



Consolidated Financial Statements

**For the years ended
September 30, 2021 and 2020**



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INDEPENDENT AUDITORS' REPORT

To the Shareholders of SSC Security Services Corp.

Opinion

We have audited the consolidated financial statements of SSC Security Services Corp. (the Entity), which comprise:

- The consolidated statements of financial position as at September 30, 2021 and September 30, 2020
- the consolidated statements of income (loss) and comprehensive income (loss) for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at September 30, 2021 and September 30, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management’s Discussion and Analysis filed with the relevant Canadian Securities Commissions.



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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis and Annual Information Form filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Canadian generally accepted 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 statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditors' report is Scott Douglas Verity.

Saskatoon, Canada

December 6, 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at September 30, 2021	As at September 30, 2020
ASSETS			
Current			
Cash		\$ 28,795,760	\$ 27,234,152
Accounts receivable	4	4,822,171	682,081
Income tax recoverable		39,873	-
Crop interests	6	27,598	1,292,949
Other financial assets		1,487,209	74,540
Assets held for sale	7	3,669,893	5,890,454
Prepaid expenses		227,111	134,661
Mortgages and loans receivable	8	1,031,225	2,460,396
		\$ 40,100,840	\$ 37,769,233
Non-current			
Crop interests	6	\$ 10,442,553	\$ 13,103,231
Deferred income tax assets	19	2,396,752	3,681,421
Property and equipment	9	803,133	125,480
Intangible assets	10	10,257,886	-
Goodwill	10	9,416,321	-
Mortgages and loans receivable	8	11,470,181	27,221,901
		\$ 84,887,666	\$ 81,901,266
LIABILITIES			
Current			
Accounts payable and accrued liabilities	11	\$ 4,517,634	\$ 2,999,639
Obligation under lease	12	80,640	126,132
Contract Liabilities		22,500	-
Long-term debt	14	2,262,674	211,091
		\$ 6,883,448	\$ 3,336,862
Non-current			
Obligation under lease	12	\$ 295,207	\$ -
Long-term debt	14	276,993	7,536,454
Deferred income tax liability	19	1,565,270	-
		\$ 2,137,470	\$ 7,536,454
EQUITY			
Share capital	15	\$ 81,554,182	\$ 75,799,235
Contributed surplus		4,127,230	4,049,015
Deficit		(9,814,664)	(8,820,300)
		\$ 75,866,748	\$ 71,027,950
		\$ 84,887,666	\$ 81,901,266

ON BEHALF OF THE
BOARD

"Douglas Emsley", Director

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

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

***CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND
COMPREHENSIVE INCOME (LOSS)***

	Note	Year ended September 30, 2021	Year ended September 30, 2020
Revenue			
Security	17	11,839,402	-
Agriculture	17	\$ 8,436,275	\$ 25,587,504
		\$ 20,275,677	\$ 25,587,504
Expenses (note 18)			
Direct security expenses		\$ 9,674,683	\$ -
Corporate administration		4,726,768	4,420,515
Interest expense	12,14	241,508	690,954
Purchase of crop and other direct expenses		5,593,413	10,897,572
Realization of crop interests		1,847,218	10,254,173
	18	\$ 22,083,590	\$ 26,263,214
Other income (expense)			
Net gains on crop interests	4	\$ 2,775,453	\$ 2,293,802
Gain on sale of assets held for sale	7	1,130,519	148,032
Expected credit recovery (impairment)	4	17,249	(3,097,981)
Other income		474,474	393,779
		\$ 4,397,695	\$ (262,368)
Net income (loss) before income tax			
		\$ 2,589,782	\$ (938,078)
Income tax expense (recovery)	19	700,912	(207,327)
Net income (loss) and comprehensive income (loss)			
		\$ 1,888,870	\$ (730,751)
Basic income (loss) per share			
	16	\$ 0.03	\$ (0.01)
Fully diluted income (loss) per share			
	16	0.03	(0.01)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash flow from (applied to)	Note	Year ended September 30, 2021	Year ended September 30, 2020
Operating activities			
Net income (loss) for the year		\$ 1,888,870	\$ (730,751)
Adjustments			
Amortization of capital and intangible assets	18	665,229	42,152
Deferred share unit expense (recovery)	23	(691,727)	1,287,377
Income tax expense (recovery)	19	700,912	(207,327)
Income tax recoverable		1,448	1,268,711
Interest revenue	17	(1,967,666)	(3,503,771)
Interest received		2,515,661	5,068,785
Realization of crop interests	6	3,526,003	12,160,340
Share based payments		92,024	164,647
Net gains on crop interests		(2,775,453)	(2,293,802)
Gain from sale of assets held for sale	7	(1,130,519)	(148,032)
Other income		(265,369)	(125,746)
Expected credit recovery (impairment)	4	(17,249)	3,097,981
Changes in non-cash working capital items	21	(1,544,165)	286,137
Cash generated from operating activities		\$ 997,999	\$ 16,366,701
Investing activities			
Acquisition of crop interests	6	(1,734,319)	(5,343,603)
Proceeds from buy back of crop interests		1,095,581	6,474,587
Proceeds from contracts in restructuring and/or security realization		2,401,548	2,530,950
Proceeds from the sale of assets held for sale		4,151,080	709,232
Proceeds from repayment of mortgages and loans receivable		16,269,890	21,602,232
Net proceeds of futures and options		-	184,420
Purchase of capital assets	9	(133,332)	-
Purchase of intangible assets	10	(1,366,442)	-
Acquisition of subsidiary, net of cash acquired	5	(11,241,187)	-
Cash received from investing activities		\$ 9,442,819	\$ 26,157,818
Financing activities			
Dividends paid		(2,274,585)	(2,407,936)
Interest expense		241,508	690,954
Interest paid		(283,509)	(903,778)
Repayment on revolving credit facility	13	-	(5,404,008)
Net repayments on long-term debt	14	(5,207,878)	(11,469,375)
Purchase of common shares	15	(1,398,535)	(7,235,684)
Proceeds from shares issued		43,789	-
Cash applied to financing activities		\$ (8,879,210)	\$ (26,729,827)
Increase in cash		1,561,608	15,794,692
Cash – beginning of the period		27,234,152	11,439,460
Cash - end of the period		\$ 28,795,760	\$ 27,234,152

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Share Capital		Contributed Surplus		Deficit	Total
		Number	Amount	Share Options			
At September 30, 2019	15	63,751,757	\$ 83,034,919	\$ 3,884,368	\$ (6,319,129)	\$ 80,600,158	
NCIB shares purchased for cancellation		(2,804,604)	\$ (2,042,604)	\$ -	\$ -	\$ (2,042,604)	
SIB shares purchased for cancellation		(7,418,686)	(5,193,080)	-	-	(5,193,080)	
Share based payment – options		-	-	164,647	-	164,647	
Dividends		-	-	-	(1,770,420)	(1,770,420)	
Total comprehensive loss		-	-	-	(730,751)	(730,751)	
At September 30, 2020	15	53,528,467	\$ 75,799,235	\$ 4,049,015	\$ (8,820,300)	\$ 71,027,950	
NCIB shares purchased for cancellation		(1,602,409)	\$ (1,398,535)	\$ -	\$ -	\$ (1,398,535)	
Options exercised		54,867	57,597	(13,809)	-	43,788	
Share based payment – options		-	-	92,024	-	92,024	
Dividends		-	-	-	(2,883,234)	(2,883,234)	
Acquisition of subsidiary	5	8,883,930	7,095,885	-	-	7,095,885	
Total comprehensive income		-	-	-	1,888,870	1,888,870	
At September 30, 2021	15	60,864,855	\$ 81,554,182	\$ 4,127,230	\$ (9,814,664)	\$ 75,866,748	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

1. Nature of operations

SSC Security Services Corp. (formerly "Input Capital Corp.") (the "Company" or "SSC") was founded as a Canadian Grain Commission licensed and bonded grain dealer to acquire canola from western Canadian farmers through multi-year canola streaming contracts. The Company is no longer offering agriculture streaming contracts but continues to service agriculture clients until their contracts with the Company mature. The Company's shares are publicly traded on the TSX Venture Exchange, under the symbol "SECU".

