

**SIS HENDERSON HOLDINGS PTE. LTD.
AND ITS SUBSIDIARIES**

(Incorporated in Singapore. Registration Number: 201905888D)

ANNUAL REPORT

For the financial year ended 31 March 2024

**SIS HENDERSON HOLDINGS PTE. LTD.
AND ITS SUBSIDIARIES**

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For the financial year ended 31 March 2024

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SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**DIRECTORS' STATEMENT***For the financial year ended 31 March 2024*

The directors present their statement to the member together with the audited financial statements of the Group for the financial year ended 31 March 2024 and balance sheet of the Company as at 31 March 2024.

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 6 to 42 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 2024 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.

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 <u>name of director</u>	
	At 31.03.2024	At 01.04.2023
Ultimate holding corporation – SIS Limited		
(No. of ordinary shares)		
Uday Singh	397,691	397,691

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

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
9 May 2024

Chow Kwok-Ho, Daniel Marc
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 balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2024 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 ended 31 March 2024;
- the consolidated balance sheet of the Group as at 31 March 2024;
- the balance sheet of the Company as at 31 March 2024;
- 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 material accounting policy information.

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.

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.

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

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.

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, 9 May 2024

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2024*

	Note	<u>Group</u>	
		2024	2023
		\$	\$
Revenue	4	30,379,434	29,538,963
Other income			
- Interest	5	930,329	268,345
- Others	5	14,035	50,983
Other gains	6	87,478	81,198
		31,411,276	29,939,489
Cost & expenses			
Employee benefits expense	7	(28,451,665)	(30,290,496)
Entertainment and refreshment		(59,260)	(37,373)
Insurance		(207,971)	(190,016)
Telephone expenses		(74,876)	(90,687)
Upkeep of motor vehicles		(179,983)	(208,402)
Depreciation of property, plant and equipment	9	(650,285)	(405,413)
Impairment loss on trade receivables	12	(17,000)	-
Bad debts recovered during the year		8,988	
Professional fees		(122,817)	(158,591)
Short term lease expenses	18(e)	(31,372)	(112,294)
Security expenses		(55,721)	(91,554)
Uniforms		(41,558)	(36,657)
Other operating expenses		(455,934)	(460,649)
Profit/(loss) from operations		1,071,822	(2,142,643)
Finance costs	18(d)	(43,803)	(19,889)
Profit/(loss) before tax		1,028,019	(2,162,532)
Tax (expense)/credit	8(a)	(167,010)	123,990
Profit/(loss) for the year, representing total comprehensive income/(loss) for the year		861,009	(2,038,542)

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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**CONSOLIDATED BALANCE SHEET***As at 31 March 2024*

	Note	Group	
		2024	2023
		\$	\$
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,371,946	1,341,113
Deferred income taxes	10	244,811	260,908
Total non-current assets		1,616,757	1,602,021
Current assets			
Trade receivables	12	7,441,552	6,097,491
Other receivables, deposits and prepayments	13	939,989	581,623
Cash and cash equivalents	15	28,856,126	28,543,560
Total current assets		37,237,667	35,222,674
Total assets		38,854,424	36,824,695
EQUITY AND LIABILITIES			
Non-current liability			
Lease liabilities	18(c)	260,967	460,175
Total non-current liability		260,967	460,175
Current liabilities			
Trade payables	16	96,812	64,004
Other payables	17	4,959,133	3,799,151
Lease liabilities	18(c)	454,538	408,433
Current income tax liabilities	8(b)	138,433	9,400
Total current liabilities		5,648,916	4,280,988
Total liabilities		5,909,883	4,741,163
Net assets		32,944,541	32,083,532
Equity			
Share capital	19	16,888,950	16,888,950
Capital reserve		500,000	500,000
Retained earnings		15,555,591	14,694,582
Total equity		32,944,541	32,083,532
Total equity and liabilities		38,854,424	36,824,695

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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**BALANCE SHEET - COMPANY***As at 31 March 2024*

