

# **Bermuda Zoological Society**

**Financial Statements and  
Independent Auditors' Report**

**March 31, 2020**

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Bermuda Zoological Society

### Qualified Opinion

We have audited the financial statements of the Bermuda Zoological Society (the "Society"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020, and the results of its operations for the year then ended in accordance with Canadian and Bermudian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations and fund-raising projects, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenues and the excess of revenues over expenditures for the years ended March 31, 2020 and 2019, or assets and fund balances as at March 31, 2020 and 2019. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this scope limitation.

As disclosed in Note 3, with the exception of land, the Society does not record capital assets but rather expenses them in the year of purchase, and the financial statements of the Society have been prepared on a cash basis. In this regard, the financial statements are not in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada.

The Society believes that it is not practicable to quantify the financial effects of the aforementioned decisions. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of the departure from generally accepted accounting standard and limitation in scope described above.

We conducted our audit in accordance with Canadian and Bermudian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and Bermuda, 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 qualified audit 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 and Bermudian 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

## **INDEPENDENT AUDITORS' REPORT (cont'd)**

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian and Bermudian GAAS 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 and Bermudian GAAS, 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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.

*Deloitte Ltd.*

June 25, 2020



**BERMUDA ZOOLOGICAL SOCIETY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2020

*(Expressed in Bermuda dollars)*

	2020			2019
	General Fund	Restricted Funds	Total	Total
<b>ASSETS</b>				
Cash and investments				
Cash float	\$ 8,250	\$ —	\$ 8,250	\$ 8,250
Current accounts	122,481	1,993,236	2,115,717	1,778,053
Time deposits	10,062	56,187	66,249	68,457
Investments (Note 4)	2,447,432	2,155,411	4,602,843	4,777,856
Inventory	123,248	—	123,248	160,790
Accounts receivable	7,855	—	7,855	12,286
Due to General Fund (Note 6)	27,459	(27,459)	—	—
	2,746,787	4,177,375	6,924,162	6,805,692
Trunk Island (Note 5)	—	1,864,098	1,864,098	1,864,098
<b>TOTAL ASSETS</b>	<b>\$ 2,746,787</b>	<b>\$ 6,041,473</b>	<b>\$ 8,788,260</b>	<b>\$ 8,669,790</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 27,364	\$ —	\$ 27,364	\$ 25,325
<b>TOTAL LIABILITIES</b>	<b>27,364</b>	<b>—</b>	<b>27,364</b>	<b>25,325</b>
<b>FUND BALANCES</b>				
Restricted Funds	—	6,041,473	6,041,473	6,432,675
Unrestricted Funds	2,719,423	—	2,719,423	2,211,790
<b>TOTAL FUND BALANCES</b>	<b>2,719,423</b>	<b>6,041,473</b>	<b>8,760,896</b>	<b>8,644,465</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,746,787</b>	<b>\$ 6,041,473</b>	<b>\$ 8,788,260</b>	<b>\$ 8,669,790</b>

*The accompanying notes are an integral part of the financial statements*

SIGNED ON BEHALF OF THE SOCIETY:

..........President

..........Treasurer

**BERMUDA ZOOLOGICAL SOCIETY  
STATEMENT OF OPERATIONS**

Year ended March 31, 2020  
*(Expressed in Bermuda dollars)*

	General Fund	
	2020	2019
<b>REVENUES</b>		
Membership dues	\$ 336,892	\$ 370,803
Education	196,663	495,357
Gift shop and concessions	261,842	272,132
Major gifts and donations (Note 7)	614,902	353,022
Change in fair value of investments	(47,200)	100,871
Boat hire and tours	47,214	46,015
Investment income	440	1,561
	1,410,753	1,639,761
<b>EXPENDITURES</b>		
Membership and development	539,833	577,334
Education	546,515	498,636
Boat hire and tours	148,307	153,950
Gift shop and concessions	293,747	296,332
Volunteers	88,979	94,925
Professional fees (Note 7)	48,389	59,239
Trunk Island operations	141,307	35,292
Bank interest and charges	17,383	21,031
Executive	187	694
	1,824,647	1,737,433
<b>(DEFICIT) EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ (413,894)</b>	<b>\$ (97,672)</b>