On February 1, 2021, the Company completed the acquisition of SRG Security Resource Group Inc. ("SRG"), which provides cyber security and physical security services across Canada (see Note 5).

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 consolidated financial statements were authorized for issue by the Board of Directors on December 6, 2021.

2. Basis of presentation

A. STATEMENT OF COMPLIANCE

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Committee ("IFRIC").

B. BASIS OF MEASUREMENT

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

- Financial instruments that are accounted for according to the financial instrument categories defined in Note 4.
- Share purchase options and deferred share units that are accounted for according to the share-based payments criteria defined in Note 3R.
- Assets held for sale are held at the lower of carrying value and fair value as defined in Note 3J.

C. BASIS OF CONSOLIDATION

The 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 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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

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. Crop interest 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

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. Accounting policies have been expanded to reflect the impact of the acquisition of the security business as described in Note 5.

A. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The International Accounting Standards Board ("IASB") issued a number of new and revised accounting standards which are effective for future periods. Standards required to be applied and that may have an impact for SSC are outlined below:

Proposed Standard	Description	Effective Date	Expected Impact
Amendments to IAS 1 - Classification of liabilities	The amendment provides clarification on the requirement on determining if a liability is current or non-current.	Fiscal years beginning on or after January 1, 2023, applied prospectively.	The Company does not expect any significant impact on the consolidated financial statements, but continues to do analysis.
Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets	The amendment provides clarification on the types of costs that can be included when fulfilling an onerous contract.	Fiscal years beginning on or after January 1, 2022 applied prospectively.	The Company does not expect any significant impact on the consolidated financial statements, but continues to do analysis.
Amendments to IFRS 3 - Business Combinations	This amendment provides clarification that an acquirer can not recognize contingent assets acquired in a business combination, and provides reference to the Conceptual Framework.	Fiscal years beginning on or after January 1, 2022 applied prospectively.	The Company did not recognize any contingent assets within business combinations during the period, but will adopt this amendment for future business combinations.

B. FINANCIAL INSTRUMENTS

Financial assets

Financial assets are initially measured at fair value. On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless SSC changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions:

- (i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (ii) The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets (liabilities) are subsequently measured at their fair values with changes in fair value, including any interest income, recognized in profit or loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows relating to the financial asset to a third party. Any interests in transferred assets that are created or retained by the Company are recognized as a separate asset or liability.

Financial liabilities

Debt associated with long term agreements is initially recognized at fair value less any directly attributable transaction costs. All other financial liabilities (including liabilities designated at fair value through profit and loss) are recognized initially on the trade date at which the Company becomes party to the contractual provisions of the instrument. SSC derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, SSC has the right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

Derivatives embedded in contracts where the host is a financial asset are not separated and the hybrid financial instrument as a whole is assessed for classification and measurement. The Company has chosen not to use hedge accounting. Derivatives are recognized initially at fair value with attributable transaction costs recognized in net earnings as incurred. Subsequent to initial measurement, derivatives are measured at fair value and the changes in fair value are recognized immediately in net earnings.

Allowance for credit losses on financial assets

The expected loss impairment model results in an allowance for credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

The Company recognizes an allowance for credit losses that represents management's best estimate of the expected losses in the mortgage and other loans receivable portfolio at the reporting date.

The expected loss impairment model applies a three-stage approach to measure the allowance for credit losses:

- Stage 1 Represents performing financial assets not yet individually identified as credit impaired. On initial recognition, twelve month expected credit losses are recognized in profit or loss and a loss allowance is established.
- Stage 2 Also represents performing financial assets not yet individually identified as credit impaired. If credit risk increases significantly and the resulting credit risk is not considered to be low, full lifetime expected credit losses are recognized. In subsequent reporting periods, if the credit risk of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, then stage 1 credit losses are recognized.
- Stage 3 Represents impaired financial assets individually identified as credit impaired. When a financial asset is considered credit impaired, full lifetime expected credit losses are recognized and interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than its gross carrying amount.

At each reporting date, the Company assesses whether a significant increase in credit risk has taken place since initial recognition of the mortgage or loan receivable to determine the changes between stages 1 and 2. In assessing whether credit risk has increased significantly, SSC considers the following factors:

- whether financial assets are considered to have low credit risk at the reporting date;
- the risk of a default occurring on the financial asset as at the reporting date is compared with the risk of a default occurring on the financial asset as at the date of initial recognition;
- qualitative information available as at the reporting date; and
- days past due.

A stage 3 credit impaired mortgage or loan receivable is any mortgage or loan receivable where, in management's opinion, the credit quality has deteriorated to the extent that Input no longer has reasonable assurance of timely collection of the full amount of principal and interest. When a mortgage or loan receivable is classified as stage 3 credit-impaired, the carrying value is reduced to its estimated realizable value through an adjustment to the allowance for credit losses. Changes in the estimated realizable amount that arise subsequent to the initial impairment are also adjusted through the allowance for credit losses.

The expected loss impairment model reflects the present value of all cash shortfalls related to a default event over the expected life of the financial instrument. The estimation of future cash flows considers the fair value of any underlying security, estimated time and costs to realize the security and other future potential indicators.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

All payments received on an impaired mortgage or loan receivable are credited against the recorded investment in the mortgage or loan receivable. The mortgage or loan receivable reverts to performing status when, in management's opinion, the ultimate collection of principal and interest is reasonably assured. When the impaired mortgage or loan receivable is restored to performing status, the remaining individual allowance for credit losses is reversed. Mortgage or loan receivables and their stage 3 allowance for credit losses are written off, either partially or in full, when there is no realistic prospect of future recovery.

C. BUSINESS COMBINATIONS

The Company accounts for business combinations using the acquisition method of accounting. Only acquisitions that result in the Company gaining control over the acquired businesses are accounted for as business combinations. The Company has control over an entity when it is exposed to variable returns from its involvement with the acquired entity, and the Company has the ability to affect those returns through its power over the acquired entity.

The Company measures goodwill as the fair value of the consideration transferred less the net recognized amount of the identifiable assets acquired and liabilities assumed, which are generally measured at fair value as of the acquisition date. Consideration transferred includes the fair value of the assets transferred, liabilities incurred by the Company on behalf of the acquiree, and any equity interests issued by the Company. Consideration transferred may also include the fair value of any contingent consideration.

