

CANADIAN WORKER CO-OPERATIVE FEDERATION
Financial Statements
Year Ended August 31, 2020

CANADIAN WORKER CO-OPERATIVE FEDERATION

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Year Ended August 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Worker Co-operative Federation

Opinion

We have audited the financial statements of Canadian Worker Co-operative Federation (the Federation), which comprise the statement of financial position as at August 31, 2020, and the statements of revenues and expenditures, general reserve and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation as at August 31, 2020, and its financial performance and its cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian Auditing Standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Federation 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Canadian Accounting Standards for Not-for-Profit Organizations, 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 Federation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Federation or to cease operations, or has no realistic alternative but to do so.

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

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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 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 these financial statements.

As part of an audit in accordance with Canadian 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 Federation'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 Federation'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 Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Bishop & Company

Wolfville, NS
November 9, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

CANADIAN WORKER CO-OPERATIVE FEDERATION

Statement of Financial Position

August 31, 2020

	Federation Operations 2020	Tenacity Works Fund 2020	Total 2020	Total 2019
ASSETS				
CURRENT				
Cash	\$ 372,836	\$ 372,851	\$ 745,687	\$ 696,275
Accounts receivable (Note 4)	6,784	525	7,309	12,892
Prepaid expenses	3,772	-	3,772	5,910
	383,392	373,376	756,768	715,077
LONG TERM				
INVESTMENTS (Note 5)	1,161	30,155	31,316	29,115
LOAN RECEIVABLE (Note 6)	-	9,780	9,780	9,057
RESTRICTED CASH (Note 7)	4,206,777	-	4,206,777	3,267,090
LOANS TO WORKER CO- OPERATIVES (Note 9)	-	12,913	12,913	16,507
	\$ 4,591,330	\$ 426,224	\$ 5,017,554	\$ 4,036,846
LIABILITIES AND MEMBERS' EQUITY				
CURRENT				
Accounts payable (Note 11)	\$ 35,156	\$ 2,000	\$ 37,156	\$ 23,345
Harmonized sales tax payable	1,588	-	1,588	6,489
Deferred income (Note 12)	21,476	-	21,476	47,242
	58,220	2,000	60,220	77,076
LONG TERM DEBT (Note 13)	30,000	-	30,000	-
TRUST FUNDS				
PAYABLE (Note 14)	4,206,777	-	4,206,777	3,267,090
	4,294,997	2,000	4,296,997	3,344,166
MEMBERS' EQUITY				
General reserve (Note 15)	296,333	424,224	720,557	692,680
	\$ 4,591,330	\$ 426,224	\$ 5,017,554	\$ 4,036,846

COMMITMENTS (Note 18)

CONTINGENT LIABILITY (Note 23)

ON BEHALF OF THE BOARD

Director

Director

CANADIAN WORKER CO-OPERATIVE FEDERATION

Statement of Revenues and Expenditures

Year Ended August 31, 2020

	Federation Operations 2020	Tenacity Works Fund 2020	Total 2020	Total 2019
REVENUE				
Annual general meeting	\$ 26,466	\$ -	\$ 26,466	\$ 29,874
Dues (Note 20)	23,087	-	23,087	26,227
Interest	76,866	11,000	87,866	22,625
Loyalty payment Co-operators	52,660	-	52,660	56,398
RRSP and TFSA fees	253,944	-	253,944	244,036
Other income (Note 21)	32,565	-	32,565	26,703
	<u>465,588</u>	<u>11,000</u>	<u>476,588</u>	<u>405,863</u>
EXPENSES				
Annual general meeting	28,164	-	28,164	23,508
Bad debts	34,905	-	34,905	4,001
Board and committee	3,626	750	4,376	8,109
Bookkeeping	13,457	559	14,016	11,046
Dues and insurance	9,122	1,462	10,584	9,064
Government relations	13,200	-	13,200	-
Interest and bank charges	2,357	278	2,635	2,451
Office and communications	27,659	3,463	31,122	13,242
Professional and consulting fees	9,513	2,000	11,513	10,460
RRSP Program	107,045	-	107,045	109,891
Rental	4,383	-	4,383	4,964
Salaries and independent contractors (Note 22)	131,671	12,909	144,580	121,207
Special projects	12,560	-	12,560	6,269
Strategic planning and implementation	-	-	-	35,004
TFSA Program	10,182	-	10,182	9,393
Technical assistance grants	18,997	-	18,997	12,950
Travel	449	-	449	10,855
	<u>427,290</u>	<u>21,421</u>	<u>448,711</u>	<u>392,414</u>
INCOME FROM OPERATIONS	38,298	(10,421)	27,877	13,449
Write-down of loans to Worker Co-operatives	-	-	-	(43,210)
NET INCOME (LOSS)	\$ 38,298	\$ (10,421)	\$ 27,877	\$ (29,761)

