

HENDERSON SECURITY SERVICES PTE. LTD.

(Incorporated in Singapore. Registration Number: 200922107K)

ANNUAL REPORT

For the financial year ended 31 March 2026

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HENDERSON SECURITY SERVICES PTE. LTD.**DIRECTORS' STATEMENT***For the financial year ended 31 March 2026*

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2026.

In the opinion of the directors,

- (a) the financial statements set out on pages 6 to 37 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2026 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the 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
 Chow Kwok-Ho, Daniel Marc
 Ong Kok Kuan Jeffrey
 Uday Singh
 Ramanujam Sampath Kumar Murali Krishna

Arrangements to enable directors 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 of which the object was to enable the directors of the Company to acquire benefits through the acquisition of shares in, or debentures of, the Company or of any other body corporate.

Directors' interests 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 interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director	
	At 31.03.2026	At 01.04.2025
Ultimate holding corporation – SIS Limited (<u>No. of ordinary shares</u>)		
Uday Singh	397,691	397,691

HENDERSON SECURITY SERVICES PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2026

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



Chow Kwok-Ho Daniel Marc
Director
1 May 2026

Mike Mckinnon

Michael John Mckinnon
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HENDERSON SECURITY SERVICES PTE. LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of Henderson Security Services Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act"), Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2026 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of comprehensive income for the financial year ended 31 March 2026;
- the balance sheet as at 31 March 2026;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows 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 Company 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 HENDERSON SECURITY SERVICES PTE. LTD. (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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 of 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 HENDERSON SECURITY SERVICES PTE. LTD. (continued)

Auditor's Responsibilities for the Audit of the 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 Company'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 Company'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 Company 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.

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 have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 1 May 2026

HENDERSON SECURITY SERVICES PTE. LTD.**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2026*

	Note	2026 \$	2025 \$
Revenue	3	52,488,992	41,947,265
Interest income		53,040	-
Other income	4	55,101	7,735
Other gain/(loss)	5	68,781	(375)
		52,665,914	41,954,625
Employee benefits expense	6	(49,426,208)	(39,664,727)
Entertainment and refreshment		(43,894)	(39,176)
Insurance		(279,971)	(187,748)
Telephone expenses		(130,681)	(86,312)
Transportation		(393,946)	(277,417)
Depreciation of property, plant and equipment	8	(990,070)	(714,902)
Short term rental expenses	15(e)	(17,470)	(22,696)
Security expenses		(314,677)	(161,822)
Uniforms		(55,995)	(68,972)
Other operating expenses		(746,442)	(888,703)
Profit/(loss) from Operations		266,560	(157,850)
Finance costs	15(d)	(46,078)	(31,290)
Profit/(loss) before tax		220,482	(189,140)
Income tax credit	7	18,099	196,582
Profit for the year, representing total comprehensive profit for the year		238,581	7,442

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

HENDERSON SECURITY SERVICES PTE. LTD.**BALANCE SHEET***As at 31 March 2026*

	Note	2026 \$	2025 \$
ASSETS			
Non-current assets			
Property, plant and equipment	8	2,066,008	1,074,677
Deferred income taxes	9	433,646	415,547
Total non-current assets		2,499,654	1,490,224
Current assets			
Trade receivables	10	10,764,282	8,453,956
Inventories		55,510	32,777
Other receivables, deposits and prepayments	11	848,650	902,448
Cash and cash equivalents	12	10,972,516	9,501,381
Total current assets		22,640,958	18,890,562
Total assets		25,140,612	20,380,786
EQUITY AND LIABILITIES			
Non-current liability			
Lease liabilities	15(c)	900,784	70,335
Total non-current liability		900,784	70,335
Current liabilities			
Trade payables	13	132,622	452,080
Other payables	14	18,528,532	14,668,997
Lease liabilities	15(c)	543,927	393,208
Total current liabilities		19,205,081	15,514,285
Total liabilities		20,105,865	15,584,620
Equity			
Share capital	16	2,500,000	2,500,000
Retained earnings		2,534,747	2,296,166
Total equity		5,034,747	4,796,166
Total equity and liabilities		25,140,612	20,380,786

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

HENDERSON SECURITY SERVICES PTE. LTD.**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 March 2026*