The Company expenses the transaction costs associated with acquisitions as they are incurred.

D. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM is the person or persons who are responsible for allocating resources and assessing performance of the operating segments. The CODM for the Company has been identified as the President and Chief Executive Officer. SSC follows the same accounting policies for each segment as those described in the notes to the consolidated financial statements. Transactions between reportable segments are accounted for in the same manner SSC accounts for transactions with external parties, but eliminated upon consolidation. All assets and liabilities are held exclusively in Canada as at September 30, 2021 and September 30, 2020.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

F. ACCOUNTS RECEIVABLE

Accounts receivable represents amounts owed to the Company that are currently due and collectible. The Company initially recognizes accounts receivable on the date they originate. SSC measures accounts receivable initially at fair value, and subsequently at amortized cost, with changes recognized in net income.

The Company measures an impairment loss for accounts receivable as the excess of the carrying amount over the present value of the future cash flows SSC expects to derive from it, if any. The excess is allocated to an allowance for doubtful accounts and recognized as a loss in net income.

G. CROP INTERESTS

Crop interests are agreements for which settlements are called for in tonnes of crop, the amount of which is determined based on terms in the crop purchase agreements which are capitalized on a contract by contract basis and are recorded at fair value. Under IFRS 9, crop interests do not meet the own-use scope exemption and cash flows are not solely payments of principal and interest. As such, crop interests are carried at fair value through profit or loss. At each reporting date the fair value of each active contract is calculated using internal discounted cash flow models that rely on forward commodity pricing provided by independent sources. Other variables that impact the fair value of crop interests include the timing of the delivery of the crop, changes in expected costs of realizing on the contract, changes in credit risk, and changes in the risk free interest rate. Subsequent changes in fair value are recognized in profit or loss in unrealized market value gain or loss. Realized gains and losses that result from the sale are recognized in profit or loss in realization of crop interests.

H. REALIZATION OF CROP INTERESTS

The initial upfront payment allocated to crop interests is capitalized. Upfront payments are refundable deposits allocated to crop interests and are recorded as realization of crop interests on a proportionate contractual unit basis as sales are recorded for each specific contract. Crop payments are recorded as realization of crop interests on a unit basis as sales are recorded for each specific contract. Realized market value gains and losses that result from the sale of tonnes of crop are recognized in profit or loss in realization of crop interests. Realized market value gains and losses that result from contract buy backs are recognized in profit or loss as a gain (loss) from settlements of crop interests.

I. OTHER FINANCIAL ASSETS (LIABILITIES)

Other financial assets (liabilities) includes delivery and basis price contracts with grain companies, farmers and canola crushing facilities. These contracts are generally settled by delivery of tonnes or in cash. At each reporting date the fair value of each contract is calculated using current and future pricing provided by independent sources. Subsequent changes in fair value of these financial instruments are recognized in profit or loss in unrealized market value adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Previously the Company's crop marketing program involved the purchase of crop futures and options contracts to maintain an open pricing position. These contracts were settled in cash and at each reporting date the fair value of open contracts was calculated using the current crop pricing provided by independent sources. Subsequent changes in fair value of these derivative financial instruments were recognized in profit or loss in unrealized market value adjustments. Realized gains and losses relating to these contracts were recognized in realized gain (loss) on crop futures and options.

J. ASSETS HELD FOR SALE

Assets held for sale consists of land and other assets registered in the Company's name resulting from the Company enforcing security under contracts being terminated or as a result of contract buy backs. These assets are recorded at the lower of carrying value and fair value less costs to sell based on quoted market prices for similar assets with an offsetting reduction in crop interests. These assets are expected to be sold in the near term. Subsequent changes in the fair value, if any, are recorded in income.

K. MORTGAGES AND LOANS RECEIVABLE

Mortgages and loans receivable include mortgages and other loans that contain fixed and determinable payments. SSC's business model is to hold the mortgages and loans receivable to collect principal and interest payments. Under IFRS 9, these assets qualify for the solely payments of principal and interest model. Upon initial recognition, these are recognized at fair value. Subsequently these assets are carried at amortized cost less expected credit losses. Interest revenue is recorded on an effective interest basis.

An impairment loss for mortgages and loans receivable measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Losses are recognized in net earnings or loss. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of a previous impairment loss to reverse or partially reverse, the decrease in impairment is reversed through net earnings or loss.

L. PROPERTY AND EQUIPMENT

Property and equipment are reported at acquisition cost less accumulated amortization and accumulated net impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets.

Amortization is calculated based on the depreciable amount, which is the cost of an asset less its residual value. Amortization is calculated over the estimated useful lives of the assets using the following rates and methods:

Furniture and fixtures	20%	Declining balance
Computer hardware	30-55%	Declining balance
Managed security services equipment	1-5 years	Straight-line
Vehicles	60%	Declining balance
Leasehold improvements	Lease term	Straight-line
Computer software	5 years	Straight-line
Right-of-use asset	Lease term	Straight-line

An item of property and equipment and any significant part initially recognized is derecognized 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 is included in other income (loss). Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

M. INTANGIBLE ASSETS

Upon initial recognition, the Company measures intangible assets at cost unless they are acquired through a business combination, in which case they are measured at fair value. The Company begins recognizing amortization on intangible assets with finite useful lives when the asset is ready for its intended use. Subsequently, the asset is carried at cost less accumulated amortization and accumulated impairment losses.

The Company does not amortize intangible assets with indefinite lives, including acquired trade names.

The Company amortizes intangible assets with finite useful lives (within Corporate administration) on the Consolidated Statements of Income on a straight-line basis over their estimated useful lives as noted below. Useful lives, residual values and amortization methods for these intangible assets with finite useful lives are reviewed at least annually. Intangible assets recognized by the Company with finite useful lives include:

Customer relationships	11 - 16 years	Straight-line
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N. GOODWILL

Goodwill arising on business combinations is recognized as an asset at the date that control is acquired. Goodwill is measured at cost less any accumulated impairment losses and is not amortized but are tested for impairment on an annual basis or more frequently if there are indicators of impairment (see Note 3S). The cost of goodwill is calculated as the excess of purchase price of the acquired business over the estimated fair value of the tangible and intangible assets acquired and liabilities assumed at the date of acquisition and is allocated to the cash generating unit ("CGU") expected to benefit from the acquisition. A CGU is the smallest group of assets for which there are separate identifiable cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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O. INCOME TAXES

Taxation on earnings comprises current and deferred income tax. Taxation is recognized in the consolidated statement of net income and comprehensive income except to the extent that it relates to items recognized in equity, in which case the tax is recognized directly in equity.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

P. REVENUE RECOGNITION

The Company enters into security contracts with customers relating to protective services, and cyber security services. SSC previously entered into multi-year canola streaming contracts and mortgages with customers, but are no longer offering these types of agriculture contracts.

The Company recognizes revenue in a manner that depicts the transfer of promised goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for transferring those goods and services, applying the following five steps:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognize revenue when (or as) the entity satisfies the performance obligation.

The Company's contracts may include multiple services which are generally capable of being distinct and accounted for as separate performance obligations.

Security services

The Company recognizes revenue from contracts based on the stage of completion of the performance obligation delivered. Revenue from contracts is recognized over time as the customer controls the asset as it is created, the Company's performance creates and or enhances an asset in the customer's control, and the Company has an enforceable right to payment for performance completed to date.