	Note	<u>Company</u>	
		2024	2023
		\$	\$
ASSETS			
Non-current assets			
Deferred tax assets	10	5,350	4,240
Investment in subsidiaries	11	16,273,270	16,888,950
Total non-current assets		16,278,620	16,893,190
Current assets			
Other receivables, deposits and prepayments	13	5,153,577	2,778,792
Cash and cash equivalents	15	22,923,286	24,393,218
Total current assets		28,076,863	27,172,010
Total assets		44,355,483	44,065,200
EQUITY AND LIABILITIES			
Current liabilities			
Current income tax liabilities	8(b)	138,433	9,400
Other payables	17	31,469	24,940
Total current liabilities		169,902	34,340
Total liabilities		169,902	34,340
Net assets		44,185,581	44,030,860
Equity			
Share capital	19	16,888,950	16,888,950
Retained earnings		27,296,631	27,141,910
Total equity		44,185,581	44,030,860
Total equity and liabilities		44,355,483	44,065,200

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 2024*

	Share capital \$	Capital reserve \$	Retained earnings \$	Total \$
Group				
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	<u>16,888,950</u>	<u>500,000</u>	<u>14,694,582</u>	<u>32,083,532</u>
At 31 March 2023	16,888,950	500,000	14,694,582	32,083,532
Profit for the financial year, representing total comprehensive income for the year	-	-	861,009	861,009
At 31 March 2024	<u>16,888,950</u>	<u>500,000</u>	<u>15,555,591</u>	<u>32,944,541</u>

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 2024*

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Profit/(loss) before tax		1,028,019	(2,162,532)
Adjustments for:			
Depreciation of property, plant and equipment	9	650,285	405,413
Finance costs	18(d)	43,803	19,889
Interest income	5	(930,329)	(268,345)
Gain on disposal of property, plant and equipment	6	(89,000)	(81,487)
Impairment loss on trade receivables	12	17,000	-
Bad debts recovered during the year		(8,988)	
		710,790	(2,087,062)
Changes in:			
Trade receivables	12	(1,352,073)	(251,791)
Other receivables, deposits and prepayments	13	(358,366)	(355,103)
Trade payables	16	32,808	29,190
Other payables	17	1,159,982	735,169
Cash generated from/(used in) operations		193,141	(1,929,597)
Income tax paid		(21,880)	-
Net cash generated from/(used in) operating activities		171,261	(1,929,597)
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		89,000	156,847
Purchase of property, plant and equipment		(347,816)	(465,963)
Net cash used in investing activities		(258,816)	(309,116)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	18(c)	(486,405)	(314,809)
Interest paid	18(d)	(43,803)	(19,889)
Interest received	5	930,329	268,345
Pledged of deposits from bank	15	(1,053,922)	(811,521)
Net cash used in financing activities		(653,801)	(877,874)
Net decrease in cash and cash equivalents		(741,356)	(3,116,587)
Cash and cash equivalents at beginning of the year		27,153,109	30,269,696
Cash and cash equivalents at end of the year	15	26,411,753	27,153,109

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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

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. Material accounting policy information

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 2024

On 1 April 2023, 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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (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.

Rendering of services

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

Interest income

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

2.3 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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (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**

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.

- **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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. Material accounting policy information (continued)

2.6 Income taxes (continued)

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.

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 probable 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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. Material accounting policy information (continued)

2.7 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

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.

2.8 Property, plant and equipment

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

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 Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.8 Property, plant and equipment (continued)**

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.

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

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.

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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.10 Impairment of non-financial assets (continued)**

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 comprising only debt instruments, at amortised cost.

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

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.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, 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.

At subsequent measurement**(i) Debt instruments**

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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**2.11 Financial assets****(a) Classification and measurement (continued)****At subsequent measurement (continued)****(i) Debt instruments (continued)**

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.

2.12 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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (continued)**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 and interest bearing fixed deposits which are subject to an insignificant risk of change in value.