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total equity</u> \$
At 1 April 2024	2,000,000	2,288,724	4,288,724
Issue of shares, representing total transactions with owners	500,000	-	500,000
Profit for the year, representing total comprehensive profit for the year	-	7,442	7,442
At 31 March 2025	2,500,000	2,296,166	4,796,166
Profit for the year, representing total comprehensive income for the year	-	238,581	238,581
At 31 March 2026	2,500,000	2,534,747	5,034,747

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

HENDERSON SECURITY SERVICES PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2026*

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Profit/(loss) before tax		220,482	(189,140)
Adjustments for:			
Depreciation	8	990,070	714,902
Gain on disposal of property, plant and equipment	5	(58,409)	-
Interest expense	15(d)	46,078	31,290
Operating cash flows before working capital changes		1,198,221	557,052
Changes in:			
Inventories		(22,733)	(32,777)
Trade receivables		(2,310,326)	(1,249,788)
Other receivables, deposits and prepayments		53,798	9,377
Trade payables		(319,458)	367,149
Other payables		787,054	2,022,176
Cash generated from operations		(613,444)	1,673,189
Income tax paid		-	-
Net cash generated from operating activities		(613,444)	1,673,189
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		61,663	10,799
Purchase of property, plant and equipment		(306,226)	(162,727)
Net cash used in investing activities		(244,563)	(151,928)
Cash flows from financing activities			
Interest paid	15(d)	(46,078)	(31,290)
Principal repayment of leases	15(c)	(697,261)	(554,444)
Pledging of deposits with bank	12	(1,642,129)	(1,966,245)
Amount due to a fellow subsidiary	14	(53,376)	(158,099)
Amount due to immediate holding corporation	14	3,125,857	2,974,950
Net cash (used)/generated from financing activities		687,013	264,872
Net (decrease)/increase in cash and cash equivalents		(170,994)	1,786,133
Cash and cash equivalents at beginning of financial year	12	5,090,763	3,304,630
Cash and cash equivalents at end of financial year	12	4,919,769	5,090,763

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

HENDERSON SECURITY SERVICES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 March 2026

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

1. General information

Henderson Security Services Pte. Ltd. (“the Company”) is a 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 Henderson Holdings Pte. Ltd. which is incorporated in Singapore 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 providing security services and other support activities necessary, like management and maintenance of land, buildings and other properties.

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 these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Interpretations and amendments to published standards effective in 2025

On 1 April 2025, the Company has adopted the new or amended FRS and Interpretations of FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Company’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 Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

HENDERSON SECURITY SERVICES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 March 2026

2. Material accounting policy information (continued)

2.2 Revenue

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

Revenue is recognised when the Company 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 Company 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 overtime as the customer simultaneously receives and consumes the benefits of the services rendered. Invoices are issued on a monthly basis with a credit term of 30 to 60 days.

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.

HENDERSON SECURITY SERVICES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 March 2026

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 Company pays fixed contributions into separate entities such as The Central Provident Fund on a mandatory, contractual or voluntary basis. The Company 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 Company 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) Employees 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

When the Company is the lessee

At the inception of the contract, the Company assessed if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026*

2. Material accounting policy information (continued)**2.5 Leases (continued)***When the Company is the lessee (continued)*

- **Right-of-use assets**

The Company 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.

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 Company'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 Company 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.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026*

2. Material accounting policy information (continued)**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 Company 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 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.

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 Company 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.

Pillar Two model rules

SIS Australia Holdings Pty Limited, an entity incorporated in Australia, is a subsidiary of SIS Limited, the ultimate holding entity of the Company. SIS Australia Holdings Pty Limited is within the scope of the OECD Pillar Two model rules that became effective 1 January 2024. Singapore announced that it will implement the Income Inclusion Rule ("IRR") and a Domestic Top-up Tax for in-scope multinational enterprises from their financial year beginning on or after 1 January 2025. Based on the analysis prepared the Company, the Company will not incur any top-up taxes due the Pillar Two legislation for the financial year ended 31 March 2026.

2.7 Property, plant and equipment

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

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***2. Material accounting policy information (continued)****2.7 Property, plant and equipment (continued)**

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 probably that future economic benefits associated with the item will flow to the Company 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

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 changes arise.

