Security Services Corp.

Condensed Interim Consolidated Financial Statements

For the three and six months ended
March 31, 2022 and 2021

(Unaudited)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, SSC Security Services Corp. discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the six months ended March 31, 2022 and 2021.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

	Note	As at March 31, 2022	As at September 30, 2021
ASSETS			
Current			
Cash		$ 31,837,636	$ 28,795,760
Accounts receivable	18	3,392,600	4,822,171
Income tax recoverable		44,649	39,873
Legacy contract assets	7	-	27,598
Other financial assets		1,283,290	1,487,209
Assets held for sale	6	1,299,207	3,669,893
Prepaid expenses		344,163	227,111
Mortgages and loans receivable	8	891,113	1,031,225
		$ 39,092,658	$ 40,100,840
Non-current			
Legacy contract assets	7	$ 10,229,953	$ 10,442,553
Deferred income tax assets		2,313,292	2,396,752
Property and equipment	9	748,254	803,133
Intangible assets	10	9,896,512	10,257,886
Goodwill	10	9,416,321	9,416,321
Mortgages and loans receivable	8	6,137,602	11,470,181
		$ 77,834,592	$ 84,887,666
LIABILITIES			
Current			
Accounts payable and accrued liabilities	11	$ 3,829,907	$ 4,517,634
Obligation under lease	12	81,866	80,640
Contract Liabilities		49,000	22,500
Long-term debt	13	-	2,262,674
		$ 3,960,773	$ 6,883,448
Non-current			
Obligation under lease	12	$ 259,479	$ 295,207
Long-term debt	13	-	276,993
Deferred income tax liability		1,199,806	1,565,270
		$ 1,459,285	$ 2,137,470
EQUITY			
Share capital	14	$ 80,015,046	$ 81,554,182
Contributed surplus		4,165,382	4,127,230
Deficit		(11,765,894)	(9,814,664)
		$ 72,414,534	$ 75,866,748
		$ 77,834,592	$ 84,887,666

ON BEHALF OF THE BOARD

"Douglas Emsley", Director

"David H. Laidley", FCPA, FCA, Director

- The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements -

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Note	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Revenue	4	$ 5,498,620	4,608,916	$ 11,383,749	8,885,269
Cost of sales		4,497,330	5,173,119	9,459,835	9,397,580
Gross profit		$ 1,001,290	(564,203)	$ 1,923,914	(512,311)
Corporate administration	16	1,842,833	1,469,281	3,649,111	1,394,461
Loss from operations		$ (841,543)	(2,033,484)	$ (1,725,197)	(1,906,772)
Financing					
Interest income		$ 170,247	538,595	$ 373,530	1,147,679
Interest expense	12,13	(5,735)	(80,280)	(16,816)	(165,858)
		$ 164,512	458,315	$ 356,714	981,821
Other income					
Gain from legacy business	4	$ 197,391	1,652,921	$ 95,548	1,947,981
Other income		95,839	106,002	228,789	183,144
		$ 293,230	1,758,923	$ 324,337	2,131,125
Net income (loss) before income tax		$ (383,801)	183,754	$ (1,044,146)	1,206,174
Income tax expense (recovery)	17	(99,243)	66,381	(282,004)	349,956
Net income (loss) and comprehensive income (loss)		$ (284,558)	$ 117,373	$ (762,142)	$ 856,218
Basic income (loss) per share	15	$ (0.01)	$ 0.01	$ (0.04)	$ 0.05
Fully diluted income (loss) per share	15	(0.01)	0.01	(0.04)	0.04

- The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements -

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

Cash flow from (applied to)	Note	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Operating activities					
Net income (loss) for the year		$ (284,558)	$ 117,373	$ (762,142)	$ 856,218
Adjustments					
Amortization of capital and intangible assets	16	302,247	162,735	531,710	239,786
Deferred share unit expense (recovery)	21	78,312	201,707	250,173	(750,154)
Income tax expense (recovery)	17	(99,243)	66,381	(282,004)	349,956
Income taxes paid		(1,194)	(32,722)	(4,776)	(32,722)
Interest revenue		(170,247)	(538,595)	(373,530)	(1,147,679)
Interest received		208,893	97,156	484,287	2,390,642
Cost of sales - legacy operations		-	511,779	6,640	3,028,082
Share based payments	16	24,286	11,277	44,702	39,133
Gain from legacy business		(197,391)	(1,652,921)	(95,548)	(1,947,981)
Other income		(44,231)	(57,017)	(131,059)	(67,585)
Changes in non-cash working capital items	19	365,861	86,923	321,374	(337,806)
Cash generated from (applied to) operating activities		$ 182,735	$ (1,025,924)	$ (10,173)	$ 2,619,890
Investing activities					
Legacy operations		372,748	2,130,072	2,917,241	1,338,285
Proceeds from repayment of mortgages and loans receivable		1,348,074	3,460,301	5,554,622	4,607,146
Purchase of property and equipment	9	(7,016)	(4,431)	(115,457)	(4,432)
Acquisition of subsidiary, net of cash acquired	5	-	(11,241,187)	-	(11,241,187)
Cash received from (applied to) investing activities		$ 1,713,806	$ (5,655,245)	$ 8,356,406	$ (5,300,188)
Financing activities					
Dividends paid		(595,648)	(535,285)	(1,204,297)	(1,057,288)
Interest expense		5,735	80,280	16,816	165,858
Interest paid		-	-	(38,073)	(168,375)
Net repayments on long-term debt	13	(474,667)	(1,710,000)	(2,539,667)	(1,723,417)
Purchase of common shares	14	(212,196)	(247,744)	(1,736,989)	(1,398,536)
Proceeds from shares issued	14	-	43,789	197,853	43,789
Cash applied to financing activities		$ (1,276,776)	$ (2,368,960)	$ (5,304,357)	$ (4,137,969)
Increase (decrease) in cash		619,765	(9,050,129)	3,041,876	(6,818,267)
Cash – beginning of the period		31,217,871	29,466,014	28,795,760	27,234,152
Cash - end of the period		$ 31,837,636	$ 20,415,885	$ 31,837,636	$ 20,415,885