CANADIAN WORKER CO-OPERATIVE FEDERATION**Statement of General Reserve****Year Ended August 31, 2020**

	Federation Operations 2020	Tenacity Works Fund 2020	Total 2020	Total 2019
GENERAL RESERVE - BEGINNING OF YEAR	\$ 258,035	\$ 434,645	\$ 692,680	\$ 722,441
Net income (loss)	38,298	(10,421)	27,877	(29,761)
GENERAL RESERVE - END OF YEAR	\$ 296,333	\$ 424,224	\$ 720,557	\$ 692,680

CANADIAN WORKER CO-OPERATIVE FEDERATION**Statement of Cash Flow****Year Ended August 31, 2020**

	2020	2019
OPERATING ACTIVITIES		
Cash receipts from operations	\$ 323,632	\$ 387,553
Cash paid to suppliers and employees	(395,220)	(433,572)
Interest received	87,866	22,624
Interest paid	(2,635)	(2,451)
Harmonized sales tax	(4,901)	2,130
	<hr/>	<hr/>
Cash flow from (used by) operating activities	8,742	(23,716)
INVESTING ACTIVITIES		
Purchase of long term investments	(2,201)	(17,831)
Loan advances	(723)	(5,932)
Increase in Trust Funds payable	939,687	1,082,557
Increase in restricted cash / investments	(939,687)	(1,006,912)
Net change in loans to Worker Co-operatives	3,594	22,681
	<hr/>	<hr/>
Cash flow from investing activities	670	74,563
FINANCING ACTIVITY		
Proceeds from long term financing	40,000	-
	<hr/>	<hr/>
Cash flow from financing activity	40,000	-
INCREASE IN CASH FLOW		
	49,412	50,847
Cash - beginning of year	696,275	645,428
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CASH - END OF YEAR	\$ 745,687	\$ 696,275

CANADIAN WORKER CO-OPERATIVE FEDERATION

Notes to Financial Statements

Year Ended August 31, 2020

1. NATURE OF OPERATIONS

The Federation, incorporated under the Canada Co-operatives Act, is a Not-for-Profit co-operative whose objective is to work for the development and expansion of employee owned businesses organized according to co-operative principles.

The Federation is exempted from income tax under Section 149(1)(l) of the Canadian Income Tax Act which deals with Not-for-Profit Organizations.

The Federation Operations manages the operations of the Federation, provides service for funding received in the form of service contracts, and manages the RRSP and TFSA contributions of employees and investors of member co-operatives and other organizations.

The Tenacity Works Fund manages capital held by the Canadian Worker Co-operative Federation to provide funding capital to member co-operatives in the form of term loans. In 2020 the mandate of the Fund was expanded to include funding emergency loans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments in equity instruments that are quoted in an active market are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are subsequently reported at amortized cost, and tested for impairment when there are indicators of impairment.

Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at amortized cost are amortized over the expected life of the instrument.

Financial assets measured at amortized cost include cash, accounts receivable, long term investments, loans receivable, restricted cash and investments, and loans to worker co-operatives.

Financial liabilities measured at amortized cost include the accounts payable, trust funds payable and long term debt.