2.15 Dividends

Dividends to the Company'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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

2. Material accounting policy information (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) Impairment assessment of the Company's investment in subsidiaries

The Company reviews investment in subsidiaries for impairment whenever events or changes in circumstances indicate the carrying amount of the assets exceed their recoverable amounts. The recoverable amounts of the cash-generating units ("CGUs") (or a group of CGUs) are determined using value-in-use ("VIU") calculation.

In deriving the VIU, significant judgements are used to estimate the pre-tax discount rates and terminal growth rates applied in computing the recoverable amounts of different CGUs. In making these estimates, management has relied on past performance, its expectation of market developments in Singapore.

The carrying amount of the Company's investment in subsidiaries as at 31 March 2024 was \$16,273,270 (2023: \$16,888,950) as disclosed in Note 11. An impairment loss of \$615,680 (2023: \$nil) was recognised for the financial year ended 31 March 2024. The sensitivity of recoverable amount to key assumptions are disclosed in Note 11.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***3. Critical accounting estimates, assumptions and judgements (continued)**

(b) 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 \$27,137 (2023: \$43,588).

4. Revenue

Disaggregation of revenue

	2024	2023
	\$	\$
Security services	27,361,616	26,513,004
Facility management services	1,380,371	1,308,541
Other services	1,637,447	1,717,418
	<u>30,379,434</u>	<u>29,538,963</u>

All revenues are recognised over time.

Trade receivables from contracts with customers

	31 March	31 March	1 April
	2024	2023	2022
	\$	\$	\$
Trade receivables (Note 12)	<u>7,441,552</u>	6,097,491	5,846,155

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***5. Other income**

	2024	2023
	\$	\$
Interest income		
Financial asset measured at amortised cost		
- Bank deposits	930,329	268,345
Government grants - Skills Development Fund		
Grant	2,576	50,983
Others	11,459	-
	944,364	319,328

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).

	2024	2023
	\$	\$
Government grants		
- Jobs Growth Incentive	(5,453)	710,521
- Senior Employment	425,184	374,594
- Progressive Wage Credit Scheme	710,620	-
- Singapore National Employers Federation Grant	7,000	-
- Others	109,470	141,822
	1,246,821	1,226,937

In 2024, the Group reversed \$5,453 (2023: \$nil) of government grant income relating to Jobs Growth Incentive (the "JGI") due to over recognition in 2023. The JGI is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees.

Under the Senior Employment Credit ("SEC"), the Government provides wage offsets to help employers that employ Singaporean workers adjust to the higher Retirement Age and Re-employment Age. Higher support will be given for the older age bands.

The Progressive Wage Credit Scheme ("PWCS") was introduced in Budget 2022 to provide transitional wage support for employers to adjust to upcoming mandatory wage increases for lower-wage workers covered by the Progressive Wage and Local Qualifying Salary requirements and voluntarily raise wages of lower-wage workers.

6. Other gains

	2024	2023
	\$	\$
Net gain on sale of property, plant and equipment	89,000	81,487
Foreign exchange loss	(1,522)	(289)
	87,478	81,198

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***7. Employee benefit expenses**

	2024	2023
	\$	\$
Salaries, bonuses and other staff costs	25,952,315	27,557,345
Employer's CPF and contribution	2,499,350	2,733,151
	28,451,665	30,290,496

8. Income taxes**(a) Tax expense/(credit)**

	2024	2023
	\$	\$
Tax expense/(credit) recognised in profit or loss		
Current income tax:		
- Current taxation	140,120	20,616
- Under/(over) provision in respect of prior years	10,793	(80,330)
	150,913	(59,714)
Deferred income tax		
- Origination and reversal of temporary differences	16,097	(64,276)
Income tax expense/(credit) recognised in statement of comprehensive income	167,010	(123,990)

