

MSS Security Pty Limited

ABN 29 100 573 966

Annual Report

for the year ended 31 March 2026

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Annual Report
for the year ended 31 March 2026

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Directors' report

Your directors present their report on the entity (referred to hereafter as "the Company") for the year ended 31 March 2026.

Directors

The following persons were directors of MSS Security Pty Limited during the whole of the financial year and up to the date of this report:

Uday Singh
Rituraj Sinha
Michael McKinnon
Devesh Desai
Donald Burnett
Geoffrey Alcock

Principal activities

MSS Security Pty Limited is engaged in rendering security and related services consisting of manned guarding, physical security and provision of paramedic and emergency response services.

Dividends

Dividends paid to the shareholders during the financial year amounted to \$8,334,000 (2025: \$9,575,000).

Review of operations

A summary of revenues and results is set out below:

| Particulars | 31 March 2026 \$000's | 31 March 2025 \$000's |
|---|-----------------------------|-----------------------------|
| Revenue | 888,284 | 737,474 |
| Earnings before interest, depreciation and amortisation, and taxation | 32,713 | 27,946 |
| Depreciation and amortisation | (5,646) | (4,215) |
| Earnings before interest and taxation | 27,067 | 23,731 |
| Finance costs | (2,249) | (1,344) |
| Other Income | 1,136 | 671 |
| Other gain | 622 | 318 |
| Earnings before taxation | 26,576 | 23,376 |
| Income tax expense | (8,203) | (7,163) |
| Profit after tax | 18,373 | 16,213 |

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company from the beginning of the financial year to the date of this report.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2026 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation and Climate-Related Disclosures

The Company is a wholly owned entity within the SIS Australia Holdings Consolidation ("SISAH") Group. SISAH is a reporting entity under its first year of adoption of Australian Sustainability Reporting Standards (ASRS), which are aligned with the ISSB's IFRS S1 and IFRS S2. While this entity is not required to prepare standalone climate-related disclosures, its climate-related information including greenhouse gas emissions, relevant metrics, and contributions toward Group-level climate targets forms part of the consolidated climate-related financial disclosures prepared by SISAH. Readers are referred to the SISAH Group Sustainability Report for the year ended 31 March 2026 for the full climate-related reporting prepared in accordance with AASB S1 and AASB S2.

A high-level summary of MSS Security's climate-related performance is set out below. Detailed methodologies, boundaries and assumptions are included in the SISAH consolidated Sustainability Report Disclosures.

| Category | Summary |
|-------------------|------------------------------|
| Scope 1 Emissions | 2,102.22 tCO ₂ -e |
| Scope 2 Emissions | 212.95 tCO ₂ -e |
| Total Emissions | 2,315.17 tCO ₂ -e |

Insurance of officers

During the financial year, the Company paid a premium to insure the directors and officers of the Company.

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

Proceedings on behalf of the Company

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

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

Auditor's independence declaration

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

Rounding of amounts

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

Auditor

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

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



Geoffrey Alcock
Director



Michael McKinnon
Director

Sydney
01 May 2026



Auditor's Independence Declaration

As lead auditor of MSS Security Pty Limited's financial report for the year ended 31 March 2026, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.

A handwritten signature in black ink, appearing to read 'S Walsh', is written over a light blue horizontal line.

Scott Walsh
Partner
PricewaterhouseCoopers

Sydney
1 May 2026

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MSS Security Pty Limited ABN 29 100 573 966

Financial Statements

for the year ended 31 March 2026

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These financial statements cover MSS Security Pty Limited as an individual entity. The financial statements are presented in Australian dollars.

MSS Security Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

MSS Security Pty Limited Level 20, 150 George Street, Parramatta NSW 2150

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

The financial statements were authorised for issue by the directors on 01 May 2026. The directors have the power to amend and reissue the financial statements.

MSS Security Pty Limited
Statement of financial position
As at 31 March 2026
All figures in \$'000

| Particulars | Note No. | 31 March 2026 | 31 March 2025 |
|--|-------------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 37,546 | 9,225 |
| Intangible Assets | 5 | 19,819 | 16,665 |
| Financial assets | | | |
| (i) Other non-current financial assets | 6 | 214 | 36 |
| Deferred tax assets (net) | 7 | 10,710 | 11,594 |
| Total non-current assets | | 68,289 | 37,520 |
| Current assets | | | |
| Inventories | | 48 | - |
| Financial assets | | | |
| (i) Trade receivables | 9 | 91,984 | 76,818 |
| (ii) Cash and Cash Equivalents | 10 | 58,663 | 44,405 |
| (iii) Other current financial assets | 6 | 44,059 | 34,372 |
| Other current assets | 8 | 111,970 | 106,098 |
| Total current assets | | 306,724 | 261,693 |
| Total assets | | 375,013 | 299,213 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 11 | 10,000 | 10,000 |
| Other equity | 12 | 160,482 | 150,443 |
| Total equity | | 170,482 | 160,443 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 13 | 2,911 | 1,818 |
| (ii) Non-current lease liabilities | 16 | 28,477 | 3,123 |
| Provisions | 17 | 8,363 | 7,023 |
| Total non-current liabilities | | 39,751 | 11,964 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 13 | 1,395 | 1,395 |
| (ii) Trade payables | 14 | 2,860 | 1,422 |
| (iii) Current lease liabilities | 16 | 915 | 1,085 |
| (iv) Other current financial liabilities | 15 | 88,284 | 60,669 |
| Other current liabilities | 18 | 5,324 | 6,012 |
| Provisions | 17 | 66,002 | 56,119 |
| Current tax liabilities | 7 | - | 104 |
| Total current liabilities | | 164,780 | 126,806 |
| Total liabilities | | 204,531 | 138,770 |
| Total equity and liabilities | | 375,013 | 299,213 |