- The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements -

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

	Note	Share Capital				Contributed Surplus		Deficit		Total
		Number		Amount		Share Options				
At September 30, 2020	14	17,842,822	$	75,799,235	$	4,049,015	$	(8,820,300)	$	71,027,950
NCIB shares purchased for cancellation		(534,136)	$	(1,398,535)	$	-	$	-	$	(1,398,535)
Options exercised		18,289		57,597		(13,809)		-		43,788
Share based payment – options		-		-		39,133		-		39,133
Dividends		-		-		-		(1,665,937)		(1,665,937)
Acquisition of subsidiary		2,961,310		7,095,885						7,095,885
Total comprehensive loss		-		-		-		856,218		856,218
At March 31, 2021	14	20,288,285	$	81,554,182	$	4,074,339	$	(9,630,019)	$	75,998,502
Share based payment – options		-		-		52,891		-		52,891
Dividends		-		-		-		(1,217,297)		(1,217,297)
Total comprehensive income		-		-		-		1,032,652		1,032,652
At September 30, 2021	14	20,288,285	$	81,554,182	$	4,127,230	$	(9,814,664)	$	75,866,748
Adjustment due to share consolidation		(13)	$	-	$	-	$	-	$	-
NCIB shares purchased for cancellation		(586,700)		(1,736,989)		-		-		(1,736,989)
Options exercised		79,766		197,853		(6,550)		-		191,303
Share based payment – options		-		-		44,702		-		44,702
Dividends		-		-		-		(1,189,088)		(1,189,088)
Total comprehensive income		-		-		-		(762,142)		(762,142)
At March 31, 2022	14	19,781,338	$	80,015,046	$	4,165,382	$	(11,765,894)	$	72,414,534

1. *Nature of operations*

The predecessor corporation of SSC Security Services Corp.(the "Company" or "SSC") was incorporated under The Business Corporations Act (Saskatchewan) (the "Act") on October 25, 2011. The existing Company was formed by an amalgamation under the Act on August 8, 2013, and, prior to October 1, 2021, was known as Input Capital Corp., a Canadian Grain Commission licensed and bonded grain dealer. That legacy business is being wound down. The Company's common shares are publicly traded on the TSX Venture Exchange under the symbol "SECU" (OTCQX: SECUF).

On February 1, 2021, the Company began a pivot into the security business by acquiring SRG Security Resource Group Inc. ("SRG"), which provides cyber security and physical security services to commercial, industrial and public sector clients across Canada (see Note 5). Growth of the security business is now the focus of the Company.

The head office of the Company is located at 300 – 1914 Hamilton Street, Regina, Saskatchewan, S4P 3N6. The Company's registered and records office is located at 800 – 1801 Hamilton Street, Regina, Saskatchewan, S4P 4B4.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 16, 2022.

2. *Basis of presentation*

A. STATEMENT OF COMPLIANCE

These condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Committee ("IFRIC"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last audited annual financial statements as at and for the period ended September 30, 2021.

B. BASIS OF MEASUREMENT

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for the following material items in the condensed interim consolidated statement of financial position:

- Financial instruments that are accounted for according to the financial instrument categories defined in Note 18.
- Share purchase options and deferred share units that are accounted for according to the share-based payments criteria.
- Assets held for sale are held at the lower of carrying value and fair value.

C. BASIS OF CONSOLIDATION

The condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, SRG. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All intercompany transactions and balances have been eliminated. All companies have a reporting date of September 30th.

D. FUNCTIONAL AND PRESENTATIONAL CURRENCY

The condensed interim consolidated financial statements are presented in Canadian dollars, the functional currency of the Company and its subsidiary, and all values are rounded to the nearest dollar with the exception of share and per share value.

E. USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ materially from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Significant areas requiring the use of management estimates are further described in the following summary of significant accounting policies and notes:

- Fair value of financial instruments;
- Expected credit losses on financial assets;
- Estimates of future taxable income; and
- Impairment of non-financial assets.

Areas of judgement in applying accounting policies that have the most significant effect on the amount recognized in the condensed interim consolidated financial statements include:

- Classification and measurement of financial instruments including the business model applied;
- Assessing staging of mortgages for purposes of estimating expected credit losses;
- Recognition of deferred tax assets;
- Identification of the fair values of assets and liabilities acquired in a business combination; and
- Assessing recoverable amounts of all significant financial and non-financial assets.

F. MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the amount of consideration that would be agreed upon in an arm’s length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

- Level 1 – Fair values are determined using inputs that are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Fair values are determined using inputs, other than quoted prices in level 1, that are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liabilities. In determining the inputs for calculating fair values, the Company looks for readily observable market inputs, primarily interest rates and forward prices based on the nature of SSC's derivative instruments.
- Level 3 – Fair values are determined based on inputs for the asset or liability that are not based on observable market data. Asset under collection values are calculated using internal discounted cash flow models that rely on forward pricing provided by independent sources and long term basis assumptions. Assets that are impaired or in the process of security realization are dependent upon fair value assessments of underlying security, primarily land.

The Company regularly reviews significant inputs and valuation assumptions. If third party information, such as land valuations, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

3. Significant accounting policies

Except as described below, the accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied as at and for the year ended September 30, 2021, and are detailed in note 3 of the Company's audited consolidated financial statements.