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

	2024	2023
	\$	\$
Profit/(loss) before tax	1,028,019	(2,162,532)
Taxation at statutory tax rate of 17% (2023: 17%)	174,763	(367,630)
Non-deductible expenses	15,649	-
Effect of exemption	(17,425)	(17,425)
Under/(over) provision in respect of prior years	10,793	(80,330)
Deferred tax assets not recognised	26,004	341,434
Utilisation of previously unrecognised tax losses	(48,200)	-
Others	5,426	(39)
	167,010	(123,990)

As at 31 March 2024, the Group had unutilised tax losses amounting to approximately \$5,306,310 (2023: \$5,436,883) 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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***8. Income taxes****(b) Movement in current income tax liabilities/(assets)**

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
At 1 April	9,400	69,123	9,400	(11,206)
Tax expense recognised in profit or loss	140,120	20,616	140,120	20,616
Under/(over) provision in respect of prior years	10,793	(80,330)	10,793	-
Income tax paid	(21,880)	-	(21,880)	-
Others	-	(9)	-	(10)
At 31 March	138,433	9,400	138,433	9,400

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

9. Property, plant and equipment

	<u>Leasehold buildings</u> \$	<u>Motor vehicle</u> \$	<u>Office equipment</u> \$	<u>Security equipment</u> \$	<u>Renovation</u> \$	<u>Website development</u> \$	<u>Total</u> \$
Group							
Cost							
At 1 April 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
Additions	126,049	125,533	1,619	423,471	4,445	-	681,117
Disposal	-	(217,643)	-	-	-	-	(217,643)
At 31 March 2024	918,110	591,270	684,858	1,704,425	1,087,583	9,500	4,995,746
Accumulated depreciation and impairment							
At 1 April 2022	176,076	935,987	606,243	946,347	761,358	875	3,426,886
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	614,271	625,204	1,049,917	766,436	2,776	3,191,158
Depreciation	324,196	102,346	24,784	168,685	28,372	1,902	650,285
Disposal	-	(217,643)	-	-	-	-	(217,643)
At 31 March 2024	456,750	498,974	649,988	1,218,602	794,808	4,678	3,623,800
Net carrying value							
At 31 March 2023	659,507	69,108	58,035	231,037	316,702	6,724	1,341,113
At 31 March 2024	461,360	92,296	34,870	485,823	292,775	4,822	1,371,946

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 18.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

10. Deferred income taxes

Movement in deferred tax

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
Deferred income tax assets	362,886	407,486	5,350	4,240
Deferred income tax liabilities	(118,075)	(146,578)	-	-
Net deferred income tax assets	244,811	260,908	5,350	4,240

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
At 1 April	260,908	196,632	4,240	3,825
Recognised in profit or loss	(16,097)	64,276	1,110	415
At 31 March	244,811	260,908	5,350	4,240

Deferred tax assets

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
ECL allowance	51,081	35,446	-	-
Accruals and lease liabilities	311,805	372,040	5,350	4,240
	362,886	407,486	5,350	4,240

Deferred tax liabilities

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
Right of use assets	(118,075)	(146,578)	-	-

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

11. Investments in subsidiaries

	<u>Company</u>	
	2024	2023
	\$	\$
Unquoted equity shares, at cost		
At 1 April	16,888,950	16,888,950
Less: Impairment loss on investment in a subsidiary	(615,680)	-
At 31 March	<u>16,273,270</u>	<u>16,888,950</u>

Name of subsidiaries (Country of incorporation)	Principle activities (Place of business)	Carrying amount		Ownership interest	
		2024	2023	2024	2023
		\$	\$	%	%
Henderson Security Services Pte. Ltd. (Singapore) – (“HSS”)	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) – (“HT”)	Installation of fire protection and security alarm systems (Singapore)	1,804,110	2,419,790	100	100
		<u>16,273,270</u>	<u>16,888,950</u>	<u>100</u>	<u>100</u>

Impairment testing

The Company reviews the investment in HT for impairment as there are changes in circumstances which indicate that the carrying amount of the investment exceed its recoverable amount.