*The accompanying notes are an integral part of the financial statements*

**BERMUDA ZOOLOGICAL SOCIETY**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
Year ended March 31, 2020  
*(Expressed in Bermuda dollars)*

	2020				
	Fund Balances, Beginning of year	Revenues	Expenditures	Inter-fund Transfers	Fund Balances, End of year
<b>RESTRICTED FUNDS</b>					
Animal Research Fund	\$ 12,200	\$ —	\$ 656	\$ —	\$ 11,544
BAMZ Fund	96,410	15,493	20,536	—	91,367
Bermuda Ocean Prosperity Project Fund	—	107,687	37,405	—	70,282
Capital Campaign Fund	1,898,006	524,650	—	(969,548)	1,453,108
Conservation Research Fund	255,575	74,225	125,391	—	204,409
Darwin Grant & Research Fund	9,554	33,789	33,437	—	9,906
Education Endowment Fund (Note 8)	1,963,059	28,873	—	100,000	2,091,932
Exhibit Fund	43,937	—	24,286	—	19,651
Lecture Fund	9,851	—	—	(9,851)	—
Lionfish Project Fund	26,102	19,769	21,714	—	24,157
Madagascar Exhibit Fund	3,256	—	—	—	3,256
Moorings Fund	7,073	10,000	30,304	—	(13,231)
Nonsuch Fund	19,246	660	2,716	—	17,190
Publication Fund	48,650	3,000	159	—	51,491
Reefwatch Fund	41,690	—	—	—	41,690
Steinhoff Scholarship Fund	153,557	21,453	12,670	(39,500)	122,840
Trunk Island Fund	1,441,881	—	—	—	1,441,881
Trunk Island Endowment Fund	400,000	—	—	—	400,000
Youth Fund	2,628	—	—	(2,628)	—
	<u>6,432,675</u>	<u>839,599</u>	<u>309,274</u>	<u>(921,527)</u>	<u>6,041,473</u>
General Fund – Unrestricted	2,211,790	1,410,753	1,824,647	921,527	2,719,423
<b>TOTAL FUNDS</b>	<u>\$ 8,644,465</u>	<u>\$ 2,250,352</u>	<u>\$ 2,133,921</u>	<u>\$ —</u>	<u>\$ 8,760,896</u>

*The accompanying notes are an integral part of the financial statements*

**BERMUDA ZOOLOGICAL SOCIETY**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
Year ended March 31, 2020  
*(Expressed in Bermuda dollars)*

	2019				
	Fund Balances, Beginning of year	Revenues	Expenditures	Inter-fund Transfers	Fund Balances, End of year
<b>RESTRICTED FUNDS</b>					
Animal Research Fund	\$ 12,275	\$ —	\$ 75	\$ —	\$ 12,200
BAMZ Fund	87,274	14,950	5,814	—	96,410
Capital Campaign Fund	1,342,078	868,178	312,250	—	1,898,006
Conservation Research Fund	82,438	369,486	196,349	—	255,575
Darwin Grant & Research Fund	3,849	103,293	97,588	—	9,554
Education Endowment Fund (Note 8)	1,893,491	69,568	—	—	1,963,059
Exhibit Fund	48,202	20,000	24,265	—	43,937
Lecture Fund	5,853	4,308	310	—	9,851
Lionfish Project Fund	149	31,116	5,163	—	26,102
Madagascar Exhibit Fund	1,133	2,123	—	—	3,256
Moorings Fund	18,260	10,000	21,187	—	7,073
Nonsuch Fund	18,956	6,445	6,155	—	19,246
Publication Fund	48,629	4,036	4,015	—	48,650
Reefwatch Fund	26,500	17,690	2,500	—	41,690
Steinhoff Scholarship Fund	155,173	16,259	17,875	—	153,557
Trunk Island Fund	1,441,881	—	—	—	1,441,881
Trunk Island Endowment Fund	—	—	—	400,000	400,000
Youth Fund	2,628	—	—	—	2,628
	5,188,769	1,537,452	693,546	400,000	6,432,675
General Fund – Unrestricted	2,709,462	1,639,761	1,737,433	(400,000)	2,211,790
<b>TOTAL FUNDS</b>	<b>\$ 7,898,231</b>	<b>\$ 3,177,213</b>	<b>\$ 2,430,979</b>	<b>\$ —</b>	<b>\$ 8,644,465</b>