2.8 Impairment of non-financial assets

Property, plant and equipment and right-of-use assets 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 the 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 flows 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 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.

For an asset other than goodwill, management assessed 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 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026*

2. Material accounting policy information (continued)**2.9 Financial assets**

The Company classifies its financial assets comprising only debt instruments, at amortised cost.

The classification of debt instruments depends on the Company'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 Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Company 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 assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Debt instruments of the Company mainly comprise of cash and cash equivalents, trade receivables, other receivables and deposits.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed 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 a 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 Company assessed on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026*

2. Material accounting policy information (continued)**2.9 Financial assets (continued)***(ii) At subsequent measurement (continued)*

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

For cash and cash equivalents, other receivables and deposits, 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.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company 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.

2.11 Provisions

Provisions are recognised when the Company 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.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank, which are subject to an insignificant risk of change in value.

HENDERSON SECURITY SERVICES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 March 2026

2. Material accounting policy information (continued)

2.13 Dividends

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

2.14 Foreign currency transactions

The financial statements are presented in Singapore Dollar ("SGD" or "\$"), which is the functional currency of the Company.

Transactions in a currency other than the functional currency ("foreign currency") are translated to 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. 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.15 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.

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

HENDERSON SECURITY SERVICES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 March 2026

3. Revenue

Disaggregation of revenue

	31 March 2026	31 March 2025
	\$	\$
Security services	49,428,308	38,007,696
Other services	3,060,684	3,939,569
	<u>52,488,992</u>	<u>41,947,265</u>

All revenues are recognized over time.

Trade receivables from contracts with customers

	31 March 2026	31 March 2025	1 April 2024
	\$	\$	\$
Trade receivables (Note 10)	<u>10,764,282</u>	<u>8,453,956</u>	<u>7,204,168</u>

4. Other income

	2026	2025
	\$	\$
Government grants - Skills Development Fund Grant	55,101	7,357
Other operating income	-	378
	<u>55,101</u>	<u>7,735</u>

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***4. Other income (continued)**

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 6).

	2026	2025
	\$	\$
Government grants		
- CPF Transition Offset	20,478	34,150
- Senior Employment Credit	295,693	253,567
- Progressive Wage Credit Scheme	1,023,105	1,205,319
- Others	776,962	254,007
- Enabling Employment Credit	15,775	31,232
- Baseline Skills Future Funding	55,101	7,357
	2,187,114	1,785,632

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.

5. Other gain/(loss)

	2026	2025
	\$	\$
Net gain on sale of property, plant and equipment	58,409	-
Foreign exchange gain/(loss)	10,372	(375)
	68,781	(375)

6. Employee benefits expense

	2026	2025
	\$	\$
Employee benefit expenses		
Salaries, bonuses and other staff costs	44,748,843	35,776,015
Employer’s CPF and contribution	4,677,365	3,888,712
	49,426,208	39,664,727

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***7. Income tax credit**

	2026	2025
	\$	\$
Tax recognised in profit or loss		
Deferred income tax		
- Origination and reversal of temporary differences	<u>(18,099)</u>	(196,582)
Income tax recognised in statement of comprehensive income	<u>(18,099)</u>	(196,582)

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

	2026	2025
	\$	\$
Profit/(loss) before tax	<u>220,482</u>	(189,140)
Taxation at statutory tax rate of 17% (2025: 17%)	37,482	(32,154)
Non-deductible expenses	30,745	32,423
Utilisation of previously unrecognised from tax losses	(86,326)	(202,283)
Deferred tax assets not recognised	-	5,432
	<u>(18,099)</u>	(196,582)

As at 31 March 2026, the Company had unutilised tax losses amounting to approximately \$1,986,462 (2025: \$2,494,263), which are available for offset against future taxable profits. No deferred tax asset was recognised on the unutilised tax losses because it is not probable that future taxable profit will be available against which the Company can use the benefits thereon. The tax losses do not expire under current tax legislation.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***8. Property, plant and equipment**