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

MSS Security Pty Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2026

All figures in \$'000

| Particulars | Note No. | 31 March 2026 | 31 March 2025 |
|---|-------------|------------------|------------------|
| INCOME | | | |
| Revenue from operations | 19 | 888,284 | 737,474 |
| Other income | 20 | 1,136 | 671 |
| Other gain | 21 | 622 | 318 |
| Total income | | 890,042 | 738,463 |
| EXPENSES | | | |
| Purchases of stock-in-trade | | 3 | - |
| Employee benefits expense | 22 | 718,566 | 564,726 |
| Finance costs | 23 | 2,249 | 1,344 |
| Depreciation and amortization expenses | 24 | 5,646 | 4,215 |
| Other expenses | 25 | 137,002 | 144,802 |
| Total expenses | | 863,466 | 715,087 |
| Profit before tax | | 26,576 | 23,376 |
| Tax expense/(benefit) | | | |
| Current tax | | 7,319 | 8,923 |
| Deferred tax | | 884 | (1,760) |
| Total tax expense | 7 | 8,203 | 7,163 |
| Profit for the year | | 18,373 | 16,213 |
| Other comprehensive income for the year (net of taxes) | | - | - |
| Total comprehensive income for the year | | 18,373 | 16,213 |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

MSS Security Pty Limited
Statement of changes in equity
For the year ended 31 March 2026
All figures in \$'000

| | Note No. | Equity share capital | Retained earnings | Total equity |
|--|-------------|-------------------------|----------------------|----------------|
| For the year ended 31 March 2025 | | | | |
| Balance at 1 April 2024 | | 10,000 | 143,805 | 153,805 |
| Profit for the year | | - | 16,213 | 16,213 |
| Other comprehensive income | | - | - | - |
| Total comprehensive income for the year | | - | 16,213 | 16,213 |
| Dividends provided for or paid | 26 | - | (9,575) | (9,575) |
| As at 31 March 2025 | | 10,000 | 150,443 | 160,443 |
| Balance at 1 April 2025 | | 10,000 | 150,443 | 160,443 |
| Profit for the year | | - | 18,373 | 18,373 |
| Other comprehensive income | | - | - | - |
| Total comprehensive income for the year | | - | 18,373 | 18,373 |
| Dividends provided for or paid | 26 | - | (8,334) | (8,334) |
| As at 31 March 2026 | | 10,000 | 160,482 | 170,482 |

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

MSS Security Pty Limited
Statement of cash flows
For the year ended 31 March 2026
All figures in \$'000

| Particulars | 31 March 2026 | 31 March 2025 |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 26,576 | 23,376 |
| Adjusted for: | | |
| Depreciation and amortisation expenses | 5,646 | 4,215 |
| Unrealised foreign exchange loss | 33 | 26 |
| Net (gain) on sale of fixed assets | (473) | (344) |
| Actuarial gains on Long Service Leaves balances | (182) | - |
| Finance costs | 2,249 | 1,344 |
| Interest income classified as investing cash flows | (1,136) | (671) |
| Bad debts written off | (366) | 95 |
| Operating profit before working capital changes | 32,347 | 28,041 |
| Movement in working capital: | | |
| (Increase) in trade receivables | (14,801) | (3,031) |
| (Increase)/Decrease in inventories | (48) | - |
| (Increase)/Decrease in other current assets | (5,872) | 7,489 |
| (Increase)/Decrease in other current financial assets | (9,663) | 728 |
| Increase/(Decrease) in trade payables | 1,438 | (457) |
| Increase in provisions | 10,691 | 1,941 |
| (Decrease)/Increase in other current liabilities | (687) | 6,012 |
| Increase/(Decrease) in other current financial liabilities | 27,590 | (886) |
| (Increase)/ in other non-current financial assets | (177) | - |
| (Decrease) in other non-current Financial liabilities | (2) | (3) |
| Cash generated from operations | 40,816 | 39,834 |
| Direct tax paid (net of refunds) | (7,423) | (8,923) |
| Net Cash inflow from operating activities | 33,393 | 30,911 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property plant and equipment/ Intangibles and changes in capital work in progress | (9,786) | (6,773) |
| Proceeds from sale/disposal of property, plant and equipment | 804 | 438 |
| Interest received | 1,136 | 671 |
| Net Cash (outflow) from investing activities | (7,846) | (5,664) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Foreign exchange (loss) realised | (31) | (22) |
| Proceeds from term loans | 3,422 | 2,325 |
| Repayment of term loans | (2,329) | (1,679) |
| Leases paid | (2,780) | (1,912) |
| Interest paid | (1,237) | (1,150) |
| Dividends paid | (8,334) | (9,575) |
| Net Cash (outflow) from financing activities | (11,289) | (12,013) |
| Net Cash (Decrease)/Increase in cash and cash equivalents | 14,258 | 13,234 |
| Cash and cash equivalents at the beginning of the year | 44,405 | 31,171 |
| Effects of exchange rate changes on cash and cash equivalents | - | - |
| Cash and cash equivalents at the end of the year | 58,663 | 44,405 |

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

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| 8 | Other assets | 31 |
| 9 | Trade receivables | 31 |
| 10 | Cash and cash equivalents | 31 |
| 11 | Equity share capital | 32 |
| 12 | Other equity | 32 |
| 13 | Borrowings | 32 |
| 14 | Trade payables | 33 |
| 15 | Other financial liabilities | 33 |
| 16 | Lease liabilities | 33 |
| 17 | Provisions | 34 |
| 18 | Other liabilities | 34 |
| 19 | Revenue from operations | 34 |
| 20 | Other Income | 35 |
| 21 | Other gains/(losses) | 35 |
| 22 | Employee Benefits | 35 |
| 23 | Finance Costs | 35 |
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All figures in \$'000

1. The Company Overview

MSS Security Pty Limited is a company limited by shares, incorporated and domiciled in Australia. The Company is a wholly owned subsidiary of SIS Australia Holdings Pty Ltd, which is a wholly owned subsidiary of Security and Intelligence Services (India) Limited (incorporated in India), an entity listed on the Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). Its registered office is situated at Level 20, 150 George Street, Parramatta NSW 2150.

