Total current assets		**27,172,010**	26,959,503
Total assets		**44,065,200**	43,852,278
EQUITY AND LIABILITIES			
Current liabilities			
Income tax payable		**9,400**	-
Other payables	**17**	**24,940**	22,500
Total current liabilities		**34,340**	22,500
Total liabilities		**34,340**	22,500
Net assets		**44,030,860**	43,829,778
Equity			
Share capital	**19**	**16,888,950**	16,888,950
Retained earnings		**27,141,910**	26,940,828
Total equity		**44,030,860**	43,829,778
Total equity and liabilities		**44,065,200**	43,852,278

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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	Share capital $	Capital reserve $	Retained earnings $	Total $
Group				
At 31 March 2021	16,888,950	-	19,339,323	36,228,273
Loss for the financial year, representing total comprehensive loss for the year	-	-	(2,106,199)	(2,106,199)
Issuance of shares to subsidiary out of retained earnings	-	500,000	(500,000)	-
At 31 March 2022	**16,888,950**	**500,000**	**16,733,124**	**34,122,074**
Loss for the financial year, representing total comprehensive loss for the year	-	-	(2,038,542)	(2,038,542)
At 31 March 2023	**16,888,950**	**500,000**	**14,694,582**	**32,083,532**

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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Loss before tax		**(2,162,532)**	(2,229,641)
Adjustments for:			
Depreciation of property, plant and equipment	**9**	**405,413**	366,699
Finance costs	**18**	**19,889**	11,926
Interest income	**5**	**(268,345)**	(24,892)
Gain on disposal of property, plant and equipment	**6**	**(81,487)**	-
Loss allowance recognised on trade receivables	**12**	**-**	43,374
		(2,087,062)	(1,832,534)
Changes in:			
Trade receivables	**12**	**(251,791)**	3,246,459
Other receivables, deposits and prepayments	**13**	**(355,103)**	1,223,247
Trade payables	**16**	**29,190**	3,114
Other payables	**17**	**735,169**	(2,127,884)
Cash (used in)/generated from operations		**(1,929,597)**	512,402
Income tax paid		**-**	(1,107,477)
Net cash used in operating activities		**(1,929,597)**	(595,075)
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		**156,847**	-
Purchase of property, plant and equipment		**(465,963)**	(23,911)
Net cash used in investing activities		**(309,116)**	(23,911)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	**18**	**(314,809)**	(230,773)
Interest paid	**18**	**(19,889)**	(11,926)
Interest received	**5**	**268,345**	24,892
Pledged of deposits from bank	**15**	**(811,521)**	(516,469)
Net cash used in financing activities		**(877,874)**	(734,276)
Net decrease in cash and cash equivalents		**(3,116,587)**	(1,353,262)
Cash and cash equivalents at beginning of the year		**30,269,696**	31,622,958
Cash and cash equivalents at end of the year	**15**	**27,153,109**	30,269,696

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

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

The registered office of the Company is located at 601 Macpherson Road #05-17/18 Singapore 368242. The immediate holding corporation is SIS Group International Holdings Pty. Ltd. Which is incorporated in Australia and ultimate holding corporation is SIS Limited (formerly known as Security and Intelligence Services (India) Limited), which is incorporated in India.

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

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2022

On 1 April 2022, the Group has adopted the new or amended FRS and INT FRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (continued)

2.2 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

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

<u>Rendering of services</u>
The Group renders security services and other support activities like management and maintenance of land, buildings and other properties. Revenue from the provision of services is recognised as the customer simultaneously receives and consumes the benefits of the services rendered.

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

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating specifically to Employee benefit expenses are deducted against the corresponding employee benefit expenses in the profit and loss. All other grants are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2. Significant accounting policies (continued)

2.4 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as The Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Short-term employee benefits

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

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

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.5 Leases

(a) When the Group is the lessee

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the 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.

2. Significant accounting policies (continued)

2.5 Leases (continued)

(a) When the Group is the lessee (continued)

- Right-of-use assets (continued)

  Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment".

- Lease liabilities

  The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  - Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
  - Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amounts expected to be payable under residual value guarantees;
  - The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group's assessment or whether it will exercise an extension option; or
  - There are modifications in the scope or the consideration of the lease that were not part of the original terms.

  Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. **Significant accounting policies** (continued)

2.5 **Leases** (continued)

(a) When the Group is the lessee (continued)

- Short-term and low-value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.6 **Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

2. **Significant accounting policies** (continued)

2.6 **Income taxes** (continued)

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probably that future taxable profit will be available against which the unused tax credit can be utilised.

2.7 **Group accounting**

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the right to, variable returns from its involvement when the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary’s net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in subsidiary, even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies (continued)

2.8 Property, plant and equipment

(a) Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve.

(b) Depreciation

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Useful lives	
Leasehold buildings	Over the lease period
Motor vehicles	5 years
Office equipment	3 years
Security equipment	3 years
Website development	3 years
Renovation	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the change arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognise in profit or loss when incurred.

2. Significant accounting policies (continued)

2.8 Property, plant and equipment (continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other losses”. Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.9 Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company’s balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

(a) Property, plant and equipment
Right-of-use assets
Investments in subsidiaries

Property, plant and equipment, right-of-use assets and investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (“CGU”) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph “Property, plant and equipment” for the treatment of a revaluation decrease.

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(a) Property, plant and equipment
Right-of-use assets
Investments in subsidiaries (continued)

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried a revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.11 Financial assets

(a) Classification and measurement

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

- Amortised cost; and
- Fair value through profit or loss (FVPL).

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(a) Classification and measurement (continued)

<u>At initial recognition</u>

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

<u>At subsequent measurement</u>

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade receivables, other receivables, deposits and advance to a related corporation.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group management these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Group assessed on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade receivables, the Group applied the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents, other receivables, deposits and advance to a related corporation , the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2. Significant accounting policies (continued)

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank, interest bearing fixed deposits and other deposits pledge with bank which are subject to an insignificant risk of change in value.

2.15 Dividends

Dividends to the Group's shareholders are recognised when the dividends are approved for payment.

2.16 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD" or "$"), which is the functional currency of the Company.

2. Significant accounting policies (continued)

2.16 Foreign currency transactions (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average 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 using the exchange rates at the dates of the transactions); and

2. Significant accounting policies (continued)

2.16 Foreign currency transactions (continued)

(c) Translation of Group entities' financial statements (continued)

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Expected credit losses ("ECL") on trade receivables

ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECL of trade receivables, the Group has used on year of historical losses data to determine the loss rate.

The information about the ECL on the Group's trade receivables is disclosed in Note 20(b). As at the date of balance sheet, the ECL for trade receivables is $43,588 (2022: $43,588).

4. Revenue

Disaggregation of revenue

	2023 **$**	2022 $
Security services	**26,513,004**	25,799,536
Facility management services	**1,308,541**	1,426,061
Other services	**1,717,418**	2,332,954
	29,538,963	29,558,551

All revenues are recognised over time.

Trade receivables from contracts with customers

	31 March 2023 **$**	31 March 2022 $	1 April 2021 $
Trade receivables (Note 12)	**6,097,491**	5,846,155	9,135,988

5. Other income

	2023 $	Restated 2022 $
Government grants - Skills Development Fund Grant	**50,983**	81,145
Interest income	**268,345**	24,892
Others	**-**	31,413
	319,328	137,450

During the year, the following grants were received under various schemes of the Government and have been deducted in reporting the employee benefit expenses (Refer to Note 7).

	2023 $	Restated 2022 $
Government grants - Jobs Growth Incentive	**710,521**	359,562
Government grants - Jobs Support Scheme	**-**	1,172,837
Government grants - Senior Employment	**374,594**	-
Government grants - Wage Credit Scheme	**-**	696,658
Government grants – Others	**141,822**	68,425
	1,226,937	2,297,482

The Jobs Support Scheme (the “JSS”) is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees.

The Wage Credit Scheme (the “WCS”) was introduced in Singapore Budget 2013 and extended in Singapore Budget 2021, the government co-funds the wage increases given to Singaporean employees to support businesses embarking on transformation efforts and encourage sharing of productivity gains with workers.