	<u>Lease buildings</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Security equipment</u>	<u>Renovation</u>	<u>Website development</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
Cost							
At 1 April 2024	883,535	591,269	546,216	1,683,435	915,884	9,500	4,629,839
Additions	275,555	-	-	189,654	-	-	465,209
Disposal	(290,426)	-	-	(112,493)	-	-	(402,919)
At 31 March 2025	868,664	591,269	546,216	1,760,596	915,884	9,500	4,692,129
Additions	1,177,538	252,068	32,649	514,900	7,500	-	1,984,655
Disposal	(747,915)	(314,493)	-	(135,216)	-	-	(1,197,624)
At 31 March 2026	1,298,287	528,844	578,865	2,140,280	923,384	9,500	5,479,160
Accumulated depreciation and impairment							
At 1 April 2024	422,175	498,973	511,347	1,212,284	645,213	4,678	3,294,670
Depreciation	351,696	84,687	21,870	232,250	22,499	1,900	714,902
Disposal	(282,512)	-	-	(109,608)	-	-	(392,120)
At 31 March 2025	491,359	583,660	533,217	1,334,926	667,712	6,578	3,617,452
Depreciation	464,040	112,540	16,708	372,541	22,341	1,900	990,070
Disposal	(747,915)	(314,493)	-	(131,962)	-	-	(1,194,370)
At 31 March 2026	207,484	381,707	549,925	1,575,505	690,053	8,478	3,413,152
Net carrying value							
At 31 March 2025	377,305	7,609	12,999	425,670	248,172	2,922	1,074,677
At 31 March 2026	1,090,803	147,137	28,940	564,775	233,331	1,022	2,066,008

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 15.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***9. Deferred income taxes**

	2026	2025
	\$	\$
Beginning of financial year	415,547	218,965
Tax credited to		
- profit or loss (Note 7)	18,099	196,582
End of financial year	433,646	415,547

The movement in deferred income tax assets and liabilities (prior to offsetting of balances) during the financial year is as follows:

	2026	2025
	\$	\$
Deferred income tax assets	678,495	516,713
Deferred income tax liabilities	(244,849)	(101,166)
Net deferred income tax assets	433,646	415,547

Deferred income tax assets/(liabilities)

	<u>Loss allowance</u>	<u>Other Provisions</u>	<u>Lease Liabilities</u>	<u>Government grants receivables</u>	<u>Right of use asset</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
2026						
Beginning of financial year	363	431,596	84,754	(18,188)	(82,978)	415,547
Credited/(charged) in profit or loss	-	935	160,847	18,188	(161,871)	18,099
End of financial year	363	432,531	245,601	-	(244,849)	433,646
2025						
Beginning of financial year	363	293,345	121,638	(78,305)	(118,076)	218,965
Credited/(charged) in profit or loss	-	138,251	(36,884)	60,117	35,098	196,582
End of financial year	363	431,596	84,754	(18,188)	(82,978)	415,547

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***10. Trade receivables**

	2026	2025
	\$	\$
Trade receivables - third parties	10,766,420	8,456,094
Loss allowance	(2,138)	(2,138)
Trade receivables - net	<u>10,764,282</u>	<u>8,453,956</u>

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2025: 30 to 60 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are denominated in Singapore Dollars.

11. Other receivables, deposits and prepayments

	2026	2025
	\$	\$
Prepayments	442,865	231,476
Government grants receivable	81,581	164,556
Deposits	297,030	478,758
Other receivables	27,174	27,658
	<u>848,650</u>	<u>902,448</u>

Other receivables, deposits and prepayments are denominated in Singapore Dollars.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***12. Cash and cash equivalents**

	2026	2025
	\$	\$
Cash at bank	4,919,769	5,090,763
Deposit pledge with bank	6,052,747	4,410,618
	<u>10,972,516</u>	<u>9,501,381</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 banks 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:

	2026	2025
	\$	\$
Cash and cash equivalents (as above)	10,972,516	9,501,381
Less: Pledged deposits	(6,052,747)	(4,410,618)
Cash and cash equivalents per statement of cash flows	<u>4,919,769</u>	<u>5,090,763</u>

13. Trade payables

	2026	2025
	\$	\$
Trade payables - third parties	<u>132,622</u>	<u>452,080</u>

Trade payables are normally settled on 30 to 60 days (2025: 30 to 60 days) payment terms. Trade payables are denominated in Singapore Dollars.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***14. Other payables**

	2026	2025
	\$	\$
Accrued operating expenses	4,410,976	3,275,995
Provision for bonus	1,156,826	1,867,346
Provision for unutilised leave	642,075	559,259
Amount due to immediate holding corporation	10,754,384	7,628,527
Amount due to a fellow subsidiary	310,925	364,301
GST payables	1,253,346	973,569
	<u>18,528,532</u>	<u>14,668,997</u>

Other payables are denominated in Singapore dollars.