MSS Security Pty Limited is engaged in rendering security and related services consisting of manned guarding, physical security and provision of emergency response services.

These financial statements are the financial statements of the Company in accordance with applicable accounting standards.

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

These financial statements were authorised for issue by the directors on 01 May 2026.

2. Summary of material accounting policies

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

2.1 Basis of preparation

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

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

2.2 Basis of measurement

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

- a. Certain financial assets and financial liabilities (including derivative financial instruments);
- b. Share based payments;

Accounting policies have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

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

2.3 Summary of material accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

2.3 Summary of material accounting policies (continued)

a. Current versus non-current classification (continued)

A liability is current when:

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

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

The Company classifies all other liabilities as non-current.

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

b. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statements of profit or loss and other comprehensive income for the year during which such expenses are incurred. Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Depreciation

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

| Category | Useful life |
|------------------------|---------------------|
| Furniture and Fixtures | 3-10 years |
| Plant and Machinery | 3-10 years |
| Vehicles | 3-5 years |
| Computer Equipment | 3-5 years |
| Right of Use Asset | Over the lease term |
| Leasehold Improvements | Over the lease term |

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

2.3 Summary of material accounting policies (continued)

b. Property, plant and equipment (continued)

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Additions are depreciated on a pro-rata basis from the date the asset is available for use till the date the assets are derecognised.

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

c. Intangible assets

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

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

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

The estimated useful lives of assets are as follows:

| Category | Useful life |
|-------------------|-------------|
| Goodwill | Indefinite |
| Computer Software | 3-10 years |

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

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

Goodwill

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

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

2.3 Summary of material accounting policies (continued)

c. Intangible assets (continued)

Software

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

d. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial instruments at amortised cost

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instrument at FVTOCI

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

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

2.3 Summary of material accounting policies (continued)

d. Financial instruments (continued)

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

Financial instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition of financial assets

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

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

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

Impairment of financial assets

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

2.3 Summary of material accounting policies (continued)

d. Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Borrowings

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

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

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

2.3 Summary of material accounting policies (continued)

d. Financial instruments (continued)

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

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

Derecognition

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

Reclassification of financial instruments

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

Offsetting of financial instruments

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

e. Trade receivables

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

f. Current and deferred tax

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

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

Deferred tax

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

2.3 Summary of material accounting policies (continued)

f. Current and deferred tax (continued)

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

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

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

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

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

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

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

Tax consolidation legislation

MSS Security Pty Limited and its wholly-owned Australian controlled entities are members of a consolidated group under the tax consolidation legislation.

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

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

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. Australia, the jurisdiction in which the Company operates, falls into will apply the safe harbour provisions to the Global Anti Base Erosion Model Rules. Based on the analysis prepared, the Company will not incur any top-up taxes due the Pillar Two legislation for the financial year ended 31 March 2026. The Company applies the AASB 112 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

2.3 Summary of material accounting policies (continued)

g. Cash and cash equivalents

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

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

h. Contributed equity

Equity shares are classified as equity.

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

i. Trade and other payables

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

j. Fair value measurement

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

Fair value hierarchy

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

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

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

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

- (a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- (b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- (c) Cost approach – Replacement cost method.

2.3 Summary of material accounting policies (continued)

k. Provisions and contingent liabilities

Provisions

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

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

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

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

Contingent liabilities

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

Liabilities recognised in a business combination

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

l. Revenue recognition

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

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

- (a) Revenue from services represents the amounts receivable for services rendered.
- (b) For non-contract-based business, revenue represents the value of goods delivered or services performed.
- (c) For contract-based business, revenue represents the sales value of work carried out for customers during the period. Such revenues are recognised in the accounting period in which the services are rendered.
- (d) Unbilled revenue net of expected deductions is recognised at the end of each period. Such contract assets are reversed in the subsequent period when an actual invoice is raised.

2.3 Summary of material accounting policies (continued)

I. Revenue recognition (continued)

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

Sale of goods

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

Rendering of services

If the contract includes an hourly fee, revenue is recognised in the amount to which Group has a right to invoice. Customers are invoiced on a monthly or a fortnight basis and consideration is payable when invoiced. In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule.

Interest income

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

Dividends

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

m. Employee benefits

Short-term obligations

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

2.3 Summary of material accounting policies (continued)

m. Employee benefits (continued)

Bonus

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

Compensated absences

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

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

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

Post-employment obligations: Defined Contribution Plan

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

n. Equity settled stock-based compensation

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

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

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

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

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

2.3 Summary of material accounting policies (continued)

o. Borrowing costs

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

p. Leases

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

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

Measurement and recognition of leases as a lessee

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

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

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

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

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

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

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

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

2.3 Summary of material accounting policies (continued)

p. Leases (continued)

To determine the incremental borrowing rate, the Company:

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

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

After initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

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

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

Extension and termination options

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

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

Short-term and low value leases

Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise IT equipment and small items of office furniture. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2.3 Summary of material accounting policies (continued)

q. Impairment of non-financial assets

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

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

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

s. Goods and services tax (GST)

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

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

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

t. Cash flow statement

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

u. Contract novation under common control

From time to time, the Company may novate customer contracts from other entities that are under common control. A contract novation involves the substitution of the entity that is the counterparty to a customer contract and results in the transfer of the rights and obligations to perform under that contract from one Group entity to another. A novation does not, of itself, give rise to the transfer of a recognised asset or liability unless, at the novation date, the contract gives rise to recognised balances such as contract assets, contract liabilities, or capitalised contract costs under IFRS 15.