Contract modifications will be accounted for as a separate contract with the customer, or it will be accounted for by modifying the accounting for the current contract with the customer. Modifications that are distinct from those delivered prior to the modification will be accounted for prospectively, if the modifications are not distinct, they will be accounted for retrospectively. Any modifications to the Company's customer contracts are considered distinct and separate, and, therefore are accounted for prospectively or under a new and separate contract. In the current period the Company did not have any contract modifications.

The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts within liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to the performance of obligations and related revenue recognition.

The Company makes no express or implied warranties concerning the services provided and as such no warranty provision is recorded within the consolidated financial statements.

IFRS 15 requires the treatment of certain costs directly incurred in acquiring customer contracts to be recognized as an asset and amortized over time consistent with the pattern of transfer of the goods or services to which the asset relates. In instances where the contract term is longer than 12 months, the Company recognizes these costs as an asset and amortizes the costs into expenses over time consistent with the pattern of transfer of the goods or services to which the asset relates.

Revenue from protective services includes performance obligations such as security consulting and guard and patrol services, which are recognized over the term of the contract as the service is provided. For professional services contracts billed on fixed price basis, revenue is recognized over time based on the proportion of services performed.

Revenue from cyber security services includes performance obligations such as managed security services, cyber security consulting, and staff augmentation services, which are recognized over the term of the contract as the service is provided. For professional services contracts billed on fixed price basis, revenue is recognized over time based on the proportion of services performed. On occasion, the Company will arrange for the provision of a specified good or service on behalf of another party. In these rare instances SSC does not control the specified good or service before it is transferred to the customer, and alternatively acts as an agent for these contract types and records the revenues on a net basis.

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Agriculture contracts

Crop revenue includes the sale of canola and other crops in Canada to grain elevators and canola crushing facilities. Revenue is recognized when a customer obtains control of the goods or services which occurs when the crop is delivered to and has been accepted on the customers' premises. Crop revenue is recognized at a point in time and amounts owing are usually paid shortly after delivery. Discounts are only assessed when the quality of the crop delivered does not meet the contracted quality specified.

Interest revenue on mortgages and loans receivable and interest on accounts receivable are recorded on an effective interest basis.

Q. NET SETTLEMENT OF CROP INTERESTS

In addition to regular crop deliveries, crop tonnage obligations outstanding on crop streaming contracts may also be settled by the farm operator directly through payment in cash, through cash proceeds received from crop insurance, through a conventional mortgage receivable with the Company, through a receivable agreement with the Company, or through a land transfer to the Company. These transactions do not result in the title and risk of the crop passing to a purchaser from SSC and are considered to be the settlement of a financial asset with the farm operator. As a result, these transactions are not recorded as crop revenue. When cash proceeds are not received as the means of settlement, the transaction is valued at fair value. These transactions are recorded as a gain or loss from settlements of crop interests on the statement of income or loss.

R. SHARE BASED PAYMENTS

The Company recognizes share based compensation expense for all share purchase options awarded to employees, officers and directors based on the fair values of the share purchase options at the date of grant. The fair value of share purchase options at the date of grant is expensed over the vesting period of the options with a corresponding increase to equity in contributed surplus. The fair value of share purchase options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revisions to this estimate in the statement of income or loss.

The Black-Scholes model requires management to estimate the expected volatility and term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. Volatility is estimated using the historical stock price of the Company, the expected term is estimated using historical exercise data, and the expected number of equity instruments expected to vest is estimated using historical forfeiture data. If and when share-based awards are ultimately exercised, the applicable amounts in Contributed Surplus are transferred to Share Capital.

The Company has a Deferred Share Unit Plan (the "DSU Plan") whereby the Company grants deferred share units ("DSUs") to eligible directors. The DSUs are cash-settled payment transactions and are valued at the fair value of the rights based on the closing share price at the end of the reporting period.

S. IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. Impairment testing of goodwill and indefinite life intangible assets is done annually at the September 30 year end, or when there are indicators of impairment.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the CGU. If the Company's estimates of the asset's or CGU's recoverable amount is less than its carrying amount, the Company reduces its carrying amount to the recoverable amount and recognizes the loss in net income immediately. An impairment loss of an asset is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss is limited to the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years, and its recoverable amount. The reversal of impairment loss of an asset is recognized in profit and loss.

T. LEASES

At inception of a lease contract, the Company assesses whether the contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the beginning of the lease. This is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Company then amortizes this right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The Company initially measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses the incremental borrowing rate. At each reporting period, the Company adjusts the balance using the effective interest method. The lease liability may also be remeasured when there is a change in future lease payments arising from a change in an index or rate, or if management changes its assessment of whether it will exercise a purchase, extension, or termination option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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As permitted under IFRS 16, the Company has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. For these short-term leases, the Company recognizes the lease payments as an expense on a straight-line basis over the lease term.

4. 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 \$75,866,748 (September 30, 2020 - \$71,027,950) of equity attributable to common shareholders, comprised of issued capital (Note 15), contributed surplus (Note 15), 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 crop interests. Management's view is that the carrying amounts of these assets represent the maximum credit exposure.

The carrying amount of these assets is:

	September 30, 2021	September 30, 2020
Cash	\$ 28,795,760	\$ 27,234,152
Accounts receivable	4,822,171	682,081
Crop interests (Note 6)	10,470,151	14,396,180
Mortgages and loans receivable (Note 8)	12,501,406	29,682,297
	\$ 56,589,488	\$ 71,994,710

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 crop insurance. For the remaining agriculture contracts, management also monitors the agriculture 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:

	September 30, 2021	September 30, 2020
Not past due	\$ 3,555,228	\$ 422,628
Past due 0-90 days	944,167	12,174
More than 90 days past due	345,216	328,870
Total trade and other receivables	4,844,611	763,672
Allowance for doubtful accounts	(22,440)	(81,591)
Total trade and other receivables net of allowance	\$ 4,822,171	\$ 682,081

Included in trade and other receivables are contract assets of \$255,080 (\$nil at September 30, 2020) 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.

COMMODITY PRICE RISK - The Company's financial results may be significantly affected by fluctuations in the price of crops. The price of crops is affected by numerous factors beyond the Company's control, including but not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of foreign currencies, global and regional supply and demand, and the political and economic conditions of major countries throughout the world.

Based on the Company's crop interests as at September 30, 2021, a 1% increase, or decrease, in the price of canola would result in a \$36,587 (September 30, 2020- \$106,336) increase, or decrease, in the market value adjustment amount recorded on the consolidated statements of income (loss) and comprehensive income (loss).

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 crop deliveries or 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.