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CANADIAN WORKER CO-OPERATIVE FEDERATION

Notes to Financial Statements

Year Ended August 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

- a) The value of donated materials and services are not recorded in these financial statements. Cash donations are recognized in the year received.
- b) Funds received under various grant programs are recognized as income in the period in which they are utilized for approved grant purposes. Unused funds are reflected on the balance sheet as deferred income.
- c) The Federation follows the deferral method of accounting for contributions.
- d) Revenue from Federation programs are recognized as services are performed and ultimate collection is reasonably assured.
- e) Investment income is recognized as revenue in the year in which it is earned.

Allocation of expenses

The Federation allocates certain salaries and wages proportionately on the basis of the time spent to the various projects listed on the Statement of Revenues and Expenditures for which funding has been specifically provided. The allocation of the salaries and wages does not exceed the revenue received and/or receivable for each project. Similarly, salaries and wages are allocated to the Tenacity Works Fund in proportion to the time spent. The basis of allocation is applied consistently each year.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Most notable, the Tenacity Works Fund extends loans to qualifying co-operative businesses. The Fund's management has estimated the allowance for loan impairment based upon six criteria as follows: 1) whether the Co-op has achieved its revenue and expense projections, 2) if revenue and expense projections are not met, review of a financial plan demonstrating potential to repay, 3) level of security vis a vis other creditors, 4) commitment level of members to achieve success, 5) payment history, and 6) length of term until full payment is due. Significant changes in these factors could result in a material impairment of the loans to worker co-operatives.

Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

CANADIAN WORKER CO-OPERATIVE FEDERATION

Notes to Financial Statements

Year Ended August 31, 2020

3. FINANCIAL INSTRUMENTS

The Federation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. It is management's opinion that the Federation is not exposed to significant currency risk from its financial instruments. The following analysis provides information about the Federation's risk exposure and concentration as of August 31, 2020.

Credit risk

The Federation is exposed to credit risk in connection with the collection of its accounts receivable, loans receivable, and loans to worker co-operatives. The Federation mitigates this risk by performing credit checks and therefore does not anticipate significant loss for non-collection. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Federation has a comprehensive plan in place to meet their obligations as they come due - primarily from cash flow from operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Federation is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Federation is exposed to interest rate risk on its fixed and floating rate interest bearing financial instruments which include bank indebtedness, loans receivable, trust funds payable and long term debt. Changes in the bank lending rates can cause fluctuations in cash flows and interest expense. The Federation does not use any derivatives to manage this risk.

4. ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ 43,184	\$ 17,160
Allowance for doubtful accounts	(35,875)	(4,268)
	<u>\$ 7,309</u>	<u>\$ 12,892</u>

CANADIAN WORKER CO-OPERATIVE FEDERATION**Notes to Financial Statements****Year Ended August 31, 2020****5. LONG TERM INVESTMENTS**

	<u>2020</u>	<u>2019</u>
Alberta Community and Co-operative Association	\$ 50	\$ 50
British Columbia Co-operative Association	10	10
Canadian Co-operative Investment Fund	100	100
CCIF Limited Partnership (Note 18)	29,340	27,170
Co-operators Group	1	1
Co-operative Management Education Co-operative	1,000	1,000
First Calgary Financial	815	784
	<u>\$ 31,316</u>	<u>\$ 29,115</u>

6. LOAN RECEIVABLE

	<u>2020</u>	<u>2019</u>
CCIF Limited Partnership loan receivable bearing interest at 4% per annum, repayable at the sole and absolute option of the CCIF Limited Partnership. The loan is unsecured, matures on December 8, 2022, and can be extended by an additional five years. (Note 18)	\$ 9,780	\$ 9,057
Amounts receivable within one year	-	-
	<u>\$ 9,780</u>	<u>\$ 9,057</u>

7. RESTRICTED CASH

Restricted cash represents amounts held in trust for RRSP and TFSA deposits, the Mark Goldblatt Fund, and deposits for the Federation of Worker Co-ops of British Columbia.

8. INTERFUND BALANCES

Interfund balances are non-interest bearing, unsecured and have no set terms of repayment.