Where customer contracts are novated for nil consideration from entities under common control and no recognised contract assets, contract liabilities, or capitalised contract costs exist at the effective novation date, no amounts are recognised by the Company on initial recognition. Revenue and directly attributable costs are recognised prospectively by the Company from the effective date of novation in accordance with IFRS 15, with the transferor entity recognising revenue and related costs up to that date.

Where recognised contract assets, contract liabilities, or capitalised contract costs exist at the effective novation date, these balances are transferred at the carrying amounts determined by reference to the consideration paid or payable under the transfer arrangement. No fair value uplift, gain or loss, or imputed shareholder contribution or distribution is recognised solely as a result of the novation.

2.4 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for first time for their annual reporting period commencing 1 April 2025:

- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability* [AASB1, AASB 121 and AASB1060].

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

2.6 New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 31 March 2026.

- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* [AASB 7 & AASB 9] (effective for annual periods beginning on or after 1 January 2026). Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements. The Company will apply the new standard from its mandatory effective date of 1 January 2026.
- AASB 18 *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027). Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements. The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required.

The accounting policies that are material to the Company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

3. Critical accounting estimates and judgements

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

3.1 Key estimates

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

(i) Litigation provision

Significant judgement is required in determining whether litigation matters meet the recognition criteria for a provision and, where recognised, in estimating the amount and timing of any expected outflow. Management's assessment is based on the status of the matter, legal advice, available evidence and the likely outcome of the claim.

(ii) Contingent liabilities

Judgement is required in determining whether claims, disputes and regulatory matters give rise to a present obligation at reporting date, and whether any outflow of economic benefits is probable or merely possible. Management considers the facts of each matter, the status of proceedings, and legal or other professional advice in assessing whether a provision should be recognised or whether disclosure as a contingent liability is appropriate.

(ii) Impairment of non-financial assets

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

3. Critical accounting estimates and judgements (continued)

(iii) Useful life (lease terms)

The estimation of the useful lives has been based on the assets' lease terms. There are a number of judgements made in determining the lease terms. The expected useful life of the asset includes a judgement as to whether available extension changes will be exercised. Changes to this assessment are reflected as a remeasurement, with a corresponding adjustment for the liability.

(iv) Deferred tax assets (net)

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and tax offsets, to the extent that it is probable that sufficient taxable profits will be available to utilise them. The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income.

4. Property, Plant and Equipment
Year ended 31 March 2025

| Description of Assets | Cost | | | | | Accumulated Depreciation | | | | Net book value |
|--------------------------|---------------------|-------------------------|---------------------------|----------------------|----------------------|--------------------------|--------------|----------------------|----------------------|----------------------|
| | As at April 1, 2024 | Acquired on Acquisition | Additions during the year | Sale and adjustments | As at March 31, 2025 | Up to March 31, 2024 | For the year | Sale and adjustments | Up to March 31, 2025 | As at March 31, 2025 |
| Right of use Buildings | 9,460 | - | 1,852 | - | 11,312 | 6,320 | 1,306 | - | 7,626 | 3,686 |
| Plant & Machinery | 2,523 | - | 443 | - | 2,966 | 2,226 | 183 | - | 2,409 | 557 |
| Furniture & Fixture | 2,835 | - | 121 | - | 2,956 | 2,301 | 224 | - | 2,525 | 431 |
| Vehicles | 6,501 | - | 2,022 | (1,046) | 7,477 | 3,509 | 1,347 | (956) | 3,900 | 3,577 |
| Right of use Vehicles | 716 | - | - | - | 716 | 716 | - | - | 716 | - |
| Computer Equipment | 3,521 | - | 322 | - | 3,843 | 3,045 | 334 | - | 3,379 | 464 |
| | 25,556 | - | 4,760 | (1,046) | 29,270 | 18,117 | 3,394 | (956) | 20,555 | 8,715 |
| Capital work in progress | 41 | - | 469 | - | 510 | - | - | - | - | 510 |
| Grand Total | 25,597 | - | 5,229 | (1,046) | 29,780 | 18,117 | 3,394 | (956) | 20,555 | 9,225 |

Year ended 31 March 2026

| Description of Assets | Cost | | | | | Accumulated Depreciation | | | | Net book value |
|--------------------------|---------------------|-------------------------|---------------------------|----------------------|----------------------|--------------------------|--------------|----------------------|----------------------|----------------------|
| | As at April 1, 2025 | Acquired on Acquisition | Additions during the year | Sale and adjustments | As at March 31, 2026 | Up to March 31, 2025 | For the year | Sale and adjustments | Up to March 31, 2026 | As at March 31, 2026 |
| Right of use Buildings | 11,312 | - | 27,034 | (55) | 38,291 | 7,626 | 1,691 | 60 | 9,377 | 28,914 |
| Plant & Machinery | 2,966 | - | 179 | - | 3,145 | 2,409 | 244 | - | 2,653 | 492 |
| Furniture & Fixture | 2,956 | - | 1,521 | (75) | 4,402 | 2,525 | 251 | - | 2,776 | 1,626 |
| Vehicles | 7,477 | - | 3,087 | (1,379) | 9,185 | 3,900 | 1,890 | (1,121) | 4,669 | 4,516 |
| Right of use Vehicles | 716 | - | - | - | 716 | 716 | - | - | 716 | 0 |
| Computer Equipment | 3,843 | - | 2,069 | - | 5,912 | 3,379 | 549 | - | 3,928 | 1,984 |
| | 29,270 | - | 33,890 | (1,509) | 61,651 | 20,555 | 4,625 | (1,061) | 24,119 | 37,532 |
| Capital work in progress | 510 | - | (496) | - | 14 | - | - | - | - | 14 |
| Grand Total | 29,780 | - | 33,394 | (1,509) | 61,665 | 20,555 | 4,625 | (1,061) | 24,119 | 37,546 |