Amount due to immediate holding corporation and a fellow subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

15. Leases – The Company as a lesseeNature of the Company's leasing activities

Property, motor vehicle and security equipment

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

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

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***15. Leases – The Company as a lessee (continued)**

(a) Carrying amounts

ROU assets classified with property, plant and equipment

	31 March 2026	31 March 2025
	\$	\$
Leasehold buildings	1,090,803	377,305
Motor vehicle	147,137	7,609
Security equipment	191,178	95,273
	<u>1,429,118</u>	<u>480,187</u>

(b) Depreciation charge during the year

	31 March 2026	31 March 2025
	\$	\$
Leasehold buildings	464,040	351,696
Motor vehicle	112,540	84,687
Security equipment	149,666	72,560
	<u>726,246</u>	<u>508,943</u>

(c) Lease liabilities

	31 March 2026	31 March 2025
	\$	\$
Current	543,927	393,208
Non-current	900,784	70,335
	<u>1,444,711</u>	<u>463,543</u>

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***15. Leases – The Company as a lessee (continued)****(c) Lease liabilities (continued)**

A reconciliation of liabilities arising from financing activities is as follows:

	1 April	Principal and interest payments	Proceed from loan	Non-cash changes		31 March
				- new leases	Interest expense	
	\$	\$	\$	\$	\$	\$
2026						
Amounts due to immediate holding corporation and a fellow subsidiary	7,992,828	-	3,072,481	-	-	11,065,309
Lease liabilities	463,543	(743,339)	-	1,678,429	46,078	1,444,711
	8,456,371	(743,339)	3,072,481	1,678,429	46,078	12,510,020
2025						
Amounts due to immediate holding corporation and a fellow subsidiary	5,675,977	-	2,316,851	-	-	7,992,828
Lease liabilities	715,505	(585,734)	-	302,482	31,290	463,543
	6,391,482	(585,734)	2,316,851	302,482	31,290	8,456,371

The maturity analysis of lease liabilities is disclosed in Note 18.

(d) Interest expense

	2026	2025
	\$	\$
Interest expense on lease liabilities	46,078	31,290

(e) Lease expense not capitalised in lease liabilities

	2026	2025
	\$	\$
Short-term lease expense	17,470	22,696

(f) Total cash outflow for all leases in 2026 was \$760,809 (2025: \$608,430).**(g) Addition of ROU assets during the financial year 2026 was \$1,678,429 (2025: \$302,482).**

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***15. Leases – The Company as a lessee (continued)**

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

Extension options

The Company 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 Company's business needs.

The Company 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 2026, potential future (undiscounted) cash outflows of approximately \$216,000 (2025: \$429,924) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

16. Share capital

The Company's share capital comprises fully paid-up 2,500,000 (2025: 2,500,000) ordinary shares with no par value, amounting to a total of \$2,500,000 (2025: \$2,500,000).

17. Related party transactions

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

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

Related party balances

	2026	2025
	\$	\$
Advances from immediate holding corporation	3,125,857	2,474,950
Payments on behalf by ultimate holding corporation for expenses incurred on behalf	(1,060)	(8,032)
Repayment to a fellow subsidiary	(53,376)	(158,099)
	<u>3,071,421</u>	<u>2,308,819</u>

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***17. Related party transactions (continued)****Key management personnel compensation**

	2026	2025
	\$	\$
Salaries and bonuses	584,674	572,462
Employer's contribution to Central Provident Fund	37,550	46,496
	622,224	618,958

18. Financial risk management

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

The management is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Company'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 Company's 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 Company'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 Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Company does not hold any financial instruments that are exposed to significant market risk at the reporting dates presented.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026*

18. Financial risk management (continued)**(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 Company. The Company's exposure to credit risk arises primarily from cash and cash equivalents, trade receivables, other receivables and deposits.