The Jobs Growth Initiative (the “JGI”) is a scheme introduced in 2020 and extended in the Singapore Budget to co-fund the wages of local new hires for companies. Under the JSS, WCS and JGI, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

6. Other gain / (loss)

	2023 $	2022 $
Net gain on sale of property, plant and equipment	**81,487**	-
Foreign exchange loss	**(289)**	-
	81,198	-

7. Employee benefit expenses

	2023 **$**	Restated 2022 $
Salaries, bonuses and other staff costs	**27,557,345**	27,076,449
Employer's CPF and contribution	**2,733,151**	3,074,040
	30,290,496	30,150,489

8. Tax credit

	2023 **$**	2022 $
Tax credit recognised in profit or loss		
Current income tax:		
- Current taxation	**20,616**	(2,434)
- Over provision in respect of prior years	**(80,330)**	4,533
	(59,714)	**2,099**
Deferred income tax		
- Origination and reversal of temporary differences	**(64,276)**	(125,541)
Income tax recognised in statement of comprehensive income	**(123,990)**	(123,442)

The tax on profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2023 **$**	2022 $
Loss before tax	**(2,162,532)**	(2,229,641)
Taxation at statutory tax rate of 17% (2022: 17%)	**(367,630)**	(379,039)
Non-deductible expenses	**-**	63,782
Income not subject to taxation	**(17,425)**	(219,357)
Under provision in respect of prior years	**(80,330)**	4,633
Deferred tax assets not recognised	**341,434**	476,805
Others	**(39)**	(70,266)
	(123,990)	(123,442)

As at 31 March 2023, the Group had unutilised tax losses amounting to approximately $4,957,995 (2022: $2,949,559) which are available for offset against future taxable profits. No deferred tax asset was recognised due to the uncertainty of there being sufficient taxable profits against which the Group can use the benefits thereon. The tax losses do not expire under the current tax legislation.

9. Property, plant and equipment

	Leasehold buildings $	Motor vehicle $	Office equipment $	Security equipment $	Renovation $	Website development $	Total $
Group							
Cost							
At 1 April 2021	313,362	1,020,010	618,732	1,424,946	763,265	-	4,140,315
Additions	34,576	-	769	13,642	-	9,500	58,487
Write-off	-	-	-	(219,466)	-	-	(219,466)
Termination of leases	(25,636)	-	-	(216,935)	-	-	(242,571)
At 31 March 2022	322,302	1,020,010	619,501	1,002,187	763,265	9,500	3,736,765
Additions	**757,484**	**92,146**	**63,738**	**278,767**	**319,873**	**-**	**1,512,008**
Disposal	**-**	**(428,776)**	**-**	**-**	**-**	**-**	**(428,776)**
Termination of leases	**(287,725)**	**-**	**-**	**-**	**-**	**-**	**(287,725)**
At 31 March 2023	**792,061**	**683,380**	**683,239**	**1,280,954**	**1,083,138**	**9,500**	**4,532,272**
Accumulated depreciation and impairment							
At 1 April 2021	52,087	874,342	589,551	1,246,636	759,609	-	3,522,225
Depreciation	149,625	61,646	16,692	136,112	1,749	875	366,699
Write-off	-	-	-	(219,466)	-	-	(219,466)
Termination of leases	(25,636)	-	-	(216,935)	-	-	(242,571)
At 31 March 2022	176,076	935,988	606,243	946,347	761,358	875	3,426,887
Depreciation	**244,203**	**31,700**	**18,961**	**103,570**	**5,078**	**1,901**	**405,413**
Disposal	**-**	**(353,416)**	**-**	**-**	**-**	**-**	**(353,416)**
Termination of leases	**(287,725)**	**-**	**-**	**-**	**-**	**-**	**(287,725)**
At 31 March 2023	**132,554**	**614,272**	**625,204**	**1,049,917**	**766,436**	**2,776**	**3,191,159**
Net carrying value							
At 31 March 2022	146,226	84,022	13,258	55,840	1,907	8,625	309,878
At 31 March 2023	**659,507**	**69,108**	**58,035**	**231,037**	**316,702**	**6,724**	**1,341,113**

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

10. Deferred income taxes, net

Movement in deferred tax

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Deferred income tax assets	**407,486**	196,632	**4,240**	3,825
Deferred income tax liabilities	**(146,578)**	-	**-**	-
Net deferred income tax assets	**260,908**	196,632	**4,240**	3,825