5. Other Intangible Assets

Year ended 31 March 2025

| Description of Assets | Cost | | | | | Accumulated Amortisation | | | | Net book value |
|--|---------------------|-------------------------|---------------------------|----------------------|----------------------|--------------------------|--------------|----------------------|----------------------|----------------------|
| | As at April 1, 2024 | Acquired on Acquisition | Additions during the year | Sale and adjustments | As at March 31, 2025 | Up to March 31, 2024 | For the year | Sale and adjustments | Up to March 31, 2025 | As at March 31, 2025 |
| Goodwill | 7,963 | - | - | - | 7,963 | - | - | - | - | 7,963 |
| Computer Software | 11,285 | - | 4,013 | - | 15,298 | 9,947 | 821 | - | 10,768 | 4,530 |
| Total | 19,248 | - | 4,013 | - | 23,261 | 9,947 | 821 | - | 10,768 | 12,493 |
| Intangible Assets under development | | | | | | | | | | |
| Computer Software | 4,688 | - | - | (516) | 4,172 | - | - | - | - | 4,172 |
| Grand Total | 23,936 | - | 4,013 | (516) | 27,433 | 9,947 | 821 | - | 10,768 | 16,665 |

Year ended 31 March 2026

| Description of Assets | Cost | | | | | Accumulated Amortisation | | | | Net book value |
|--|---------------------|-------------------------|---------------------------|----------------------|----------------------|--------------------------|--------------|----------------------|----------------------|----------------------|
| | As at April 1, 2025 | Acquired on Acquisition | Additions during the year | Sale and adjustments | As at March 31, 2026 | Up to March 31, 2025 | For the year | Sale and adjustments | Up to March 31, 2026 | As at March 31, 2026 |
| Goodwill | 7,963 | - | - | - | 7,963 | - | - | - | - | 7,963 |
| Computer Software | 15,298 | - | - | - | 15,298 | 10,768 | 1,021 | - | 11,789 | 3,509 |
| Total | 23,261 | - | - | - | 23,261 | 10,768 | 1,021 | - | 11,789 | 11,472 |
| Intangible Assets under development | | | | | | | | | | |
| Computer Software | 4,172 | - | 3,987 | 188 | 8,347 | - | - | - | - | 8,347 |
| Grand Total | 27,433 | - | 3,987 | 188 | 31,608 | 10,768 | 1,021 | - | 11,789 | 19,819 |

6. Other financial assets

| Particulars | 31 March 2026 | 31 March 2025 |
|---|------------------|------------------|
| Other non-current financial assets | | |
| Security deposits | 214 | 36 |
| Total Other non-current financial assets | 214 | 36 |
| Other current financial assets | | |
| Unbilled revenue* | 44,059 | 34,369 |
| Advances to related parties | - | 3 |
| Total other current financial assets | 44,059 | 34,372 |
| Total financial assets | 44,273 | 34,408 |

*The Group has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled revenue.

7. Income Tax Assets, Liabilities and Expense

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

| Particulars | 31 March 2026 | 31 March 2025 |
|----------------------------------|------------------|------------------|
| Total deferred tax assets | 10,710 | 11,594 |

Reflected in the statement of financial position as follows:

| Particulars | 31 March 2026 | 31 March 2025 |
|---------------------------------|------------------|------------------|
| Deferred tax assets | 24,173 | 19,828 |
| Deferred tax liabilities | (13,463) | (8,234) |
| Deferred tax assets, net | 10,710 | 11,594 |

| | Property, plant and equipment and intangible assets | Employee Provisions | Accruals and other | Allowance for doubtful debts - trade receivables | Total |
|---|--|------------------------|-----------------------|---|---------------|
| As at April 1, 2024 | (1,803) | 18,393 | (6,856) | 100 | 9,834 |
| Tax income/(expense) during the period recognised in profit or loss | 187 | 1,262 | 239 | 72 | 1,760 |
| As at March 31, 2025 | (1,616) | 19,655 | (6,617) | 172 | 11,594 |
| Tax income/(expense) during the period recognised in profit or loss | (7,530) | 4,457 | 2,300 | (111) | (884) |
| As at March 31, 2026 | (9,146) | 24,112 | (4,317) | 61 | 10,710 |

7. Income Tax Assets, Liabilities and Expense (continued)

The major components of income tax expense for the years ended 31 March 2026 and 31 March 2025 are:

Reflected in the statement of financial position as follows:

| Particulars | 31 March 2026 | 31 March 2025 |
|---|---------------|---------------|
| Current income tax: | | |
| Current income tax charge | 7,319 | 8,923 |
| Deferred tax: | | |
| Decrease/(Increase) in deferred tax assets | 884 | (1,760) |
| Income tax expense reported in the statements of profit or loss and other comprehensive income | 8,203 | 7,163 |

Reconciliation of tax expense and the accounting profit multiplied by the tax rate:

| Particulars | 31 March 2026 | 31 March 2025 |
|---|---------------|---------------|
| Accounting profit before tax from continuing operations | 26,576 | 23,376 |
| Tax at the Australian tax rate of 30.0% (2025 -30%) | 7,972 | 7,013 |
| Tax effect of amounts which are not deductible / not taxable in calculating taxable income: | | |
| Other non-deductible expenses | 231 | 150 |
| Income tax expense reported in the statements of profit or loss and other comprehensive income | 8,203 | 7,163 |