Share capital

When a share consolidation has the effect of changing the number of shares outstanding without a corresponding change in resources, the weighted-average number of shares outstanding for the period is retrospectively adjusted as if the change had occurred at the beginning of the first period of EPS information presented.

4. Segment reporting

Segment reporting is prepared on the same basis that the Company’s Chief Executive Officer, who is the Company’s Chief Operating Decision Maker, manages the business, makes operating decisions and assesses performance. As at March 31, 2022, Management has determined that the Company operates in two segments: Security and Legacy Operations. The security segment provides cyber security services, along with physical security services to primarily commercial and public sector clients. Legacy operations relate to the previous canola streaming business. Since May 2019, SSC has not deployed capital into new agriculture streams and is servicing those clients until their contracts with the Company mature.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Company accounts for intersegment sales as if they were to external customers.

Segment statements of income (loss) and comprehensive income (loss) for the three months ended March 31, 2022 are included below:

	For the three months ended March 31, 2022		
	Security	Legacy Operations*	Total
Revenue	$ 5,452,348	$ 46,272	$ 5,498,620
Cost of sales	4,471,294	26,036	4,497,330
Gross profit	$ 981,054	$ 20,236	$ 1,001,290
Corporate administration	898,252	944,581	1,842,833
Income (loss) from operations	$ 82,802	$ (924,345)	$ (841,543)
Financing			
Interest income	$ 256	$ 169,991	$ 170,247
Interest expense	(3,989)	(1,746)	(5,735)
	$ (3,733)	$ 168,245	$ 164,512
Other income			
Gain from legacy business	$ -	$ 197,391	$ 197,391
Other income	-	95,839	95,839
	$ -	$ 293,230	$ 293,230
Net income (loss) before income tax	$ 79,069	$ (462,870)	$ (383,801)

Segment statements of income (loss) and comprehensive income (loss) for the six month comparative period ended March 31, 2022 are included below:

For the six months ended March 31, 2022	Security	Legacy Operations*	Total
Revenue	$ 11,219,995	$ 163,754	$ 11,383,749
Cost of sales	9,361,000	98,835	9,459,835
Gross profit	$ 1,858,995	$ 64,919	$ 1,923,914
Corporate administration	1,626,991	2,022,120	3,649,111
Income (loss) from operations	$ 232,004	$ (1,957,201)	$ (1,725,197)
Financing			
Interest income	$ 275	$ 373,255	$ 373,530
Interest expense	(7,929)	(8,887)	(16,816)
	$ (7,654)	$ 364,368	$ 356,714
Other income			
Gain from legacy business	$ -	$ 95,548	$ 95,548
Other income	-	228,789	228,789
	$ -	$ 324,337	$ 324,337
Net income (loss) before income tax	$ 224,350	$ (1,268,496)	$ (1,044,146)

** Legacy Operations includes non-segmented corporate administration expenses.*

Segment information as at September 30, 2021 and March 31, 2022 are as follows:

	Security	Legacy Operations	Non-segmented	Total
Segment assets:				
As at March 31, 2022	$ 25,790,057	$ 20,196,366	$ 31,848,169	$ 77,834,592
As at September 30, 2021	$ 26,098,034	$ 28,840,264	$ 29,949,368	$ 84,887,666
Segment liabilities:				
As at March 31, 2022	$ 2,897,085	$ 215,897	$ 2,307,076	$ 5,420,058
As at September 30, 2021	$ 3,871,278	$ 3,023,631	$ 2,126,009	$ 9,020,918

Non-segmented assets includes cash of $29,454,465 as at March 31, 2022 ($27,518,558 at September 30, 2021).

The table below provides a disaggregation of the Company's overall revenues for the three and six months ended March 31, 2022 and 2021:

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Security services				
Physical security services	$ 4,057,611	$ 1,684,092	$ 8,522,934	$ 1,684,092
Cyber security services	1,394,736	808,581	2,697,061	808,581
	$ 5,452,347	$ 2,492,673	$ 11,219,995	$ 2,492,673
Legacy operations	46,273	2,116,243	163,754	6,392,596
	$ 5,498,620	$ 4,608,916	$ 11,383,749	$ 8,885,269

The gain from legacy business is made up of the following components:

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Gain on sale of assets held for sale	$ -	$ 221,118	$ 90,955	$ 375,871
Net gains on legacy contract assets	204,082	1,400,441	18,123	1,542,114
Expected credit (loss) recovery	(6,691)	31,362	(13,530)	29,996
Gain from legacy business	$ 197,391	$ 1,652,921	$ 95,548	$ 1,947,981

The Company does not have revenues from any customers that represents a greater than 10% share of consolidated revenue.

5. Business Acquisition

On February 1, 2021, the Company acquired all the outstanding shares of SRG pursuant to a share purchase agreement between the Company and the individual and entity shareholders ("Sellers") of SRG, for an aggregate purchase price of $19,358,128, $12,262,243 paid in cash and the issuance of 8,883,930 common shares in the capital of the Company to the Sellers. Such shares had a fair value of $7,095,885 as at the date of acquisition. There were no finders' fees payable in connection with this transaction. Acquisition costs in the amount of $287,368 were incurred on this transaction and expensed. This includes professional fees incurred towards financial, tax and legal due diligence.

SRG is a Regina, Saskatchewan-based provider of cyber security and physical protective security services that provides solutions and services to commercial, industrial and public sector clients across Canada.

This transaction qualifies as a business combination and was accounted for in accordance with IFRS 3 Business Combinations using the acquisition method of accounting. To account for the transaction, the Company has performed a business valuation of SRG at the date of acquisition and a purchase price allocation.