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
At 1 April	**196,632**	71,091	**3,825**	4,186
Recognised in profit or loss	**64,276**	125,541	**415**	(361)
At 31 March	**260,908**	196,632	**4,240**	3,825

Deferred tax assets

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Trade receivables	**35,446**	35,446	**-**	-
Other payable	**372,040**	161,186	**4,240**	3,825
	407,486	196,632	**4,240**	3,825

Deferred tax liabilities

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Right of use assets	**(146,578)**	-	**-**	-

As at 31 March 2023, the Group had unutilised tax losses amounting to approximately $4,957,995 (2022: $2,949,559) which are available for offset against future taxable profits. No deferred tax asset was recognised due to the uncertainty of there being sufficient taxable profits against which the Company can use the benefits thereon. The tax losses do not expire under the current tax legislation.

11. Investments in subsidiaries

	Company	
	2023	2022
	$	$
Equity investment, at cost	**16,888,950**	16,888,950

Name of company (Country of incorporation)	Principle activities (Place of business)	Cost		Ownership interest	
		2023	2022	**2023**	2022
		$	$	**%**	%
Henderson Security Services Pte. Ltd. (Singapore)	Providing security services and other support activities necessary, like management and maintenance of land, buildings, and other properties (Singapore)	**14,469,160**	14,469,160	**100**	100
Henderson Technologies Pte. Ltd. (Singapore)	Installation of fire protection and security alarm systems (Singapore)	**2,419,790**	2,419,790	**100**	100
		16,888,950	16,888,950	**100**	100

12. Trade receivables

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Trade receivables – third parties	**6,141,079**	5,889,743	**-**	-
Loss allowance	**(43,588)**	(43,588)	**-**	-
	6,097,491	5,846,155	**-**	-

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2022: 30 to 60 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Movement in loss allowance account				
At 1 April	**43,588**	214	-	-
Recognised in profit or loss	**-**	43,374	-	-
At 31 March	**43,588**	43,588	-	-

Trade receivables are denominated in Singapore dollar.

13. Other receivables, deposits, and prepayments

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Prepayments	**227,541**	115,367	-	-
Deposits	**275,564**	96,315	-	-
Other receivables	**28,518**	14,839	-	-
Advance to a related corporation	**50,000**	-		
Amount due from a subsidiary	**-**	-	**2,778,792**	923,325
	581,623	226,521	**2,778,792**	923,325

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

14. Related party transactions

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers the directors of the Group to be key management personnel of the Group. The directors' compensation are paid by ultimate holding company in their capacity as key management personnel or executive of the ultimate holding company.

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

<u>Related party balances</u>

	2023	2022
	$	$
Amount due to ultimate holding corporation	**(28,657)**	(43,670)
Advance to a related corporation	**50,000**	-

<u>Key management personnel compensation</u>

Salaries and bonuses	**496,355**	580,110
Employer's contribution to Central Provident Fund	**36,220**	32,612
	532,575	612,722

15. Cash and cash equivalents

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Cash at bank	**2,759,891**	4,244,724	-	-
Fixed deposit with bank	**24,393,218**	26,024,972	24,393,218	26,024,972
Deposit pledge with bank	**1,390,451**	578,930	-	-
	28,543,560	30,848,626	24,393,218	26,024,972

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

The cash and cash equivalents are denominated in Singapore dollars. Cash at bank earns interest at floating rates based on daily bank deposit rates.

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

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Cash and cash equivalents in the statement of financial position	**28,543,560**	30,848,626	**24,393,218**	26,024,972
Less: Deposits pledge with bank	**(1,390,451)**	(578,930)	**-**	-
Cash and cash equivalents in the statement of cash flows	**27,153,109**	30,269,696	**24,393,218**	26,024,972

16 Trade payables

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Trade payable – third parties	**64,004**	35,251	-	-

Trade payables are normally settled on 30 days to 60 days (2022: 30 to 60 days) payment terms.