8. Other Assets

| Particulars | 31 March 2026 | 31 March 2025 |
|-----------------------------------|------------------|------------------|
| Other current assets | | |
| Balances with related parties | 104,671 | 98,453 |
| Prepaid expenses | 6,499 | 7,645 |
| Amount paid under protest | 800 | - |
| Total other current assets | 111,970 | 106,098 |
| Total other assets | 111,970 | 106,098 |

9. Trade Receivables

| Particulars | 31 March 2026 | 31 March 2025 |
|------------------------------------|------------------|------------------|
| Trade receivables | 92,188 | 77,391 |
| Less: Allowance for doubtful debts | (204) | (573) |
| Total trade receivables | 91,984 | 76,818 |

10. Cash and cash equivalents

Cash and cash equivalents

| Particulars | 31 March 2026 | 31 March 2025 |
|---------------------------------------|------------------|------------------|
| Balance with banks: | | |
| On current accounts | 58,663 | 44,405 |
| Total cash and cash equivalent | 58,663 | 44,405 |

11. Equity Share Capital

a. Share capital

| Particulars | 31 March 2026 Shares | 31 March 2025 Shares | 31 March 2026 \$'000 | 31 March 2025 \$'000 |
|-----------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Ordinary Shares | | | | |
| Fully Paid | 10,000,000 | 10,000,000 | 10,000 | 10,000 |

b. Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

12. Other Equity

| Particulars | 31 March 2026 | 31 March 2025 |
|-----------------------------|------------------|------------------|
| Reserves and surplus | | |
| Retained earnings | 160,482 | 150,443 |
| Total other equity | 160,482 | 150,443 |

Retained earnings

| | | |
|---|----------------|----------------|
| At April 1, 2024 | | 143,805 |
| Add: Net profit for the year | | 16,213 |
| Add: Items of Other Comprehensive Income recognised directly in Retained Earnings | | - |
| Add: Appropriations | | - |
| Dividends | | (9,575) |
| At March 31, 2025 | 150,443 | 150,443 |
| Add: Net profit for the year | 18,191 | |
| Add: Items of Other Comprehensive Income recognised directly in Retained Earnings | - | |
| Add: Remeasurements of post-employment benefits | 182 | |
| Add: Appropriations | - | |
| Dividends | (8,334) | |
| At March 31, 2026 | 160,482 | |

13. Borrowings

| Particulars | 31 March 2026 | 31 March 2025 |
|--|------------------|------------------|
| Secured | | |
| Non-current Borrowings | | |
| Term Loans | | |
| Asset Finance Liabilities from various banks | 2,911 | 1,818 |
| Total non-current borrowings | 2,911 | 1,818 |
| Current Borrowings | | |
| Term Loans | | |
| Asset Finance Liabilities from various banks | 1,395 | 1,395 |
| Total current borrowings | 1,395 | 1,395 |
| Total borrowings | 4,306 | 3,213 |

Asset Finance Liabilities are effectively secured, because the rights to the assets recognized in the financial statements revert to the lessor in the event of default. The carrying amount of assets pledged as at 31 March 2026 are \$3,998,187 (31 March 2025: \$3,253,022).

14. Trade Payables

| Particulars | 31 March 2026 | 31 March 2025 |
|-------------------------------------|------------------|------------------|
| Current trade payables | | |
| Trade payables | 2,860 | 1,422 |
| Total current trade payables | 2,860 | 1,422 |
| Total trade payables | 2,860 | 1,422 |

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

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

15. Other financial liabilities

| Particulars | 31 March 2026 | 31 March 2025 |
|--|------------------|------------------|
| Current | | |
| Audit fee accruals | 801 | 637 |
| GST payables | 12,263 | 9,713 |
| Insurance premium funding | 5,155 | 5,318 |
| Payroll accruals | 33,932 | 19,543 |
| Payroll tax payable | 3,841 | 3,914 |
| Subcontractor accruals | 9,928 | 2,875 |
| Superannuation payable | 9,487 | 4,442 |
| Workers compensation payable | 5,724 | 7,204 |
| Other payables and accruals | 7,153 | 7,023 |
| Total other current financial liabilities | 88,284 | 60,669 |
| Total other financial liabilities | 88,284 | 60,669 |

16. Lease liabilities

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

| Particulars | 31 March 2026 | 31 March 2025 |
|--------------------------------|------------------|------------------|
| Current Leases | 915 | 1,085 |
| Non-Current Leases | 28,477 | 3,123 |
| Total lease liabilities | 29,392 | 4,208 |

Future lease payments in relation to lease liabilities as at period end are as follows:

| Particulars | 31 March 2026 | 31 March 2025 |
|---|------------------|------------------|
| Within one year | 2,835 | 1,985 |
| Later than one year but not later than five years | 13,171 | 2,498 |
| Later than five years | 35,289 | 2,160 |
| Total Minimum lease payments | 51,295 | 6,643 |

17. Provisions

Consolidated

| Particulars | IBNR | Leave liabilities | Others | Total |
|-----------------------------|--------------|-------------------|------------|---------------|
| As at March 31, 2025 | | | | |
| Current | 1,124 | 54,784 | 211 | 56,119 |
| Non-current | - | 7,023 | - | 7,023 |
| Total | 1,124 | 61,807 | 211 | 63,142 |
| As at March 31, 2026 | | | | |
| Current | 1,124 | 64,548 | 330 | 66,002 |
| Non-current | - | 8,363 | - | 8,363 |
| Total | 1,124 | 72,911 | 330 | 74,365 |

Incurred But Not Reported (IBNR) Provision

The IBNR provision represents claims that have arisen from events occurring before the reporting date but have not yet been reported to the Group. It reflects the estimated cost of obligations that are incurred but not yet notified. The IBNR amount, together with reported claims, provides an estimate of the Group's total expected claims liability.