The carrying amount of cost of investment in HT are as follows:

	2024	2023
	\$	\$
Cost of investment in HT	2,419,790	2,419,790
Less: Accumulated impairment loss	(615,680)	-
At 31 March	<u>1,804,110</u>	<u>2,419,790</u>

The recoverable amounts have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond five-year period are as follows:

	2024	2023
	%	%
Pre-tax discount rate	11.2	10.9
Terminal growth rates	<u>2.0</u>	<u>2.0</u>

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***11. Investments in subsidiaries (continued)**

Based on management's assessment, an impairment loss of \$615,680 (2023: \$nil) was recorded for the year end 31 March 2024.

Sensitivity to changes in assumptions

A further increase in pre-tax discount rate by 1% would result in additional impairment loss of \$163,548, while further decrease in terminal growth rate by 0.5% would result in additional impairment loss of \$76,176.

12. Trade receivables

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade receivables – third parties	7,468,689	6,141,079	-	-
Loss allowance	(27,137)	(43,588)	-	-
	<u>7,441,552</u>	<u>6,097,491</u>	<u>-</u>	<u>-</u>

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2023: 30 to 60 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
<i>Movement in loss allowance account</i>				
At 1 April	43,588	43,588	-	-
Charged to profit or loss	17,000	-	-	-
Provision written-off during the year	(33,451)	-	-	-
At 31 March	<u>27,137</u>	<u>43,588</u>	<u>-</u>	<u>-</u>

Trade receivables are denominated in Singapore dollar.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***13. Other receivables, deposits, and prepayments**

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
Prepayments	285,526	227,541	-	-
Deposits	159,329	275,564	-	-
Grants receivable	461,205	-	-	-
Other receivables	33,929	28,518	-	-
Advance to a related corporation	-	50,000	-	-
Amount due from a subsidiary	-	-	5,153,577	2,778,792
	939,989	581,623	5,153,577	2,778,792

The amount due from subsidiary are 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.

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:

Related party balances

	2024	2023
	\$	\$
Amount due to ultimate holding corporation	(3,874)	(28,657)
Advance to a related corporation	-	50,000

Key management personnel compensation

	2024	2023
	\$	\$
Salaries and bonuses	503,935	496,355
Employer's contribution to Central Provident Fund	35,626	36,220
	539,561	532,575

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***15. Cash and cash equivalents**

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash at bank	3,763,407	2,759,891	274,940	-
Fixed deposit with bank	22,648,346	24,393,218	22,648,346	24,393,218
Deposit pledged with bank	2,444,373	1,390,451	-	-
	<u>28,856,126</u>	<u>28,543,560</u>	<u>22,923,286</u>	<u>24,393,218</u>

Deposit is pledged 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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash and cash equivalents in the statement of financial position	28,856,126	28,543,560	22,923,286	24,393,218
Less: Deposits pledge with bank	(2,444,373)	(1,390,451)	-	-
Cash and cash equivalents in the statement of cash flows	<u>26,411,753</u>	<u>27,153,109</u>	<u>22,923,286</u>	<u>24,393,218</u>

16 Trade payables

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade payable – third parties	96,812	64,004	-	-

Trade payables are normally settled on 30 days to 60 days (2023: 30 to 60 days) payment terms.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***17. Other payables**

	<u>Group</u>		<u>Company</u>	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accrued operating expenses	3,750,843	2,730,630	31,469	24,940
Provision for unutilised leave	463,505	407,220	-	-
Amount due to ultimate holding corporation	3,874	72,327	-	-
GST payables	740,911	588,974	-	-
	4,959,133	3,799,151	31,469	24,940

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

The Group has lease contracts for leasehold buildings, motor vehicle 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 amountsROU assets classified with property, plant and equipment

	<u>Group</u>	
	31 March 2024	31 March 2023
	\$	\$
Leasehold buildings	461,360	659,507
Motor vehicle	92,296	69,108
Security equipment	140,916	133,620
	694,572	862,235