The following table summarizes the consideration and closing date fair values of the net identifiable assets acquired pursuant to the SRG acquisition:

		February 1, 2021
Cash and cash equivalents	$	1,021,056
Accounts receivable		2,139,011
Prepaid expenses		108,637
Inventory		72,352
Right-of-use asset		308,630
Property and equipment		582,366
Tradename (Note 10)		2,310,000
Customer relationships (Note 10)		6,900,000
Goodwill (Note 10)		9,416,321
Total assets	$	22,858,373
Accounts payable and accrued liabilities		1,042,589
Lease liability		308,630
Deferred tax liability		2,149,026
Total liabilities	$	3,500,245
Net assets acquired	$	19,358,128
Total consideration		
Cash	$	12,262,243
Issuance of common shares		7,095,885
	$	19,358,128

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets Acquired	Valuation technique
Customer relationships	Multi-period excess earnings method: The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Tradename	Relief-from-royalty method: The relief-from-royalty method is based on the premise that the fair value of the tradename is equal to the net present value of the future expected foregone royalties paid due to ownership of the tradename.

For the eight month period ended September 30, 2021 following its acquisition, SRG contributed $11,839,402 to consolidated revenues and $172,451 of earnings before income taxes.

6. Assets held for sale

Assets held for sale result from the Company taking ownership of land and associated fixtures as a result of enforcing security on contracts or as a result of contract buy backs. These assets are expected to be sold in the near term. A continuity schedule of the assets held for sale is presented below:

At September 30, 2020	$	5,890,454
Increase as a result of assuming ownership of properties underlying a mortgage		800,000
Remeasurement of carrying value of assets held for sale		(1,224,917)
At March 31, 2021	$	5,465,537
Remeasurement of carrying value of assets held for sale		1,656,285
Sale of assets held for sale		(3,451,929)
At September 30, 2021	$	3,669,893
Sale of assets held for sale		(2,370,686)
At March 31, 2022	$	1,299,207

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Assets held for sale				
Proceeds received on sale of assets held for sale	$ 6,956	$ 221,118	$ 2,461,641	$ 548,623
Carrying value of assets held for sale	6,956	-	2,370,686	172,753
Gain realized on sale of assets	$ -	$ 221,118	$ 90,955	$ 375,871

7. *Legacy contract assets*

Legacy contract assets were agreements for which settlements were called for in tonnes of crop, the amount of which was determined based on terms in the crop purchase agreements which were capitalized on a contract by contract basis and were recorded at fair value. All active marketing and capital streaming contracts have now been settled, and the remaining balance relates to legacy contract assets. A continuity schedule of legacy contract assets is presented below:

At September 30, 2020	$ 14,396,180
Realization of crop interests	(3,028,082)
Settlement or buy back of contracts	887,269
Market value adjustment	2,316
At March 31, 2021	$ 12,257,683
Realization of crop interests	(497,921)
Settlement or buy back of contracts	(1,562,639)
Market value adjustment	273,028
At September 30, 2021	$ 10,470,151
Settlement or buy back of contracts	(244,482)
Market value adjustment	4,284
At March 31, 2022	$ 10,229,953

8. *Mortgages and loans receivable*

Mortgages and loans receivable consist of conventional first mortgages and loans secured by land and equipment.

	March 31, 2022	September 30, 2021
Mortgages and loans receivable		
Current	$ 891,113	$ 1,031,225
Non-current	6,137,602	11,470,181
	$ 7,028,715	$ 12,501,406

Interest revenue on mortgages and loans receivable for the six months ended March 31, 2022 was $356,668 (six months ended March 31, 2021 - $1,138,386).

Details regarding the expected mortgage credit losses are outlined below:

	Performing (stage 1)	Significant increase in credit risk (stage 2)	Expected credit losses on impaired mortgages (stage 3)	Total
Mortgages and loans receivable - gross carrying value as at September 30, 2021	$ -	$ 12,202,729	$ 855,599	$ 13,058,328
Expected credit loss balance on mortgages and loans receivable as at September 30, 2020	-	(707)	(1,223,416)	(1,224,123)
Re-measurement	-	707	(96,995)	(96,288)
Recoveries	-	-	69,133	69,133
Transfers to assets held for sale	-	-	694,356	694,356
Expected credit loss balance on mortgages and loans receivable for the year ended September 30, 2021	-	-	(556,922)	(556,922)
Mortgages and loans receivable - net carrying value as at September 30, 2021	-	12,202,729	298,677	12,501,406

	Performing (stage 1)	Significant increase in credit risk (stage 2)	Expected credit losses on impaired mortgages (stage 3)	Total
Mortgages and loans receivable - gross carrying value as at March 31, 2022	$ -	$ 6,730,040	$ 894,165	$ 7,624,205
Expected credit loss balance on mortgages and loans receivable as at September 30, 2021	-	-	(556,922)	(556,922)
Re-measurement	-	-	(38,568)	(38,568)
Expected credit loss balance on mortgages and loans receivable as at March 31, 2022	-	-	(595,490)	(595,490)
Mortgages and loans receivable - net carrying value as at March 31, 2022	-	6,730,040	298,675	7,028,715

Mortgages and loans receivable principal and interest past due are as follows:

	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
As at March 31, 2022	$ 2,741	$ 5,217	$ 32,512	$ 554,976	$ 595,446

9. *Property and equipment*

The Company's property and equipment are comprised of the following:

	March 31, 2022		
	Cost	Accumulated Amortization	Carrying Amount
Furniture and fixtures	$ 36,202	$ 13,417	$ 22,785
Computer hardware	45,775	16,499	29,276
Managed security services equipment	350,811	167,894	182,917
Vehicles	167,986	73,992	93,994
Leasehold improvements	119,716	40,333	79,383
Software	220,300	214,380	5,920
Property and equipment	$ 940,790	$ 526,515	$ 414,275
Right-of-use asset	820,630	486,651	333,979
Total	$ 1,761,420	$ 1,013,166	$ 748,254

	September 30, 2021		
	Cost	Accumulated Amortization	Carrying Amount
Furniture and fixtures	$ 33,170	$ 4,526	$ 28,644
Computer hardware	29,000	7,462	21,538
Managed security services equipment	350,811	117,155	233,656
Vehicles	91,277	36,557	54,720
Leasehold improvements	109,116	22,198	86,918
Software	218,436	212,279	6,157
Property and equipment	$ 831,810	$ 400,177	$ 431,633
Right-of-use asset	814,827	443,327	371,500
Total	$ 1,646,637	$ 843,504	$ 803,133

The following table summarizes the changes in the net carrying amounts of property and equipment during the quarter ended March 31, 2022.

	September 30, 2021			March 31, 2022
	Net carrying Amount	Net additions	Depreciation	Net carrying amount
Furniture and fixtures	$ 28,644	$ 3,033	$ 8,892	$ 22,785
Computer hardware	21,538	16,775	9,037	29,276
Managed security services equipment	233,656	-	50,739	182,917
Vehicles	54,720	76,870	37,596	93,994
Leasehold improvements	86,918	10,600	18,135	79,383
Software	6,157	1,864	2,101	5,920
Property and equipment	$ 431,633	$ 109,142	$ 126,500	$ 414,275
Right-of-use asset	371,500	6,315	43,836	333,979
Total	$ 803,133	$ 115,457	$ 170,336	$ 748,254

Depreciation expense relating to property and equipment included in the consolidated statement of loss and comprehensive loss is $58,278 and $126,500 for the three and six-month periods ending March 31, 2022 ($90,861 and $167,910 for the three and six-month periods ending March 31, 2021).

The Company currently has one right-of-use asset relating to a lease agreement for corporate office space. At March 31, 2022, the carrying amount of property under lease was $333,979 (September 30, 2021: $371,500), with $21,463 and $43,836 of depreciation included in the consolidated statement of income (loss) for the three and six-month periods ended March 31, 2022 respectively, (March 31, 2021: $54,199 and $126,845 respectively).

10. Goodwill and intangible assets

A. RECONCILIATION OF CARRYING AMOUNT

	Goodwill	Customer relationships	Tradename	Total
Cost				
Balance at October 1, 2021	$ 9,416,321	$ 8,266,442	$ 2,310,000	$ 19,992,763
Acquisitions	-	-	-	-
Retirements, disposals, and adjustments	-	-	-	-
Balance at March 31, 2022	$ 9,416,321	$ 8,266,442	$ 2,310,000	$ 19,992,763
Balance at October 1, 2020	$ -	$ -	$ -	$ -
Acquisitions	-	1,366,442		1,366,442
Acquired through business combination (Note 5)	9,416,321	6,900,000	2,310,000	18,626,321
Retirements, disposals, and adjustments	-	-	-	-
Balance at September 30, 2021	$ 9,416,321	$ 8,266,442	$ 2,310,000	$ 19,992,763
Accumulated amortization				
Balance at October 1, 2021	$ -	$ 318,556	$ -	$ 318,556
Amortization	-	361,374	-	361,374
Retirements, disposals, and adjustments	-	-	-	-
Balance at March 31, 2022	$ -	$ 679,930	$ -	$ 679,930
Balance at October 1, 2020	$ -	$ -	$ -	$ -
Amortization	-	318,556	-	318,556
Retirements, disposals, and adjustments	-	-	-	-
Balance at September 30, 2021	$ -	$ 318,556	$ -	$ 318,556
Carrying amounts				
At March 31, 2022	$ 9,416,321	$ 7,586,512	$ 2,310,000	$ 19,312,833
At September 30, 2021	$ 9,416,321	$ 7,947,886	$ 2,310,000	$ 19,674,207

On July 10, 2021, SRG finalized an asset purchase agreement with Impact Security Group Inc. to purchase all Impact security and guard contracts in the Province of Saskatchewan, Canada.

The amortization of customer relationships is included in corporate administration expense on the condensed interim consolidated statements of income (loss) and comprehensive income (loss). The useful lives over which these intangible assets are amortized are stated in Note 3 - Significant Accounting Policies.

B. CHANGE IN ESTIMATE

During the quarter ended March 31, 2022, the Company conducted a review of the useful lives of depreciable intangible assets which resulted in changes in the expected useful life of customer relationships. The review utilized new information that resulted in customer relationships being amortized over an 8 - 10 period (previously 11 - 16 years). The effect of these changes on actual and expected amortization expense, included in 'corporate administration', was as follows:

	2022	2023	2024	2025	2026
Increase in amortization expense	$ 250,913	$ 334,551	$ 334,551	$ 334,551	$ 334,551

11. *Accounts payable and accrued liabilities*

	March 31, 2022	September 30, 2021
Current liabilities:		
Accounts payable	$ 409,750	$ 869,663
Payroll tax and other statutory liabilities	44,959	237,638
Dividends payable	593,440	608,649
Deferred share units payable	1,461,456	1,197,032
Other payables	1,320,302	1,604,652
	$ 3,829,907	$ 4,517,634

Account payable and accrued liabilities are unsecured and are usually paid within 30 days of recognition. The carrying amount of accounts payable and accrued liabilities are considered to be the same as their fair values, due to their short-term nature.