*The accompanying notes are an integral part of the financial statements*



**BERMUDA ZOOLOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2020

*(Expressed in Bermuda dollars)*

1. DESCRIPTION OF BUSINESS

The Bermuda Zoological Society (the "Society") is a non-profit support organization set up primarily to provide assistance in maintaining the Bermuda Aquarium Museum and Zoo ("BAMZ") located at Flatts Village, 40 North Shore Road, Hamilton Parish. The Society is a Bermuda registered charity and body corporate incorporated by Private Act of Parliament known as the Bermuda Zoological Society Act 1999. The Society's aim is to inspire appreciation and care for Bermuda's island environment through education, conservation, animal care and family fun. The Society also operates a gift shop and restaurant located at BAMZ.

2. FUND ACCOUNTING

The Society follows the restricted fund method of accounting for contributions.

General Fund

The General Fund accounts for all transactions resulting from the operations of the Society. This fund records transactions that do not fall under the focus of the Restricted Funds as defined below.

Restricted Funds

Restricted contributions and funds internally restricted for specific projects are recorded in the Restricted Fund. Restricted funds also include internally restricted Education Endowment and Trunk Island Endowment Funds and the Steinhoff Scholarship Fund whose purpose is to provide long-term support for the Society's educational programmes (Note 8). Restricted funds also include donated land and Capital Campaign donations related to the purchase of land located at Trunk Island (Note 5).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada as set out in Part III of the Chartered Professional Accountants of Canada Handbook – Accounting, except that they are prepared on a cash basis instead of on the accrual basis, and with the exception of land the Society has not recorded capital assets and related depreciation. A statement of cash flows has not been included because the financial statements are presented on a cash basis, and the information on the Society's cash flows is readily obtainable from the other primary statements.

(b) Revenue recognition

Revenue from the gift shop and concessions is recognized at the point of sale. The Society earns commission from restaurant sales which are recognized when received. Membership revenue is recognized when received. Annual memberships expire on December 31, each year. Revenue from boat hire and tours and education programs is recognized when received.



**BERMUDA ZOOLOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2020

*(Expressed in Bermuda dollars)*

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Allocation of expenses

The Society's expenses are presented in the Statement of Operations on a functional basis. Certain expenses incurred are attributed to more than one function and are directly related to the output of the applicable function. These expenses are therefore considered direct programme expenses and not indirect allocated expenses. Direct programme expenses include certain salaries and benefits that are attributed to functions based on estimated time spent.

(d) Donated services

The Society records donated services at their fair value at the date of contribution when fair value can be reasonably estimated, and the services are normally purchased and would be paid for if not donated.

Volunteers contribute a significant amount of time each year to assist the Society in carrying out its programs and services. Because of the difficulty in determining their fair value contributed services are not recognized in these financial statements.

The Society has no outstanding contractual commitments as at March 31, 2020 (2019: \$nil).

(e) Financial instruments

Financial assets consist of cash and investments in money market funds, equity securities, corporate bonds, fixed income securities and alternative investments (Note 4).

Investments quoted in an active market are carried at fair value. The net change in fair value for unrestricted investments is included in the General Fund statement of operations. Changes in fair value for investments restricted for the Education Endowment Fund and the Steinhoff Scholarship Fund are included in revenues and expenditures of the respective Fund. The fair value of the marketable securities is based on quoted market values. Transaction costs are recognized in net income of the appropriate fund in the period incurred.

Alternative investments are valued at fair value with the change in fair value included in the statement of operations. In determining fair value, the Society utilizes the net asset valuations of the underlying investment funds which are drawn from their most recent financial statements which value securities and other financial instruments on a mark-to-market basis of accounting or investor statements.