17. Other payables

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Accrued operating expenses	**2,730,630**	2,132,144	**24,940**	22,500
Provision for unutilised leave	**407,220**	408,897	**-**	-
Amount due to ultimate holding corporation	**72,327**	43,670	**-**	-
GST payables	**588,974**	479,281	**-**	-
	3,799,151	3,063,992	**24,940**	22,500

Other payables are denominated in Singapore dollars.

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

18. Leases – The Group as a lessee

Nature of the Group's leasing activities – Group as a lessee

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

The Group also has certain leases for software, staff accommodation and mobile command centre with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(a) Carrying amounts

ROU assets classified with property, plant and equipment

	Group	
	31 March 2023	31 March 2022
	$	$
Leasehold buildings	**659,507**	146,226
Motor vehicle	**69,108**	-
Security equipment	**133,620**	-
	862,235	146,226

18. Leases – The Group as a lessee (continued)

(b) Depreciation charge during the year

	Group 2023 $	Group 2022 $
Leasehold buildings	**244,203**	149,625
Motor vehicle	**23,036**	-
Security equipment	**62,805**	81,350
	330,044	230,975

(c) Lease liabilities

	Group 31 March 2023 $	Group 31 March 2022 $
Current	**408,433**	120,270
Non-current	**460,175**	17,102
	868,608	137,372

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

			Non-cash changes			
	1 April	Principal and interest payments	Addition – new leases	Termination of leases	Interest expense	31 March
	$	$	$		$	$
Group						
2023						
Lease liabilities	**137,372**	**(334,698)**	**1,046,045**	-	**19,889**	**868,608**
2022						
Lease liabilities	333,569	(242,699)	34,576	-	11,926	137,372

The maturity analysis of lease liabilities is disclosed in Note 21.

(d) Interest expense

	Group 2023 $	Group 2022 $
Interest expense on lease liabilities	**19,889**	11,926

18. Leases – The Group as a lessee (continued)

(e) Lease expense not capitalised in lease liabilities

	Group	
	2023	2022
	$	$
Short-term lease expense	**112,294**	130,970

(f) Total cash outflow for all leases in 2023 was $446,992 (2022: $373,669).

(g) Addition of ROU assets during the financial year 2023 was $1,046,045 (2022: 34,576).

(h) Future cash outflow which are not capitalised in lease liabilities

i) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend. As at 31 March 2023, potential future (undiscounted) cash outflows of approximately $nil (2022: $90,000) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

19. Share capital

	Group and Company	
	2023	2022
	$	$
Issued and fully paid		
At 31 March		
1,688,895 (2022: 1,688,895) ordinary shares	**16,888,950**	16,888,950

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

20. Financial risk management

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The management is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

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

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates that will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group holds an interest-bearing fixed deposit with bank which is subject to interest rate risk. Apart from that, there are no financial instruments that are exposed to significant market risk at the reporting dates presented.

Profit or loss is sensitive to higher/lower interest income on fixed deposit because of changes in interest rates. Had the interest rates been lower by 25 basis points, the loss before tax would have been higher by $60,361.

(b) Credit risk

Risk management

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

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

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

20. Financial risk management (continued)

(b) Credit risk (continued)

Risk management (continued)

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

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

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

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery. At the end of the reporting period, the Group’s maximum exposure to credit risk is represented by the carrying amount of each class of financial assts recognised in the balance sheet. There were no significant concentrations of credit risk due to the Group’s varied customers.

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

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

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

20. Financial risk management (continued)

(b) Credit risk (continued)

Impairment of financial assets

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

	Credit rating category	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Group					
31 March 2023					
Trade receivables – third parties	Note 1	Lifetime ECL (simplified)	**6,141,079**	**(43,588)**	**6,097,491**
Other receivables and deposits	Performing	12-month ECL	**354,082**	**-**	**354,082**
Cash and cash equivalents	Performing	12-month ECL	**28,543,560**	**-**	**28,543,560**
			35,038,721	**(43,588)**	**34,995,133**
31 March 2022					
Trade receivables – third parties	Note 1	Lifetime ECL (simplified)	5,889,743	(43,588)	5,846,155
Other receivables and deposits	Performing	12-month ECL	111,154	-	111,154
Cash and cash equivalents	Performing	12-month ECL	30,848,626	-	30,848,626
			36,849,523	(43,588)	36,805,935
Company					
31 March 2023					
Other receivables and deposits	Performing	12-month ECL	**2,778,792**	**-**	**2,778,792**
Cash and cash equivalents	Performing	12-month ECL	**24,393,218**	**-**	**24,393,218**
			27,172,010	**-**	**27,172,010**
31 March 2022					
Other receivables and deposits	Performing	12-month ECL	923,325	-	923,325
Cash and cash equivalents	Performing	12-month ECL	26,024,972	-	26,024,972
			26,948,297	-	26,948,297