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

	Payment due by period					Total
	< 1 year	1 - 3 years	4 - 5 years	> 5 years		
Purchase obligations	\$ 1,075,127	\$ 1,104,936	\$ -	\$ -	\$ -	\$ 2,180,063

Financial liabilities and other contractual obligations at September 30, 2021, and their maturities are summarized below:

	Payment due by period					Total
	< 1 year	1 - 3 years	4 - 5 years	> 5 years		
Accounts payable and accrued liabilities	\$ 4,517,634	\$ -	\$ -	\$ -	\$ -	\$ 4,517,634
Lease obligations	95,904	162,132	84,168	94,689		436,893
	\$ 4,613,538	\$ 162,132	\$ 84,168	\$ 94,689	\$ -	\$ 4,954,527

Long-term debt repayment and interest obligations at September 30, 2021 are summarized below:

	Payment due by period					Total
	< 1 year	1 - 3 years	4 - 5 years	> 5 years		
Long-term debt principal and interest paid	\$ 2,309,659	\$ 287,722	\$ -	\$ -	\$ -	\$ 2,597,381

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. A 1% change in the interest rate results in a \$608,842 (September 30, 2020 - \$1,325,901) change in the fair value of the mortgages and loans receivable.

At each reporting date the fair value of each crop interest 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 crop interests. A 1% change in the interest rate results in a \$2,801 (September 30, 2020 - \$88,673) change in the value of the crop interests.

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 year ended September 30, 2021 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	September 30, 2021	September 30, 2020
Cash	Amortized cost	1	\$ 28,795,760	\$ 27,234,152
Accounts receivable	Amortized cost	2	4,822,171	682,081
Other financial assets	Fair value through profit or loss	2	1,487,209	74,540
Crop interests	Fair value through profit or loss	3	10,470,151	14,396,180
Mortgages and loans receivable	Amortized cost	2	12,501,406	29,682,297
Accounts payable and accrued liabilities	Other financial liabilities	2	4,517,634	2,999,639
Long-term debt	Other financial liabilities	2	2,708,442	8,435,431

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 the change in fair values recognized in the statement of net income (loss) and comprehensive income (loss).

	Year ended September 30, 2021	Year ended September 30, 2020
Other financial assets (liabilities)	\$ (1,412,669)	\$ (470,190)
Crop interests	(1,362,784)	(1,823,612)
Net gains on crop interests	\$ (2,775,453)	\$ (2,293,802)

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

	Year ended September 30, 2021	Year ended September 30, 2020
Accounts receivable	\$ 81,591	\$ (73,977)
Mortgages and loans receivable	(64,342)	(3,024,004)
Expected credit recovery (impairment)	\$ 17,249	\$ (3,097,981)

The Company has term debt with Concentra Bank that is secured against the mortgages underlying mortgage streams with agriculture clients. As of September 30, 2021 there was \$2,539,667 (September 30, 2020 - \$7,747,545) drawn on the \$10 million available. The covenants of the term debt include a minimum debt service coverage ratio of 1.5 to 1. At September 30, 2021, the Company met all of its covenants as required by the debt agreement.

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 streaming contracts and any collateral security granted in favour of the Company in connection with each contract.

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 service that provides solutions and services to organizations across the country.

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

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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.
Tradenname	Relief-from-royalty method: The relief-from-royalty method is based on the premise that the fair value of the tradenname is equal to the net present value of the future expected foregone royalties paid due to ownership of the tradenname.

For the eight months ended September 30, 2021 following its acquisition, SRG contributed \$11,839,402 to consolidated revenues and \$172,451 of earnings before income taxes. If the acquisition had occurred on October 1, 2020, management estimates that consolidated revenue would have been \$25,475,808, and consolidated earnings for the year would have been \$1,959,225. As at September 30, 2021, the purchase price allocation is still being finalized and is subject to change.

6. Crop interests and other financial assets (liabilities)

	September 30, 2021	September 30, 2020
Crop interests:		
Opening balance - date	October 1, 2020	October 1, 2019
Opening balance	\$ 14,396,180	\$ 28,394,845
Crop payments	1,734,319	5,343,603
Realization of crop interests	(3,526,003)	(12,160,340)
Settlements on contracts that are in the process of restructuring and or security realization	(1,865,066)	(2,530,950)
Buy back of crop contracts	(544,623)	(5,416,926)
Market value adjustment	275,344	765,948
	\$ 10,470,151	\$ 14,396,180
Crop interests (including amounts relating to terminated contracts):		
Current	\$ 27,598	\$ 1,292,949
Non-current	10,442,553	13,103,231
	\$ 10,470,151	\$ 14,396,180

The fair value of each streaming contract is calculated using internal discounted cash flow models that rely on forward canola and other correlated commodity pricing provided by independent sources. Other variables that impact the fair value of crop interests include the timing of the delivery of the tonnes, changes in expected costs and cash flows associated with the contract, and changes in the risk free interest rate. Included in the market value adjustment as a reduction to the value of crop interests is a cumulative unrealized market value loss of \$9,354,188 (September 30, 2020 - loss of \$14,137,820) on streaming contracts that are in the process of restructuring and/or security realization relating to changes in the timing and expected net cash flows associated with the settlement of crop delivery obligations.

As at September 30, 2021, there are streaming contracts that are in the process of restructuring and/or security realization. The carrying value of these contracts included in crop interests at September 30, 2021 is \$10,387,546 (September 30, 2020 - \$11,775,951).

Previously, part of the Company's crop marketing program involved the purchase of crop futures and options contracts to maintain an open pricing position. Included in realized gain on futures and options is a gain of \$nil for the year ended September 30, 2021 (year ended September 30, 2020 - gain of \$177,130).

7. 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, 2019	\$ 992,771
Increase as a result of assuming ownership of properties underlying a mortgage	5,458,883
Sale of assets held for sale	(561,200)
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	431,368
Sale of assets held for sale	(3,451,929)
At September 30, 2021	\$ 3,669,893

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	September 30, 2021	September 30, 2020
Assets held for sale		
Proceeds received on sale of assets held for sale	\$ 4,151,080	\$ 709,232
Carrying value of assets held for sale	3,451,929	561,200
Gain realized on on sale of assets	\$ 699,151	\$ 148,032
Revaluation in carrying value of assets held for sale	431,368	-
Total gain on sale of assets held for sale	\$ 1,130,519	\$ 148,032

8. Mortgages and loans receivable

Mortgages and loans receivable consist of conventional first mortgages and loans secured by land and equipment. A continuity schedule of the mortgages and loans receivable is presented below:

At September 30, 2019	\$ 59,243,087
Less repayments on mortgages and loans receivable	(20,737,009)
Less settlements of mortgages and loans receivable	(5,441,191)
Decrease in interest receivable on mortgages and loans receivable	(589,461)
Remeasurement of expected credit losses	(2,793,129)
At September 30, 2020	29,682,297
Less repayments on mortgages and loans receivable	(15,529,925)
Less settlements of mortgages and loans receivable	(800,000)
Decrease in interest receivable on mortgages and loans receivable	(823,811)
Remeasurement of expected credit losses	(27,155)
At September 30, 2021	\$ 12,501,406

	September 30, 2021	September 30, 2020
Mortgages and loans receivable		
Current	\$ 1,031,225	\$ 2,460,396
Non-current	11,470,181	27,221,901
	\$ 12,501,406	\$ 29,682,297

The weighted average yield of the mortgages and loans is 8.9% and the weighted average term is 1.8 years. The fair value of the loans and mortgages are calculated on a discounted cash flow basis using the prevailing market rates. The fair value of the mortgages and loans receivable at September 30, 2021 is \$13,988,858 (September 30, 2020 - \$31,493,188).