12. *Obligations under lease*

The lease payments are discounted using the interest rate implicit in the lease, or if that cannot be determined, the Company's incremental borrowing rate.

Balance at September 30, 2021	$ 375,847
Additions during the period	6,315
Principal payments on lease liabilities	(48,745)
Interest payments on lease liabilities	7,924
Balance at March 31, 2022	$ 341,341
Current portion	81,866
Long-term portion	259,479
Total balance at March 31, 2022	$ 341,345

13. *Long-term debt*

The Company had up to $10 million in five year term debt available from Concentra Bank. The term debt bears a fixed interest rate of 4.33% and interest was payable semi-annually. The debt was secured by mortgages underlying mortgage streams with SSC clients, and had no principal repayment obligations except when a mortgage was repaid. On February 16, 2022, this term debt was fully repaid. A continuity schedule of the Company's term debt with Concentra is presented below:

At September 30, 2020	$ 7,747,545
Repayments	(13,417)
At March 31, 2021	7,734,128
Repayments	(5,194,461)
At September 30, 2021	2,539,667
Repayments	(2,539,667)
At March 31, 2022	$ -

Interest expense relating to the long-term debt for the three months ended March 31, 2022 was $1,746 (three months ended March 31, 2021 - $76,895) and for the six months ended March 31, 2022 was $8,887 (six months ended March 31, 2021 - $161,124). The fair value of the term debt as at March 31, 2022 is $nil (as at September 30, 2021 - $2,708,442).

A wholly-owned subsidiary of the Company has up to $750,000 in a revolving demand credit facility with The Toronto Dominion Bank. No amount has been drawn on this facility as at March 31, 2022.

14. *Share capital, contributed surplus and retained earnings*

A. SHARES AUTHORIZED

The Company's authorized share capital consists of an unlimited number of Class "A" common voting shares ("common shares") without par value.

B. SHARES CONSOLIDATION

On October 1, 2021, the Company consolidated its shares on the basis of one post-consolidation common share for three pre-consolidation common shares. Per share and option information has been restated to give effect to this consolidation.

C. SHARES ISSUED AND PURCHASED

	Number of Shares	Share Capital
Common shares - September 30, 2020	17,842,822	$ 75,799,235
Shares purchased for cancellation under the normal course issuer bid	(534,136)	(1,398,535)
Options exercised	18,289	57,597
Acquisition of subsidiary	2,961,310	7,095,885
Common shares - March 31, 2021 and September 30, 2021	20,288,285	$ 81,554,182
Adjustment due to share consolidation	(13)	-
Shares purchased for cancellation under the normal course issuer bid	(586,700)	(1,736,989)
Options exercised	79,766	197,853
Common shares - March 31, 2022	19,781,338	80,015,046

The Company has a normal course issuer bid for the repurchase of approximately ten percent of the company's public float in a given year. The normal course issuer bid was renewed on January 4, 2022 and will be active until the earlier of January 3, 2023 and the date by which SSC has acquired the maximum shares which may be purchased.

During the six months ended March 31, 2022, the Company bought back 586,700 shares under its normal course issuer bid at an average price of $2.96 per share (six months ended March 31, 2021 - 534,136 shares at an average price of $2.61). During the six months ended March 31, 2022, the Company cancelled 586,700 shares (six months ended March 31, 2021 - 534,136).

D. SHARE PURCHASE OPTIONS

The Company has an incentive share purchase option plan (the "Option Plan") whereby the Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vest over a three year period. Each share option converts into one common share of the Company on exercise. Refer to Note 16 for share-based payment compensation.

The following table summarizes stock options vested and outstanding at March 31, 2022:

Option series	Number	Expiry date	Exercise price	Fair value at date of grant
(1) granted on December 15, 2016	214,300	December 15, 2021	$ 6.00	$ 6.00
(2) granted on December 15, 2017	593,667	December 15, 2022	$ 4.62	$ 4.62
(3) granted on December 21, 2018	313,833	December 21, 2023	$ 2.40	$ 2.40
(4) granted on February 18, 2021	143,333	February 18, 2026	$ 2.85	$ 2.85
(5) granted on March 1, 2021	6,667	March 1, 2026	$ 2.82	$ 2.82

The fair value of the stock options is estimated at the grant date based on the Black-Scholes pricing model using the assumptions below. The assumptions below are for options issued since September 30, 2020 and are based on management's best estimates at the time of issuance.

	Option Series	
Inputs into the model	Series 4	Series 5
Grant date share price	$ 2.85	$ 2.82
Exercise price	$ 2.85	$ 2.82
Average vesting period from grant date	3.00 years	3.00 years
Volatility	60.04%	60.04%
Expected life	5.00 years	5.00 years
Dividend yield	4.21%	4.00%
Risk free interest rate	0.59%	0.81%

Volatility above is calculated based on the daily historical share price volatility over the expected life of the option.

At March 31, 2022, the following options to purchase common shares were outstanding:

		Options outstanding				
Option series	Average remaining life (in years)	Vested	Unvested	Exercised	Expired or cancelled	Total
Series 1*	0.00	214,300	-	-	55,634	158,666
Series 2	0.71	593,667	-	-	142,002	451,665
Series 3	1.72	313,833	-	98,055	143,647	72,131
Series 4	3.89	41,364	101,970	-	-	143,334
Series 5	3.92	1,857	4,810	-	-	6,667
Weighted average	1.23	1,165,021	106,780	98,055	341,283	832,462

*Any options that are set to expire within a blackout period placed on eligible employees, officers, directors and consultants will have the expiry dates of such options extended beyond the blackout period in accordance with the share option plan.