18. Other Liabilities

| Particulars | 31 March 2026 | 31 March 2025 |
|--|------------------|------------------|
| Other current liabilities | | |
| Payable to related parties | 5,324 | 6,012 |
| Total other current liabilities | 5,324 | 6,012 |
| Total other liabilities | 5,324 | 6,012 |

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

19. Revenue from Operations

| Particulars | 31 March 2026 | 31 March 2025 |
|--|------------------|------------------|
| Sale of products | | |
| Revenue from sale of electronic security devices | 449 | 345 |
| Total sale of products | 449 | 345 |
| Rendering of services | | |
| Security services | | |
| From guarding and other security services | 887,649 | 737,129 |
| Facility management services | | |
| From Housekeeping, Cleaning, Facility operation & management | 186 | - |
| Total rendering of services | 887,835 | 737,129 |
| Revenue from contracts with customers | 888,284 | 737,474 |

Time of revenue recognition

| | | |
|---------------------------------|----------------|----------------|
| At a point in time | | |
| Sale of products | 449 | 345 |
| Total at a point in time | 449 | 345 |
| Over time | | |
| Security services | 887,649 | 737,129 |
| Facility management services | 186 | - |
| Total over time | 887,835 | 737,129 |
| Revenue from operations | 888,284 | 737,474 |

20. Other Income

| Particulars | 31 March 2026 | 31 March 2025 |
|----------------------------|------------------|------------------|
| Interest income from banks | 1,136 | 671 |
| Total | 1,136 | 671 |

21. Other Gains/(Losses)

| Particulars | 31 March 2026 | 31 March 2025 |
|---|------------------|------------------|
| Net gain on sale of property, plant and equipment | 473 | 344 |
| Actuarial gains on Long Service Leaves balances | 182 | - |
| Foreign exchange (loss) | (33) | (26) |
| Total | 622 | 318 |

22. Employee Benefits

| Particulars | 31 March 2026 | 31 March 2025 |
|---|------------------|------------------|
| Salaries, wages and bonus | 579,083 | 455,624 |
| Annual Leave and Long Service Leave provision and related oncosts | 66,503 | 52,399 |
| Contribution to Superannuation and other post-employment benefits | 52,445 | 40,862 |
| Employee share-based payment expense | 14 | 73 |
| Workers compensation and other staff welfare expenses | 20,521 | 15,768 |
| Total employee benefit expense | 718,566 | 564,726 |

23. Finance Costs

| Particulars | 31 March 2026 | 31 March 2025 |
|--|------------------|------------------|
| Interest and finance charges on financial liabilities not at fair value through profit or loss | | |
| Interest on lease liability | 977 | 194 |
| Other borrowing costs | 1,272 | 1,150 |
| Finance costs expenses in profit or loss | 2,249 | 1,344 |

24. Depreciation and Amortisation Expenses

| Particulars | 31 March 2026 | 31 March 2025 |
|--|------------------|------------------|
| Depreciation on property, plant and equipment (Note 4) | 4,625 | 3,394 |
| Amortisation of intangible assets (Note 5) | 1,021 | 821 |
| Total depreciation and amortisation expenses | 5,646 | 4,215 |

The above amounts include Depreciation on Right of use assets recognised under AASB 116 as below:

| Particulars | 31 March 2026 | 31 March 2025 |
|------------------------------------|------------------|------------------|
| Right of use assets - Building | 1,691 | 1,306 |
| Right of use assets - Total | 1,691 | 1,306 |

25. Other Expenses

| Particulars | 31 March 2026 | 31 March 2025 |
|---|------------------|------------------|
| Training expenses | 1,768 | 1,935 |
| Uniform and kit items | 2,991 | 2,359 |
| Selling expenses | 294 | 817 |
| Administrative expenses: | | |
| Travelling and conveyance | 5,611 | 4,504 |
| Postage and telephone | 2,887 | 1,759 |
| Rent | 1,412 | 496 |
| Rates & taxes | 788 | 606 |
| Insurance | 1,553 | 1,500 |
| Stationary & Printing | 486 | 483 |
| Repairs and maintenance: | | |
| Buildings | 507 | 105 |
| Machinery | 200 | 161 |
| Vehicle expenses* | 491 | 370 |
| Consulting fees | 272 | 255 |
| Legal and professional fees | 4,547 | 3,053 |
| Bad and doubtful debts provided/written off | (366) | 95 |
| Bank charges | 148 | 118 |
| Information Technology and Software Maintenance | 3,680 | 3,259 |
| Subcontractors cost | 110,906 | 124,058 |
| Expenses recharged to related companies | (1,173) | (1,131) |
| Total | 137,002 | 144,802 |

*Vehicle expenses include expenses relating to short term leases. These leases were classified as operating leases in prior periods but were not transitioned under AASB 16 as they were due to expire in the 12 months ending 31 March 2026 and hence covered under the practical expedient under AASB 16.

Remuneration of auditors

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

| Particulars | 31 March 2026 \$ | 31 March 2025 \$ |
|---|---------------------|---------------------|
| (a) PricewaterhouseCoopers Australia | | |
| (i) Audit and other assurance services | | |
| Audit and review of financial statements | 161,114 | 136,799 |
| Total remuneration for audit and other services | 161,114 | 136,799 |
| (ii) Taxation services | | |
| Tax | 36,116 | 35,142 |
| Other services | - | 15,662 |
| Total remuneration for taxation services | 36,116 | 50,804 |
| Total remuneration of PricewaterhouseCoopers Australia | 197,230 | 187,603 |

26. Distributions Made and Proposed

| Particulars | 31 March 2026 | 31 March 2025 |
|-------------------------------------|------------------|------------------|
| Ordinary shares | | |
| Total dividend paid or provided for | 8,334 | 9,575 |

27. Commitments and Contingencies

a. Short term Leases

The Company has elected to apply the short-term and low-value lease recognition exemptions under AASB 16 for certain leases, primarily relating to IT equipment and motor vehicles used for casual business purposes. As a result, these leases are not capitalised as right-of-use assets on the statement of financial position.