Purchases and sales of marketable securities are accounted for at the transaction date.

Financial assets are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized as an expense of the respective Fund. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized as revenue of the respective Fund.

**BERMUDA ZOOLOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2020

*(Expressed in Bermuda dollars)*

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Use of estimates

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While management believes that the amounts included in the financial statements reflect the Society's best estimates and assumptions, actual results could differ from those estimates.

(g) Inventory

Gift shop and wholesale inventory is carried at the lower of cost and net realizable value, with cost being determined on the first-in, first-out basis. Provision is made where unnecessary for obsolete and slow-moving inventory. Inventory is stated net of a provision for slow-moving items of \$30,074 (2019: \$23,271).

(h) Capital assets

Capital assets are expensed in the year of purchase with the exception of land which is carried at its estimated fair value at the date of donation or cost of purchase. During the years ended March 31, 2020 and 2019, capital asset purchases have been included as expenses in the Statement of Changes in Fund Balances as follows:

	2020	2019
General Fund - Unrestricted	\$ 33,169	\$ 21,805
	\$ 33,169	\$ 21,805

4. INVESTMENTS

	2020	2019
Money market funds	\$ 64,959	\$ 63,867
Equity securities	1,156,549	1,245,800
Corporate bonds and fixed income securities	2,427,114	2,552,560
Alternative investments	952,923	915,629
Other	1,298	-
	\$ 4,602,843	\$ 4,777,856



**BERMUDA ZOOLOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2020

*(Expressed in Bermuda dollars)*

5. TRUNK ISLAND

The Society owns land located at Trunk Island on Harrington Sound, Hamilton Parish, Bermuda which is used to support the Society's education and conservation and research programs. In March 2007, the Society was donated a one-third undivided interest in 4.15 of the 6.67 acres of land on Trunk Island. This donated asset is carried at its estimated fair value of \$670,500 at the date of donation.

In March 2015, the Society purchased outright 2.52 acres on Trunk Island for total consideration of \$1,192,750 plus legal and other associated costs. As at March 31, 2015, the Society had capitalized the consideration and costs paid to date of \$793,598 of which \$600,000 was funded by a loan from UBS AG (Note 7). The remaining consideration of \$400,000 was payable by way of a non-interest bearing promissory note in four equal installments of \$100,000 annually on the anniversary of the date of completion of which \$100,000 was paid during the year ended March 31, 2019 to bring the cumulative amount repaid to \$400,000. The final promissory note payment of \$100,000 was paid on March 15, 2019. The carrying value of land of \$1,864,098 comprises the original donated amount of \$670,500, consideration paid during the current and previous years of \$1,193,598.

6. DUE (TO) FROM FUND BALANCES

At March 31, 2020, the amount due to the General Fund from the Restricted Fund of \$27,459 represents the net amounts owing after interfund transfers, donations and investment income. Interfund amounts receivable bear no interest and are not governed by terms of repayment.

During the year ended March 31, 2020, the following inter-fund transfers as reflected in the Statement of Changes in Fund Balances was made to transfer funds to the Society's Trunk Island Endowment Fund and to reimburse the General Fund:

- (i) Transfer from General Fund of \$100,000 to Education Endowment Fund.
- (ii) Transfer from Steinhoff Scholarship Fund of \$39,500 to General Fund.
- (iii) Transfer from Lecture Fund of \$9,851 and Youth Fund of \$2,628 to General Fund.
- (iv) Transfer from Capital Campaign Fund of \$969,548 to General Fund.

During the year ended March 31, 2019, the following inter-fund transfers as reflected in the Statement of Changes in Fund Balances were carried out to fund the Society's education programmes and to reimburse the General Fund:

- (i) Transfer from General Fund of \$400,000 to Trunk Island Endowment Fund.

7. DONATIONS

Audit fees for the year ended March 31, 2020 are recorded at their fair value of \$25,400 (2019: \$25,000). The actual amount charged for the audit is \$5,400 (2019: \$5,000) with the difference of \$20,400 (2019: \$20,000) being recorded as a donation to the General Fund.