A continuity schedule of the total number of options is presented below:

Options outstanding at September 30, 2020 (weighted average exercise price of $4.95)	1,139,700
Expired or cancelled	(60,329)
Options outstanding at March 31, 2021 (weighted average exercise price of $4.59)	1,079,371
Issued	150,000
Exercised	(18,289)
Expired or cancelled	(236,115)
Options outstanding at September 30, 2021 (weighted average exercise price of $4.26)	974,967
Exercised	(79,766)
Expired or cancelled	(62,739)
Options outstanding at March 31, 2022 (weighted average exercise price of $4.37)	832,462

E. DIVIDENDS

The Company declared the following dividends since October 1, 2020 to the shareholders of record on the following dates.

Record date	Dividend per share	Shares outstanding	Total Dividend
November 9, 2020	$ 0.03	17,842,822	$ 535,284
December 31, 2020	$ 0.03	17,400,119	$ 522,003
March 31, 2021	$ 0.03	20,288,285	$ 608,649
June 30, 2021	$ 0.03	20,288,285	$ 608,649
September 30, 2021	$ 0.03	20,288,285	$ 608,649
December 31, 2021	$ 0.03	19,854,938	$ 595,648
March 31, 2022	$ 0.03	19,781,338	$ 593,440

15. *Basic and diluted weighted average number of common shares*

Diluted weighted average number of common shares is based on the following:

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Basic weighted average number of shares	19,806,689	18,363,409	19,998,536	18,074,819
Dilutive securities:				
Share options	-	1,183,076	-	1,161,149

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding. Due to the net loss in the period ended March 31, 2022, share options were anti-dilutive.

16. *Corporate administration*

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Amortization of capital and intangible assets	$ 302,247	$ 162,735	$ 531,710	$ 239,786
Contracted services	168,938	173,887	338,413	301,056
Director compensation - DSU's (Note 21)	78,312	201,707	250,173	(750,154)
Office	279,577	144,130	586,557	184,765
Other administration	129,990	74,726	282,209	112,475
Professional fees	150,874	358,259	294,532	775,051
Salaries, wages and benefits	708,609	342,560	1,320,815	492,349
Share option based compensation	24,286	11,277	44,702	39,133
Total expense	$ 1,842,833	$ 1,469,281	$ 3,649,111	$ 1,394,461

17. *Income taxes*

The income tax expense differs from the amounts that would result from applying the federal and provincial income tax rate to the net income (loss) before income taxes. These differences result from the following items:

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Net income (loss) before income tax	$ (383,801)	$ 183,754	$ (1,044,146)	$ 1,206,174
Canadian federal and provincial tax rates	27.0%	27.0%	27.0%	27.0%
Income tax expense (recovery) based on the above rates	(103,626)	49,614	(281,919)	325,667
Non-deductible expenses	4,789	16,767	12,069	24,289
Other	(406)	-	(12,154)	-
Income tax expense (recovery)	$ (99,243)	$ 66,381	$ (282,004)	$ 349,956

The income tax expense (recovery) consists of the following:

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Current	$ -	$ -	$ -	$ -
Deferred	(99,243)	66,381	(282,004)	349,956
Income tax expense (recovery)	$ (99,243)	$ 66,381	$ (282,004)	$ 349,956

18. *Financial instruments*

CAPITAL RISK MANAGEMENT - The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the capital structure. The Company's capital consists of $72,414,534 (March 31, 2021 - $75,998,502) of equity attributable to common shareholders, comprised of issued capital (Note 14), contributed surplus (Note 14), and accumulated deficit.

CREDIT RISK MANAGEMENT - The Company's assets subject to credit risk include cash, accounts receivable in the ordinary course of business, mortgages and loans receivable and legacy contract assets. Management's view is that the carrying amounts of these assets represent the maximum credit exposure.

The carrying amount of these assets is:

	March 31, 2022	September 30, 2021
Cash	$ 31,837,636	$ 28,795,760
Accounts receivable	3,392,600	4,822,171
Legacy contract assets (Note 7)	10,229,953	10,470,151
Mortgages and loans receivable (Note 8)	7,028,715	12,501,406
	$ 52,488,904	$ 56,589,488

Management has implemented a number of policies and procedures to manage credit risk. These include: continuously monitoring counterparties' creditworthiness, assignments of collateral and security, and assignment of insurance. For the remaining legacy business contracts, management also monitors the industry environment to ensure that policies, activities and prices are appropriate and relevant.

The aging of trade and other receivables and allowance for doubtful accounts are as follows:

	March 31, 2022	September 30, 2021
Not past due	$ 2,108,716	$ 3,555,228
Past due 0-90 days	729,215	944,167
More than 90 days past due	579,003	345,216
Total trade and other receivables	3,416,934	4,844,611
Allowance for doubtful accounts	(24,334)	(22,440)
Total trade and other receivables net of allowance	$ 3,392,600	$ 4,822,171

Included in trade and other receivables are contract assets of $184,937 ($255,080 at September 30, 2021) relating to unbilled revenue. These contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date.

LIQUIDITY RISK - The Company manages liquidity risk through ongoing management and forecasting of cash flows, budgeting, and equity financings. Cash flow forecasting is performed to monitor cash requirements and to manage capital management decisions. Such forecasting takes into account current customers, mortgage amortization schedules, contractual obligations and the Company's expectations. The term and payment dates of the Company's borrowings are generally matched with the timing at which it is expected to receive payments from customers. However, should the timing of payments differ from what is contracted, this does not change the requirement to repay loans from the bank, potentially affecting liquidity. It is due to these timing uncertainties that the Company maintains a high level of cash liquidity on an ongoing basis.