Rental expenses relating to short term and low value leases

| Particulars | 31 March 2026 | 31 March 2025 |
|--|------------------|------------------|
| Total rental expenses relating to operating leases | 1,903 | 866 |

b. Contingent liabilities

The Company has Bank guarantees and surety bonds as at 31 March 2026: \$11,776,141 (31 March 2025: \$8,292,764).

The Company has received an adverse assessment from Revenue NSW in relation to payroll tax on payments made to subcontractors for the payroll years ended 30 June 2020 to 30 June 2024. Based on the assessment, the potential exposure is approximately AU\$5.4 million, including any applicable estimated interest that may ultimately apply. Since no penalty was applied by Revenue NSW in consideration of the Company taking reasonable care to comply with its payroll tax obligations under the Payroll Tax Act 2007, the same has not been considered by the management in their estimates.

The Company disputes the assessment and is in the process of lodging an objection. If the objection is unsuccessful, the Company intends to pursue the matter through the available appeal process. Having regard to external legal advice obtained and management's assessment of the matter as at 31 March 2026, the outcome of the dispute remains uncertain, and management consider the likelihood of an outflow of economic benefits to be not probable. Accordingly, no provision has been recognised in the financial statements at this time. Company has made interim payment of \$0.8 million and is accounted under Amount Paid Under Protest accordingly.

In addition, management has considered whether there may be further potential exposure in respect of periods subsequent to the years assessed by Revenue NSW, including the payroll year ended 30 June 2025 and the year ending 30 June 2026. This assessment has been performed using available payroll and subcontractor payment information and by applying the methodology adopted by Revenue NSW in the issued assessments. Based on management's best estimate, the potential additional exposure for these subsequent periods, including estimated interest, is approximately \$2.5 million. The estimation of potential exposure, including interest and penalties, involves judgement and is subject to inherent uncertainty. Actual outcomes may differ from management's estimates depending on the timing and outcome of the objection and any subsequent appeal process.

Management has further considered whether the Revenue NSW assessment gives rise to a broader risk of similar payroll tax claims in other Australian jurisdictions. Based on a high-level review of subcontractor arrangements in other states and having regard to differences in state-based payroll tax legislation and enforcement practices, management is not aware of any claims or assessments having been issued or currently in progress in other jurisdictions as at the reporting date. Management further notes that revenue authorities in other jurisdictions may monitor the outcome of the Revenue NSW matter before considering any similar compliance action and accordingly will continue to monitor developments in this area.

The Company is currently involved in legal proceedings initiated by Construction, Forestry, Maritime, Mining and Energy Union in relation to Individual Flexibility Arrangements. Most recently, on 9 February 2026, the Court permitted further submissions after the Union sought to rely on new Federal Court authority following the hearing. The Company filed its submission on 23 February 2026. Management consider the likelihood of an outflow of economic benefits to be not probable, and no provision has been recognised in the financial statements at this time. As the matter remains ongoing, the Company has determined that providing further information would seriously prejudice its position in the dispute. Accordingly, no additional details have been disclosed.

The Company had no other contingent liabilities at 31 March 2026.

28. Related Party Transactions

| Particulars | | Associates | Members of the same Group | Key management personnel, their relatives and owned enterprises | Total |
|--|--------|------------|---------------------------|---|--------------------|
| Transactions during the year | | | | | |
| Dividend paid | Mar-25 | - | 9,575,298 | - | 9,575,298 |
| | Mar-26 | - | 8,334,333 | - | 8,334,333 |
| Sub-contracting service charge (net) received | Mar-25 | 3,070,774 | - | - | 3,070,774 |
| | Mar-26 | 2,961,686 | - | - | 2,961,686 |
| Salary & remuneration paid | Mar-25 | - | - | 1,369,333 | 1,369,333 |
| | Mar-26 | - | - | 2,094,852 | 2,094,852 |
| Balances outstanding at end of the year | | | | | |
| Investment in shares | Mar-25 | - | - | 72,703 | 72,703 |
| | Mar-26 | - | - | 13,583 | 13,583 |
| Other payables and accruals | Mar-25 | - | 6,012,280 | 360,503 | 6,372,783 |
| | Mar-26 | - | 5,348,213 | 370,125 | 5,718,338 |
| Other receivables and prepayment | Mar-25 | 214,994 | 98,455,334 | - | 98,670,328 |
| | Mar-26 | 217,728 | 104,670,839 | - | 104,888,567 |

Terms and conditions of transactions with related parties

Transactions relating to dividends paid were on the same terms and conditions that applied to other shareholders.

The sales to, and purchases from, related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances at the year-end are unsecured and carry interest equivalent to market rate, where specified, in terms of the transactions and settlement occurs in cash. For the year ended March 31, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025: AUD Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

29. Events Occurring After the Reporting Date

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

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 37 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 31 March 2026 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Geoffrey Alcock
Director



Michael McKinnon
Director

Sydney
01 May 2026



Independent auditor's report

To the members of MSS Security Pty Limited

Our opinion

In our opinion, the accompanying financial report of MSS Security Pty Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 March 2026 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 March 2026;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, including material accounting policy information and other explanatory information; and
- the directors's declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 March 2026, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A large, stylized handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Scott Walsh'.

Scott Walsh
Partner

Sydney
1 May 2026