Interest revenue on mortgages and loans receivable for the year ended September 30, 2021 was \$1,935,473 (year ended September 30, 2020 - \$3,419,228).

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, 2020	\$ -	\$ 27,550,628	\$ 3,355,792	\$ 30,906,420
Expected credit loss balance on mortgages and loans receivable as at September 30, 2019	-	(3,956)	(2,925,272)	(2,929,228)
Re-measurement	-	3,249	(3,027,253)	(3,024,004)
Recoveries	-	-	282,261	282,261
Transfers to assets held for sale	-	-	4,446,848	4,446,848
Expected credit loss balance on mortgages and loans receivable for the year ended September 30, 2020	-	(707)	(1,223,416)	(1,224,123)
Mortgages and loans receivable - net carrying value as at September 30, 2020	-	27,549,921	2,132,376	29,682,297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

	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)
Write-downs	-	-	69,133	69,133
Transfers to assets held for sale	-	-	694,356	694,356
Expected credit loss balance on mortgages and loans receivable as at 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

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 September 30, 2021	\$ 2,590	\$ 143,141	\$ 1,348	\$ 411,020	\$ 558,099

The estimated principal repayments in each of the next five fiscal periods are as follows:

2022	\$ 1,031,225
2023	10,661,408
2024	1,015,164
2025	73,500
2026	277,031
Thereafter	-
	\$ 13,058,328

9. Property and equipment

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

	September 30, 2020		
	Cost	Accumulated Amortization	Carrying Amount
Furniture and fixtures	\$ -	\$ -	\$ -
Computer hardware	-	-	-
Managed security services equipment	-	-	-
Vehicles	-	-	-
Leasehold improvements	-	-	-
Software	210,653	206,248	4,405
Property and equipment	\$ 210,653	\$ 206,248	\$ 4,405
Right-of-use asset	411,658	290,583	121,075
Total	\$ 622,311	\$ 496,831	\$ 125,480
	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

The following table summarizes the changes in the net carrying amounts of property and equipment during 2021 and 2020.

	September 30, 2020			September 30, 2021		
	Net carrying Amount	Net additions	Acquisitions from business combination	Depreciation	Net carrying amount	
Furniture and fixtures	\$ -	\$ 7,677	\$ 25,493	\$ 4,526	\$ 28,644	
Computer hardware	-	18,595	10,405	7,462	21,538	
Managed security services equipment	-	5,802	345,009	117,155	233,656	
Vehicles	-	(1,066)	92,343	36,557	54,720	
Leasehold improvements	-	-	109,116	22,198	86,918	
Software	4,405	7,784	-	6,032	6,157	
Property and equipment	\$ 4,405	\$ 38,792	\$ 582,366	\$ 193,930	\$ 431,633	
Right-of-use asset	121,075	94,540	308,630	152,745	371,500	
Total	\$ 125,480	\$ 133,332	\$ 890,996	\$ 346,675	\$ 803,133	

Depreciation expense relating to property and equipment included in the consolidated statement of income (loss) and comprehensive income (loss) is \$193,930 for the year ending September 30, 2021 (\$42,152 for the year ended September 30, 2020).

The Company currently has right-of-use assets relating to a lease agreements for office space. At September 30, 2021 the carrying amount of property under lease was \$371,500 (September 30, 2020: \$121,075), with \$152,745 of depreciation included in the consolidated statement of income and comprehensive income for the year ended September 30, 2021 (\$290,582 for the year ended September 30, 2020).

10. Goodwill and intangible assets

	Goodwill	Customer relationships	Tradename	Total
Cost				
Balance at September 30, 2019	\$ -	\$ -	\$ -	\$ -
Acquisitions	-	-	-	-
Retirements, disposals, and adjustments	-	-	-	-
Balance at September 30, 2020	\$ -	\$ -	\$ -	\$ -
Balance at September 30, 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 September 30, 2019	\$ -	\$ -	\$ -	\$ -
Amortization	-	-	-	-
Retirements, disposals, and adjustments	-	-	-	-
Balance at September 30, 2020	\$ -	\$ -	\$ -	\$ -
Balance at September 30, 2020	\$ -	\$ -	\$ -	\$ -
Amortization	-	318,556	-	318,556
Retirements, disposals, and adjustments	-	-	-	-
Balance at September 30, 2021	\$ -	\$ 318,556	\$ -	\$ 318,556
Carrying amounts				
At September 30, 2019	\$ -	\$ -	\$ -	\$ -
At September 30, 2020	\$ -	\$ -	\$ -	\$ -
At September 30, 2020	\$ -	\$ -	\$ -	\$ -
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The amortization of customer relationships is included in corporate administration expense on the 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.

The Company uses estimates in determining the recoverable amount of intangible assets and goodwill. The determination of the recoverable amount for the purpose of impairment testing requires the use of significant estimates including future cash flows, terminal growth rates, and discount rates. The Company estimates value in use for impairment tests by discounting estimated future cash flows to their present value. The future cash flows are based on the Company's estimates and expected future operating results of the CGU after considering economic conditions and a general outlook for the CGU's industry. The terminal value is the value attributed to the CGU's operations beyond the projected time period of the cash flows using a perpetuity rate based on expected economic conditions and a general outlook for the industry.

The Company makes certain assumptions when deriving expected future cash flows, which may include assumptions pertaining to discount and terminal growth rates. These assumptions may differ or change quickly depending on economic conditions or other events. It is therefore possible that future changes in assumptions may negatively affect future valuations of CGUs and goodwill, which could result in impairment losses.

The carrying amount of goodwill is allocated to the CGU's as follows:

	September 30, 2021	September 30, 2020
SSC Security Services Corp.	\$ -	\$ -
SRG Security Resource Group Inc.	9,416,321	-
	\$ 9,416,321	\$ -

The recoverable amounts of all CGU's has been determined from value in use calculations based on discounting the future cash flows generated from the continuing use of the CGU. The recoverable amount was determined to exceed the carrying amount of the CGU and there was no impairment.

The key assumptions used in the estimation of value in use were as follows:

	2021
Pre-tax discount rate	12.7%
Terminal value growth rate	2.0%
Estimated revenue growth rate (average)	2.0%
Cash flow period	5 years

11. Accounts payable and accrued liabilities

	Year ended September 30, 2021	Year ended September 30, 2020
Current liabilities:		
Accounts payable	\$ 869,663	\$ 658,892
Payroll tax and other statutory liabilities	237,638	-
Deferred share units payable	1,197,032	437,737
Other payables	2,213,301	1,903,010
	\$ 4,517,634	\$ 2,999,639

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, 2020	\$ 126,132
Additions during the period	403,170
Principal payments on lease liabilities	(164,846)
Interest payments on lease liabilities	11,391
Balance at September 30, 2021	\$ 375,847
Current portion	80,640
Long-term portion	295,207
Total balance at September 30, 2021	\$ 375,847

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September 30, 2021

13. Revolving credit

The Company previously had up to \$15 million in a revolving credit facility with HSBC Bank Canada. In April 2020, the Company repaid all outstanding principal and interest relating to this facility and the facility was cancelled. A continuity schedule of the Company's revolving debt is presented below:

At September 30, 2019	\$	5,404,008
Repayments		(5,404,008)
At September 30, 2020 and September 30, 2021	\$	-

Interest expense relating to the revolving credit facility for the year ended September 30, 2021 is \$nil (year ended September 30, 2020 - \$66,984).