9. LOANS TO WORKER CO-OPERATIVES

	<u>2020</u>	<u>2019</u>
Term loans	\$ 17,040	\$ 20,634
Allowance for loan impairment	(4,127)	(4,127)
	<u>\$ 12,913</u>	<u>\$ 16,507</u>

Pursuant to the terms of the HRDC Pilot Project, loans are extended to qualifying co-operative businesses. Term loans bear interest at varying rates and are repayable in blended monthly installments over a five year term. Preferred loans bear interest at varying rates which accrue over the five year term of the loan. Accrued interest and principal are due and payable at the end of the term. There is a registered security agreement covering each loan.

CANADIAN WORKER CO-OPERATIVE FEDERATION

Notes to Financial Statements

Year Ended August 31, 2020

10. CREDIT FACILITY

The bank operating loan with Valley Credit Union is limited to \$20,000, bears interest at prime plus 1.75% and is secured by a general security agreement on the funds held in deposit at the Credit Union. At the balance sheet date, there are no advances on the credit facility.

11. ACCOUNTS PAYABLE

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 33,283	\$ 23,345
Employee deductions payable	3,873	-
	<u>\$ 37,156</u>	<u>\$ 23,345</u>

12. DEFERRED INCOME

	<u>2020</u>	<u>2019</u>
Prepaid RRSP fees	\$ 14,650	\$ 29,516
Sponsorship for translation	5,000	5,000
Sponsorship for business succession project	1,726	1,726
Prepaid membership dues	100	-
Co-operative Development Program	-	11,000
	<u>\$ 21,476</u>	<u>\$ 47,242</u>

13. LONG TERM DEBT

Connect First Credit Union Ltd. Canadian Emergency Business Account (CEBA) term loan bearing interest at 0% per annum, with no principal repayments required until January 1, 2023. If 75% of the loan is repaid by December 31, 2022, the remaining balance of the loan will be forgiven. Balances outstanding thereafter bear interest at the rate of 5% per annum which is payable monthly. \$40,000 was advanced in May 2020 and the loan is reflected net of the forgivable portion (Note 21). The balance is due in full on December 31, 2025.

Amounts payable within one year

	<u>2020</u>	<u>2019</u>
	\$ 30,000	\$ -
	-	-
	<u>\$ 30,000</u>	<u>\$ -</u>

CANADIAN WORKER CO-OPERATIVE FEDERATION

Notes to Financial Statements

Year Ended August 31, 2020

14. TRUST FUNDS PAYABLE

	<u>2020</u>	<u>2019</u>
RRSP deposits	\$ 4,048,984	\$ 3,175,879
TFSA deposits	130,225	63,643
Mark Goldblatt Fund	25,000	25,000
FWCBC deposits	<u>2,568</u>	<u>2,568</u>
	\$ 4,206,777	\$ 3,267,090

The RRSP and TFSA deposits represent uninvested cash held on behalf of members. The Mark Goldblatt Fund is a bequest received during 2016 which is restricted for use in a cultural project. The FWCBC funds are being held in trust by the Canadian Worker Co-operative Federation until such time as the BC organization resumes operations.

15. GENERAL RESERVE

Pursuant to the Federation's Articles of Association, any surplus of the Federation is to be retained as a reserve and used only for the objects for which the Federation is established. No part of the reserve shall be payable to, or otherwise be available for, the personal benefit of any member of the Federation.

16. SHARE CAPITAL

Pursuant to the Federation's Articles of Association there is no legal share capital. The relationship among the members is that of a membership bond with rights and attendant limitations from time to time embodied in the bylaws of the Federation.

17. RETIREMENT PLAN

During the year, the Federation approved the implementation of a defined contribution employer-matched retirement benefit group RRSP-TFSA plan. The Federation will contribute between 1 and 3% of the salary for each employee who works 20 or more hours per week. As at August 31, 2020 there have been no contributions to the plan.