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***18. Leases – The Group as a lessee (continued)**Nature of the Group's leasing activities – Group as a lessee (continued)

(b) Depreciation charge during the year

	Group	
	2024	2023
	\$	\$
Leasehold buildings	324,196	244,203
Motor vehicle	102,346	23,036
Security equipment	74,423	62,805
	500,965	330,044

(c) Lease liabilities

	Group	
	31 March	31 March
	2024	2023
	\$	\$
Current	454,538	408,433
Non-current	260,967	460,175
	715,505	868,608

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						
2024						
Lease liabilities	868,608	(530,208)	333,302	-	43,803	715,505
2023						
Lease liabilities	137,372	(334,698)	1,046,045	-	19,889	868,608

The maturity analysis of lease liabilities is disclosed in Note 20(c).

(d) Interest expense

	Group	
	2024	2023
	\$	\$
Interest expense on lease liabilities	43,803	19,889

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***18. Leases – The Group as a lessee (continued)**Nature of the Group's leasing activities – Group as a lessee (continued)

- (e) Lease expense not capitalised in lease liabilities

	<u>Group</u>	
	2024	2023
	\$	\$
Short-term lease expense	31,372	112,294

- (f) Total cash outflow for all leases in 2024 was \$561,580 (2023: \$446,992).
- (g) Addition of ROU assets during the financial year 2024 was \$333,302 (2023: \$1,046,045).
- (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.

19. Share capital

	<u>Group and Company</u>	
	2024	2023
	\$	\$
Issued and fully paid At 31 March 1,688,895 (2023: 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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

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 (2023: \$56,270) .

(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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

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 assets 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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

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 2024					
Trade receivables – third parties	Note 1	Lifetime ECL (simplified)	7,468,689	(27,137)	7,441,552
Other receivables and deposits	Performing	12-month ECL	193,258	-	193,258
Cash and cash equivalents	Performing	12-month ECL	28,856,126	-	28,856,126
			36,518,073	(27,137)	36,490,936
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
Company					
31 March 2024					
Other receivables and deposits	Performing	12-month ECL	5,153,577	-	5,153,577
Cash and cash equivalents	Performing	12-month ECL	22,923,286	-	22,923,286
			28,076,863	-	28,076,863
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

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

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 (2023: 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.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***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 2024				
Trade payables	96,812	96,812	-	96,812
Other payables	4,218,222	4,218,222	-	4,218,222
Lease liabilities	715,505	475,713	265,176	740,889
	<u>5,030,539</u>	<u>4,790,747</u>	<u>265,176</u>	<u>5,055,923</u>
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
	<u>4,142,789</u>	<u>3,724,474</u>	<u>468,528</u>	<u>4,193,002</u>

	Carrying amount \$	On demand or within 1 year \$	Total \$
Company			
At 31 March 2024			
Other payables	<u>31,469</u>	<u>31,469</u>	<u>31,469</u>
At 31 March 2023			
Other payables	<u>24,940</u>	<u>24,940</u>	<u>24,940</u>

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

20. Financial risk management (continued)

(d) Financial instruments by category

	Note	<u>Group</u>		<u>Company</u>	
		2024 \$	2023 \$	2024 \$	2023 \$
Financial assets at amortised cost					
Trade receivables	12	7,441,552	6,097,491	-	-
Other receivables and deposits	13	193,258	354,082	5,153,577	2,778,792
Cash and cash equivalents	15	28,856,126	28,543,560	22,923,286	24,393,218
		36,490,936	34,995,133	28,076,863	27,172,010
Financial liabilities at amortised cost					
Trade payables	16	96,812	64,004	-	-
Other payables	17	4,218,222	3,210,177	31,469	24,940
Lease liabilities	18(c)	715,505	868,608	-	-
		5,030,539	4,142,789	31,469	24,940

(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.

(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 2023 and 31 March 2024.

SIS HENDERSON HOLDINGS PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

21. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 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. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2024 were authorised for issue by the Board of the Directors on 9 May 2024.