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

The Company 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 Company 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 difficulty of the counterparty.

The Company is 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 Company 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 Company'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 Company's varied customers.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***18. Financial risk management (continued)****(b) Credit risk (continued)****Risk management (continued)**

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

The Company's current credit risk grading framework comprises the following categories:

Category	Description of category	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 (Stage 1)
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired (Stage 2)
In default	There is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired (Stage 3)
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

Impairment of financial assets

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

	<u>Credit rating category</u>	<u>12-month or lifetime ECL</u>	<u>Gross carrying amount</u> \$	<u>Loss allowance</u> \$	<u>Net carrying amount</u> \$
31 March 2026					
Trade receivables	Note 1	Lifetime ECL (simplified)	10,766,420	(2,138)	10,764,282
Other receivables and deposits	Performing	12-month ECL	324,204	-	324,204
Cash and cash equivalents	Performing	12-month ECL	10,972,516	-	10,972,516
			22,063,140	(2,138)	22,061,002
31 March 2025					
Trade receivables	Note 1	Lifetime ECL (simplified)	8,456,094	(2,138)	8,453,956
Other receivables and deposits	Performing	12-month ECL	506,416	-	506,416
Cash and cash equivalents	Performing	12-month ECL	9,501,381	-	9,501,381
			18,463,891	(2,138)	18,461,753

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026*

18. Financial risk management (continued)**(b) Credit risk (continued)****Impairment of financial assets (continued)**Trade receivables (Note 1)

The Company 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 and deposits

Other financial assets measured at amortised cost includes other receivables and deposits, which are short-term in nature. The Company 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 Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and deposits pledged with bank. These are held with banks and financial institution counterparties which are rated at least A (2025: A), based on Standard & Poor's ratings.

The Company 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 Company will encounter difficulty in meeting financial obligations due to shortage of funds. Liquidity risk arises in the general funding of the Company'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 Company's business operations and development activities.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***18. 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 Company'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 \$
Company				
At 31 March 2026				
Trade payables	132,622	132,622	-	132,622
Other payables	15,476,285	15,476,285	-	15,476,285
Lease liabilities	1,444,711	606,195	978,863	1,585,058
Total undiscounted financial liabilities	17,053,618	16,215,102	978,863	17,193,965
At 31 March 2025				
Trade payables	452,080	452,080	-	452,080
Other payables	11,268,823	11,268,823	-	11,268,823
Lease liabilities	463,543	405,819	72,638	478,457
Total undiscounted financial liabilities	12,184,446	12,126,722	72,638	12,199,360

(d) Fair value measurements

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 amounts of Trade receivables, other receivables and deposits (excluding prepayment), cash and cash equivalents, trade payables, and other payables (excluding GST payable and provision for unutilised leaves) reasonably approximate their fair values because these are mostly short term in nature.

(e) Capital risk

The primary objective of the Company'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 the total equity of the Company.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026***18. Financial risk management (continued)****(e) Capital risk (continued)**

The Company manages its capital structure and makes adjustments to it, in light to the changes in economic conditions. To maintain or adjust the capital structure, the Company 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 2025 and 31 March 2026.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	2026	2025
	\$	\$
Financial assets at amortised cost		
Trade receivables	10,764,282	8,453,956
Other receivables and deposits	324,204	506,416
Cash and cash equivalents	10,972,516	9,501,381
	<u>22,061,002</u>	<u>18,461,753</u>
 Financial liabilities at amortised cost		
Trade payables	132,622	452,080
Other payables	15,476,285	11,268,823
Lease liabilities	1,444,711	463,543
	<u>17,053,618</u>	<u>12,184,446</u>

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026*

19. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2026 and which the Group has not early adopted.

FRS 118 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

FRS 118 replaces FRS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though FRS 118 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of FRS 118 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of comprehensive into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
 - FRS 118 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.

HENDERSON SECURITY SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 March 2026*

19. New or revised accounting standards and interpretations (continued)**FRS 118** - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the balance sheet, the group will disaggregate goodwill and other intangible assets and present them separately in the balance sheet.
- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of FRS 118, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying FRS 118 and the amounts previously presented applying FRS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with FRS 118.

20. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2026 were authorised for issue by the Board of Directors on 1 May 2026.