18. COMMITMENTS

In addition to the \$29,340 invested in and the \$9,780 loaned to the CCIF Limited Partnership, and subject to certain conditions, the Federation has made additional investment pledges from the Tenacity Works Fund totaling \$210,880 to the Canadian Co-op Investment Fund (CCIF) over a 3-year period.

The Federation has a lease with respect to its office premises which expires in December 2020. The future minimum lease payments (including HST) as at August 31, 2020 are \$2,106.

The Federation has a service agreement with respect to its investment administration services which expires in December 2023. The future minimum service fees (including GST) as at August 31, 2020 are \$50,400.

The Federation has extended a statement of work with FleishmanHillard HighRoad for contracted work. The future minimum payments (including HST) as at August 31, 2020 are \$7,590.

CANADIAN WORKER CO-OPERATIVE FEDERATION**Notes to Financial Statements****Year Ended August 31, 2020**

19. RELATED PARTY TRANSACTIONS

	<u>2020</u>	<u>2019</u>
Payments to member Co-operatives, Developer members, and Board members for contracts awarded:		
Aster Group Environmental Services Co-op	\$ 1,790	\$ -
Eyemole Arts and Technology Co-op	-	666
Glitter Bean Cafe Cooperative	-	173
Hullabaloo Publishing (Prairie Dog)	172	1,135
Jessica Provencher	765	-
Just Us! Coffee Roasters Co-op	172	184
La Siembra Co-operative	255	-
LeftHand Media Co-op	-	250
Organic Planet Worker Co-op	-	102
Réseau de la coopération du travail du Québec	1,035	2,530
Rhythm Communications	8,415	41,690
West Arm Woodworking Co-op	-	950

The Federation regularly engages in transactions with its members who are considered related parties. Most of these transactions are undertaken in the normal course of operations, are reflected at the exchange amount and are not disclosed separately. Other payments for contracts awarded to member Co-operatives, Developer members, and Board members are disclosed above. The Board of Directors has procedures in place to ensure that any relationship for contracts awarded to a member is equitable, legal, and financially responsible to both the Federation and the member co-operative.

20. DUES

	<u>2020</u>	<u>2019</u>
Regular	\$ 13,587	\$ 15,627
Associate	8,000	9,100
Regional Federation	1,500	1,500
	<u>\$ 23,087</u>	<u>\$ 26,227</u>

CANADIAN WORKER CO-OPERATIVE FEDERATION**Notes to Financial Statements****Year Ended August 31, 2020**

21. OTHER INCOME

	<u>2020</u>	<u>2019</u>
Co-operative Development Program grant	\$ 11,000	\$ 7,000
CEBA loan forgiveness	10,000	-
Temporary wage subsidy	4,485	-
Fee for service contracts	4,475	13,855
Finders fees	1,539	1,000
Government of Canada - Enhancement of Official Languages Program grant	984	2,668
Donations	82	650
Worker Co-op Business Succession Project	-	1,530
	<u>\$ 32,565</u>	<u>\$ 26,703</u>

The Government of Canada grant, included above, has been received through a government program. This grant is not repayable.

22. ALLOCATION OF SALARIES AND INDEPENDENT CONTRACTORS

As described in Note 2, salaries and wages are allocated proportionately on the basis of time spent.

	<u>2020</u>	<u>2019</u>
Total salaries and wages	\$ 226,716	\$ 190,691
Allocation to projects	(82,136)	(69,484)
	<u>\$ 144,580</u>	<u>\$ 121,207</u>

CANADIAN WORKER CO-OPERATIVE FEDERATION

Notes to Financial Statements

Year Ended August 31, 2020

23. CONTINGENT LIABILITY

During the year, the Federation received a \$40,000 Canada Emergency Business Account (CEBA) loan, \$10,000 of which is forgivable if the remainder of the loan is repaid by December 31, 2022 (Note 13). The \$10,000 CEBA loan forgiveness has been recognized in income (Note 21) and is fully repayable over the extended term of the loan if this condition is not met.

24. IMPACT OF COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of social and physical distancing, travel bans, and self-imposed quarantine periods, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Federation in future periods.

25. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified in order to conform with the financial statement presentation adopted for the current year.