Legacy agreements contain obligations in that the Company agrees to purchases at a specified price at a future date. A summary of the payments due by period is summarized below:

	Payment due by period				
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Purchase obligations	$ 1,052,393	$ 37,459	$ -	$ -	$ 1,089,852

Financial liabilities and other contractual obligations at March 31, 2022, and their maturities are summarized below:

	Payment due by period				
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Accounts payable and accrued liabilities	$ 3,829,907	$ -	$ -	$ -	$ 3,829,907
Lease obligations	95,552	138,189	86,304	75,516	395,561
	$ 3,925,459	$ 138,189	$ 86,304	$ 75,516	$ 4,225,468

INTEREST RATE RISK - The company has mortgages and loans receivable that are measured at amortized cost and contain a fixed interest rate. There is no variability in cash flow amounts or timing of cash flows with changes in interest rates, however, there are changes in the fair value of these financial assets.

At each reporting date the fair value of each legacy contract is calculated using internal discounted cash flow models that rely on forward commodity pricing provided by independent sources. Changes in interest rates impact the fair value of these legacy contracts.

OTHER RISKS - The Company is not subject to other significant foreign currency, or other price risks.

The ongoing effect of the COVID-19 pandemic and uncertainty within international markets did not materially impact the Company's financial performance for the six months ended March 31, 2022 but may in the future. The financial impact will be dependent on the spread and duration of the pandemic and on related restrictions and government advisories. Given this uncertainty, the financial impact on the Company, if any, cannot be determined at this time.

FAIR VALUE - The following sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by IFRS 9, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Classification	Level	March 31, 2022	September 30, 2021
Cash	Amortized cost	1	$ 31,837,636	$ 28,795,760
Accounts receivable	Amortized cost	2	3,392,600	4,822,171
Other financial assets	Fair value through profit or loss	2	1,283,290	1,487,209
Legacy contract assets	Fair value through profit or loss	3	10,229,953	10,470,151
Mortgages and loans receivable	Amortized cost	2	7,028,715	12,501,406
Accounts payable and accrued liabilities	Other financial liabilities	2	3,829,907	4,517,634
Long-term debt	Other financial liabilities	2	-	2,708,442

The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash, accounts receivable, and accounts payable and accrued liabilities.

The following table represents expected credit recoveries (impairments) recognized in the statement of income (loss) and comprehensive income (loss).

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Accounts receivable	$ -	$ 55,207	$ -	$ 80,734
Mortgages and loans receivable	(6,691)	(23,845)	(13,530)	(50,738)
Expected credit (loss) recovery	$ (6,691)	$ 31,362	$ (13,530)	$ 29,996

Certain liabilities and obligations of the Company are secured by property of the Company including an assignment of the rights of the Company under the legacy contracts and any collateral security granted in favour of the Company in connection with each contract.

19. *Supplemental cash flow information*

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Change in non-cash working capital items				
Accounts receivable	$ 1,115,275	$ 1,398,721	$ 1,195,131	$ 759,335
Prepaid expenses	200,250	8,370	(117,052)	12,216
Accounts payable and accrued liabilities	(949,664)	(1,320,168)	(756,705)	(1,109,357)
Net increase (decrease) in cash	$ 365,861	$ 86,923	$ 321,374	$ (337,806)

20. *Key management personnel compensation*

Members of the key management team include the Board of Directors, the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, and the Chief Operating Officer.

	Three months ended March 31, 2022	Three months ended March 31, 2021	Six months ended March 31, 2022	Six months ended March 31, 2021
Contractors, employee salaries and benefits	$ 246,773	$ 249,496	$ 442,848	$ 367,174
Deferred share unit (recovery) expense (see Note 21)	78,312	201,707	250,173	(750,154)
Share based payments	24,286	11,277	44,701	39,133
Total key management compensation expense (recovery)	$ 349,371	$ 462,480	$ 737,722	$ (343,847)

21. Board compensation

The Company has a Deferred Share Unit Plan (the “DSU Plan”) whereby the Company grants deferred share units ("DSUs") to eligible directors. Each eligible director is given the opportunity to elect, in lieu of cash, to receive all, or a portion of, their annual board retainer or board meeting fees in the form of DSUs. The DSUs are cash-settled payment transactions and are valued at the fair value of the rights based on the closing stock price at the end of the reporting period. At March 31, 2022 there were 522,356 DSUs granted and outstanding (September 30, 2021 - 475,013). Included in accounts payable and accrued liabilities at March 31, 2022 is $1,461,456 (September 30, 2021 - $1,197,033) relating to the valuation of the DSUs. Included in Board and executive expenses under corporate administration expense for the three months ended March 31, 2022 is an expense of $78,312 (three months ended March 31, 2021 - expense of $201,707) and an expense of $250,173 for the six months ended March 31, 2022 (recovery of $750,154 for the six month ended March 31, 2021) relating to the valuation of the DSUs. During the six months ended March 31, 2022 and March 31, 2021, $nil was paid out for DSUs being cash-settled.

22. Related party transactions

The Company enters into certain transactions with private companies controlled by key management of SSC. These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Related party expenses totalled $263,204 for the three months ended March 31, 2022 ($262,145 for the three months ended March 31, 2021) and $525,389 for the six months ended March 31, 2022 ($469,870 for the six months ended March 31, 2021) and are included within the expense categories detailed in Note 16.

23. Commitments and contingencies

Lawsuits and claims that have arisen in the normal course of business are pending for and against the Company and provisions have been recorded where appropriate. It is the opinion of management that the final determination of these claims will not have a material adverse effect on the financial position or the results of the Company.

24. Comparative figures

Due to changes in business operations, certain prior period figures have been reclassified.