**BERMUDA ZOOLOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2020

*(Expressed in Bermuda dollars)*

8. EDUCATION ENDOWMENT FUND

In 1998, the Society set up through a deed of charitable trust, The Bermuda Zoological Society Education Endowment Fund (the "BZS EEF"). The BZS EEF was established to provide funding for the Society's educational programmes. The Trustees of the BZS EEF had its own Trustees and prior to the year ended March 31, 2012, the net assets of the BZS EEF were not recognized in the Society's financial statements.

During the year ended March 31, 2012 new Trustees were appointed to the BZS EEF and control of the BZS EEF was transferred to the Society. Accordingly, the net assets of the BZS EEF of \$2,091,932 (2019: \$1,963,059) are recognized in the Education Endowment Fund.

9. FINANCIAL INSTRUMENTS

(a) Fair value

The Society measures its financial instruments at fair value with the changes in fair value included in the Statement of Operations or the appropriate restricted fund. The fair value of the Society's financial instruments approximates their carrying value due to their relative short term nature.

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that the Society would actually realize in a current market exchange. Certain items such as land and inventory are excluded from fair value disclosure. Thus, the total fair value amounts cannot be aggregated to determine the underlying economic value of the Society.

(b) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Society. To manage the level of credit risk, the Society deals with counterparties of good credit standing. There are no significant concentrations of credit risk. The Society's maximum exposure to credit risk is represented by the carrying values of its cash and investment balances. Management considers credit risk to be minimal.

(c) Liquidity risk

The Society is dependent on major gifts and donations, membership dues, and government grants to maintain operational cash flows. The Society is not exposed to significant liquidity risk mainly with respect to its loan payable (Note 7) and promissory note payable (Note 5) which were repaid during the year.

(d) Market risk

The Society is exposed to the risk that donations may decrease due to changes in market factors and general economic declines which will likely have a negative effect on the Society's ability to generate donation revenues, the majority of which are derived from Bermuda-based corporate and individual members and donors.

**BERMUDA ZOOLOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2020

*(Expressed in Bermuda dollars)*

9. FINANCIAL INSTRUMENTS (Cont'd)

(d) Market risk (cont'd)

The Society is also exposed to market price risk and interest risk on its investment portfolio.

Interest rate risk is the risk that the value of the Society's investments will fluctuate as a result of interest rate changes. The amount of income receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by the fluctuations in interest rates.

As at March 31, 2020 and 2019 the Fund was not exposed to significant interest rate risk.

Cash and cash equivalents, fixed income securities and loan payable are subject to interest rate risk as interest is earned or incurred at fluctuating market rates.

(e) Changes in risk

There have been no changes in the Society's risk exposures from the 2019 fiscal year.

10. RELATED PARTY TRANSACTIONS

During the year, the Society paid \$12,000 (2019: \$12,000) as an honorarium to a member of the Executive Committee. This transaction was carried out in the normal course of operations and is recorded at the exchange value.

11. SUBSEQUENT EVENTS

The spread of the COVID-19 virus during the first quarter of 2020 has had a significant impact on the Bermuda economy and the daily lives of its citizens, and it is expected that the Society's results during the year ending March 31, 2021 will be negatively impacted as a result of the performance on the Society's investment portfolio, and limitations on its ability to carry out certain of its revenue-generating activities, in particular the delivery of education and conservation and research programmes and other events. It is currently uncertain what the magnitude of the impact of COVID-19 will be and the effect on the 2021 financial statements. This will depend on future developments, including the duration and spread of the outbreak, related travel advisories and restrictions, and the extent to which the Bermuda economy subsequently recovers. In the meantime, the Society has taken measures to preserve its operations and the health and safety of its employees and members and continues to be actively engaged in supporting its membership during this challenging time. Measures have been taken to reduce operating costs and non-business critical expenditures as well as optimize working capital. The impact of the COVID-19 virus and required mitigating actions will continue to be monitored and evaluated by the Society during the 2021 financial year.

The Society has assessed and evaluated all subsequent events arising from the balance sheet date up until June 25, 2020 and has concluded that no additional disclosures are required.