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 September 30, 2021.

14. Long-term debt

The Company has 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 is payable semi-annually. The debt is secured by mortgages underlying mortgage streams with SSC clients, and has no principal repayment obligations except when a mortgage is repaid. A continuity schedule of the Company's term debt with Concentra is presented below:

At September 30, 2019	\$	9,769,601
Repayments		(2,022,056)
At September 30, 2020		7,747,545
Repayments		(5,207,878)
At September 30, 2021	\$	2,539,667

The Company previously had up to \$10 million in revolving debt available from HSBC Bank Canada for mortgage funding purposes. In April 2020, the Company repaid all outstanding principal and interest relating to this facility and the facility was cancelled. A continuity schedule of the Company's mortgage related debt with HSBC is presented below:

At September 30, 2019	\$	9,447,319
Advances		17,500
Repayments		(9,464,819)
At September 30, 2020 and September 30, 2021	\$	-

Interest expense relating to the long-term debt for the year ended September 30, 2021 is \$230,115 (year ended September 30, 2020 - \$608,813). The fair value of the term debt as at September 30, 2021 is \$2,708,442 (as at September 30, 2020 - \$8,435,431).

The estimated principal repayments on the Company's long-term debt in each of the next five fiscal periods is as follows:

2022	2,262,674
2023	276,993
	\$ 2,539,667

15. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

B. SHARES ISSUED AND PURCHASED

	Number of Shares	Share Capital
Common shares - September 30, 2019	63,751,757	\$ 83,034,919
Shares purchased for cancellation under the normal course issuer bid	(2,804,604)	(2,042,604)
Shares purchased for cancellation under the substantial issuer bid	(7,418,686)	(5,193,080)
Common shares - September 30, 2020	53,528,467	\$ 75,799,235
Shares purchased for cancellation under the normal course issuer bid	(1,602,409)	(1,398,535)
Options exercised	54,867	57,597
Acquisition of subsidiary	8,883,930	7,095,885
Common shares - September 30, 2021	60,864,855	81,554,182

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, 2021 and will be active until the earlier of January 3, 2022 and the date by which SSC has acquired the maximum shares which may be purchased.

During the year ended September 30, 2021, the Company bought back 1,602,409 shares under its normal course issuer bid at an average price of \$0.87 per share (year ended September 30, 2020 - 2,804,604 shares at an average price of \$0.73). During the year ended September 30, 2021, the Company cancelled 1,602,409 shares (year ended September 30, 2020 - 2,989,104).

C. 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 18 for share-based payment compensation.

The following option plans were in existence during the current and prior years:

Option series	Number	Expiry date	Exercise price	Fair value at date of grant
(1) granted on November 28, 2014	37,218	November 28, 2019	\$ 2.01	\$ 2.01
(2) granted on June 10, 2015	732,100	June 10, 2020	\$ 3.05	\$ 3.05
(3) granted on November 16, 2015	30,900	November 16, 2020	\$ 1.88	\$ 1.88
(4) granted on June 8, 2016	912,700	June 8, 2021	\$ 2.18	\$ 2.18
(5) granted on December 15, 2016	642,900	December 15, 2021	\$ 2.00	\$ 2.00
(6) granted on December 15, 2017	1,781,000	December 15, 2022	\$ 1.54	\$ 1.54
(7) granted on December 21, 2018	941,500	December 21, 2023	\$ 0.80	\$ 0.80
(8) granted on February 18, 2021	430,000	February 18, 2026	\$ 0.95	\$ 0.95
(9) granted on March 1, 2021	20,000	March 1, 2026	\$ 0.94	\$ 0.94

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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, 2019 and are based on management's best estimates at the time of issuance.

Inputs into the model	Option Series	
	Series 8	Series 9
Grant date share price	\$ 0.95	\$ 0.94
Exercise price	\$ 0.95	\$ 0.94
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 September 30, 2021, the following options to purchase common shares were outstanding:

Option series	Average remaining life (in years)	Options outstanding				Total
		Vested	Unvested	Exercised	Expired or cancelled	
Series 1	0.00	37,218	-	-	37,218	-
Series 2	0.00	732,100	-	-	732,100	-
Series 3	0.00	30,900	-	-	30,900	-
Series 4	0.00	912,700	-	-	912,700	-
Series 5	0.21	642,900	-	-	86,500	556,400
Series 6	1.21	1,781,000	-	-	318,200	1,462,800
Series 7	2.22	870,995	70,505	54,867	430,933	455,700
Series 8	4.39	87,963	342,037	-	-	430,000
Series 9	4.42	3,890	16,110	-	-	20,000
Weighted average	1.66	5,099,666	428,652	54,867	2,548,551	2,924,900

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

Options outstanding at September 30, 2019 (weighted average exercise price of \$1.70)	4,401,800
Issued	-
Expired or cancelled	(982,700)
Options outstanding at September 30, 2020 (weighted average exercise price of \$1.65)	3,419,100
Issued	450,000
Exercised	(54,867)
Expired or cancelled	(889,333)
Options outstanding at September 30, 2021 (weighted average exercise price of \$1.42)	2,924,900

D. DIVIDENDS

The Company declared the following dividends since October 1, 2019 to the shareholders of record on the following dates.

Record date	Dividend per share	Shares outstanding	Total Dividend
December 31, 2019	\$ 0.01	61,919,757	\$ 619,198
March 31, 2020	\$ 0.01	61,535,657	\$ 615,357
June 30, 2020	\$ 0.01	53,586,471	\$ 535,865
November 9, 2020	\$ 0.01	53,528,467	\$ 535,284
December 31, 2020	\$ 0.01	52,200,358	\$ 522,003
March 31, 2021	\$ 0.01	60,864,855	\$ 608,649
June 30, 2021	\$ 0.01	60,864,855	\$ 608,649
September 30, 2021	\$ 0.01	60,864,855	\$ 608,649

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September 30, 2021

16. Basic and diluted weighted average number of common shares

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

	Year ended September 30, 2021	Year ended September 30, 2020
Basic weighted average number of shares	57,553,753	58,435,671
Dilutive securities:		
Share options	3,374,561	3,962,099

As at September 30, 2021, 455,700 options (2020: nil) were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

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.