20. Financial risk management (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Trade receivables (Note 1)
The Group has applied the simplified approach to provide for impairment for ECL prescribed by FRS 109, which permits the use of the lifetime expected loss provision for impairment of all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL also incorporate forward looking information.

Other receivables, deposits and advance to a related corporation
Other financial assets measured at amortised cost includes other receivables, deposits and advance to a related corporation, which are short-term in nature. The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Cash and cash equivalents
Cash and cash equivalents comprise of cash at banks, fixed deposit with bank and other deposit pledged with bank. These are held with banks and financial institution counterparties which are rated at least B (2022: B), based on Standard & Poor’s ratings. The Group considers that its cash and cash equivalents has low credit risk based on the external credit ratings of the counterparties. No impairment allowance has been recorded for this balance.

(c) Liquidity risk

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

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

20. Financial risk management (continued)

(c) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount $	On demand or within 1 year $	2 – 5 years $	Total $
Group				
At 31 March 2023				
Trade payables	64,004	64,004	-	64,004
Other payables	3,210,177	3,210,177	-	3,210,177
Lease liabilities	868,608	450,293	468,528	918,821
	4,142,789	3,724,474	468,528	4,193,002
At 31 March 2022				
Trade payables	35,251	35,251	-	35,251
Other payables	2,584,711	2,584,711	-	2,584,711
Lease liabilities	137,372	128,800	12,000	140,800
	2,757,334	2,748,762	12,000	2,760,762

	Carrying amount $	On demand or within 1 year $	Total $
Company			
At 31 March 2023			
Other payables	**24,940**	**24,940**	**24,940**
	24,940	**24,940**	**24,940**
At 31 March 2022			
Other payables	22,500	22,500	22,500
	22,500	22,500	22,500

20. Financial risk management (continued)

(d) Financial instruments by category

		Group		Company	
		2023	2022	**2023**	2022
	Note	**$**	$	**$**	$
Financial assets at amortised cost					
Trade receivables	12	**6,097,491**	5,846,155	**-**	-
Other receivables and deposits	13	**354,082**	111,154	**2,778,792**	923,325
Cash and cash equivalents	15	**28,543,560**	30,848,626	**24,393,218**	26,024,972
		34,995,133	36,805,935	**27,172,010**	26,948,297
Financial liabilities at amortised cost					
Trade payables	16	**64,004**	35,251	**-**	-
Other payables	17	**3,210,177**	2,584,711	**24,940**	22,500
Lease liabilities	18	**868,608**	137,372	**-**	-
		4,142,789	2,757,334	**24,940**	22,500

(e) Fair values

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

Financial instruments whose carrying amount approximate fair value

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

20. Financial risk management (continued)

(f) Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the return to shareholders, funding through financial support of shareholders or obtain credit facilities from the financial institutions. No changes were made in objectives, policies or processes during the financial year ended 31 March 2022 and 31 March 2023.

21. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

22. Change in accounting policy for government grants

Effective on 1 April 2022, the Group changed its accounting policy for recognition of government grants related to employee benefits expense as mentioned under Note 2.3. These grants are now deducted against the corresponding employee benefit expenses in the profit and loss. Previously, the Group recognised these grants as Other Income.

The change in policy has been made because it is management's opinion that this method more accurately reflects the employee benefits expenses of the Group.

Below is a summary of the impact of the change in policy for the previous year.

	2022 $	Adjustment	Restated 2022 $
Other income	2,434,932	(2,297,482)	137,450
Employee benefits expense	(32,447,971)	2,297,482	(30,150,489)

23. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2023 were authorised for issue by the Board of the Directors on 28 April 2023.