17. Revenue

A. DISAGGREGATION OF REVENUE

Revenue is recognized in a manner that depicts the transfer of promised goods or services to the customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods and services. Standard 30-day payment terms apply to the majority of accounts receivable for the Company. The table below provides a disaggregation of the Company's overall revenues for the years ended September 30, 2021 and 2020:

	Year ended September 30, 2021	Year ended September 30, 2020
Security services		
Physical security services	\$ 8,429,882	\$ -
Cyber security services	3,409,520	-
	\$ 11,839,402	\$ -
Agriculture		
Crop revenue	\$ 6,361,456	\$ 21,913,352
Interest revenue	1,967,666	3,503,771
Rental revenue	107,153	170,381
	\$ 8,436,275	\$ 25,587,504
	\$ 20,275,677	\$ 25,587,504

18. Expenses by nature

	Year ended September 30, 2021	Year ended September 30, 2020
Amortization of capital and intangible assets	\$ 665,229	\$ 42,152
Contracted services	1,461,706	568,742
Director compensation - DSU's (Note 23)	(691,727)	1,287,377
Interest	241,508	690,954
Office	744,009	483,517
Other administration	190,464	331,374
Professional fees	1,253,566	864,205
Purchase of crop and other direct costs	5,593,413	10,897,572
Realization of crop interests		
Upfront payments	533,970	4,791,621
Crop payments	1,313,248	5,462,552
Salaries, wages and benefits	9,999,826	678,502
Security supplies and other direct costs	686,354	-
Share option based compensation	92,024	164,646
Total expense	\$ 22,083,590	\$ 26,263,214

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

19. 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 loss before income taxes. These differences result from the following items:

	Year ended September 30, 2021	Year ended September 30, 2020
Net income (loss) before income tax	\$ 2,589,782	\$ (938,078)
Canadian federal and provincial tax rates	27.0%	27.0%
Income tax expense (recovery) based on the above rates	699,241	(253,281)
Increase due to the tax effect of:		
Non-deductible expenses	24,847	44,454
Other	(23,176)	1,500
Income tax expense (recovery)	\$ 700,912	\$ (207,327)

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

	Year ended September 30, 2021	Year ended September 30, 2020
Current	\$ -	\$ -
Deferred	700,912	(207,327)
Income tax expense (recovery)	\$ 700,912	\$ (207,327)

The components of deferred income taxes recognized on the statement of financial position are as follows:

	September 30, 2021	September 30, 2020
SSC:		
Deferred income tax assets		
Capital lease obligation	\$ -	\$ 1,365
DSU compensation	324,769	511,535
Capital assets	1,033	1,033
Market value adjustment	1,609,107	2,882,369
Non-capital loss carry forwards	461,843	285,119
Deferred income tax asset	\$ 2,396,752	\$ 3,681,421
SRG:		
Deferred income tax assets (liabilities)		
Capital lease obligation	\$ 1,174	\$ -
Capital assets	(27,746)	-
Identifiable intangible assets	(1,712,836)	-
Indefinite life intangible assets	(311,850)	-
Non-capital loss carry forwards	485,988	-
Deferred income tax liability	\$ (1,565,270)	\$ -

20. 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 September 30, 2021, Management has determined that the Company operates in two segments: Security, and Agriculture. The security segment provides cyber security services, along with physical security services to primarily commercial and public sector clients. Since May 2019, SSC has not deployed capital into new agriculture streams and is servicing those clients until their contracts with the Company mature.

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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 year ended September 30, 2021 are included below:

	For the year ended September 30, 2021		
	Security	Agriculture	Total
Revenue	\$ 11,839,402	\$ 8,436,275	\$ 20,275,677
Direct security expenses	\$ 9,674,683	\$ -	\$ 9,674,683
Corporate administration	1,982,564	2,744,204	4,726,768
Interest expense	9,704	231,804	241,508
Purchase of crop and other direct expenses	-	5,593,413	5,593,413
Realization of crop interests	-	1,847,218	1,847,218
	\$ 11,666,951	\$ 10,416,639	\$ 22,083,590
Other income			
Net gains on crop interests	\$ -	\$ 2,775,453	\$ 2,775,453
Gain on sale of asset held for sale	-	1,130,519	1,130,519
Expected credit recovery	-	17,249	17,249
Other income	-	474,474	474,474
	\$ -	\$ 4,397,695	\$ 4,397,695
Net income before income tax	\$ 172,451	\$ 2,417,331	\$ 2,589,782
Income tax expense			700,912
Net income and comprehensive income			\$ 1,888,870

Segment information as at September 30, 2020 and September 30, 2021 are as follows:

	Security	Agriculture	Total
Segment assets:			
As at September 30, 2020	\$ -	\$ 81,901,266	\$ 81,901,266
As at September 30, 2021	\$ 26,098,034	\$ 58,789,632	\$ 84,887,666
Segment liabilities:			
As at September 30, 2020	\$ -	\$ 10,873,316	\$ 10,873,316
As at September 30, 2021	\$ 3,871,278	\$ 5,149,640	\$ 9,020,918
Capital expenditures:			
As at September 30, 2020	\$ -	\$ -	\$ -
As at September 30, 2021	\$ 1,397,449	\$ 7,784	\$ 1,405,233

The Agriculture segment assets of \$58,789,632 at September 30, 2021 includes a cash balance of \$27,518,558.

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

21. Supplemental cash flow information

	Year ended September 30, 2021	Year ended September 30, 2020
Change in non-cash working capital items		
Accounts receivable	\$ (1,442,549)	\$ (340,025)
Prepaid expenses	77,561	172,754
Accounts payable and accrued liabilities	(190,157)	453,408
Inventory	10,980	-
Net increase (decrease) in cash	\$ (1,544,165)	\$ 286,137

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021

22. 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, the Chief Operating Officer, and the Vice-President.

	Year ended September 30, 2021	Year ended September 30, 2020
Contractors, employee salaries and benefits	\$ 1,182,951	\$ 726,424
Deferred share unit (recovery) expense (see Note 23)	(691,727)	1,287,377
Share based payments	59,436	106,108
Total key management compensation expense	\$ 550,660	\$ 2,119,909

23. 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 September 30, 2021 there were 1,425,039 DSUs granted and outstanding (September 30, 2020 - 1,093,684). Included in accounts payable and accrued liabilities at September 30, 2021 is \$1,197,033 (September 30, 2020 - \$1,903,010) relating to the valuation of the DSUs. Included in Board and executive expenses under corporate administration expense for the year ended September 30, 2021 is a recovery of \$691,727 (year ended September 30, 2020 - expense of \$1,287,377) relating to the valuation of the DSUs. During the year ended September 30, 2021, \$nil was paid out for DSUs being cash-settled (year ended September 30, 2020 - \$nil).

24. Related party transactions

The Company is related to Emsley & Associates (2002) Inc., Nomad Holdings Ltd., and Dalhousie Capital Corp. as a result of common management. The companies share some common personnel and SSC rents furnished office space from Emsley & Associates (2002) Inc. 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.

The SRG acquisition (Note 5) was completed on February 1, 2021, and as a result of common management this transaction is considered a related party transaction under the TSX Venture Exchange policy Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transaction. The Company formed a special committee of independent directors to consider and oversee the acquisition and following their review and recommendation, the SSC board approved the Company proceeding with the acquisition.

Related party expenses totalled \$1,002,156 for the year ended September 30, 2021 (\$891,011 for the year ended September 30, 2020) and are included within the expense categories detailed in Note 18.

25. Commitments and contingencies

The Company has a contract of insurance in favour of the Canadian Grain Commission in the amount of \$600,000 covering the period from April 1, 2021 to March 31, 2022. The policy can be claimed against by the beneficiary in the event of a producer grain payment default.

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.

26. Subsequent events

On October 1, 2021, the Company changed its name from Input Capital Corp. to SSC Security Services Corp. and consolidated its shares on the basis of one post-consolidated common share for three pre-consolidated common shares. The Company received approval of this name change and share consolidation from the TSX Venture Exchange, and on October 1, 2021, the common shares began trading under the stock symbol "SECU".

On November 15, 2021 the Company's shares began trading on the OTCQX market in the US under the symbol "SECUF".