

**SECU CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2025

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2025

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

Opinion

We have audited the financial statements of Secu Credit Union Co-Operative Society Limited which comprises the statement of financial position as at 31st December 2025, statement of comprehensive income, statement of changes in equity, statement of cash flows and receipts and payments account for the year then ended, and incorporating summary of significant accounting policies and other explanatory notes, as stated on pages 6 to 38.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Secu Credit Union Co-Operative Society Limited as at 31st December 2025 and the results of its operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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. The other information comprises the information included in the Society's annual report. Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 IFRSs, 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 have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society'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 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism 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.
- 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Rudranand Maharaj.

A handwritten signature in blue ink that reads 'Maharaj Mohammed & Co.'.

Maharaj Mohammed & Co.
Chartered Accountants
Trinidad & Tobago

14th May, 2026

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the financial statements of Secu Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31st December, 2025, the statements of comprehensive income, changes in equity, statement of receipts and payments and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Credit Union keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Credit Union's assets, detection/prevention of fraud, and the achievement of Credit Union's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Co-operative Societies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

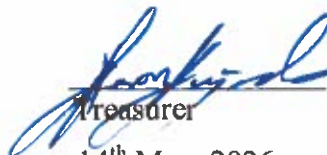
In preparing these audited financial statements, Management utilized the International Financial Reporting Standard, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, Management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of Management to indicate that Secu Credit Union Co-operative Society Limited will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorized for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.


General Manager

14th May, 2026


Treasurer


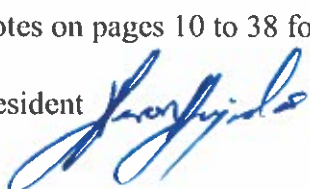
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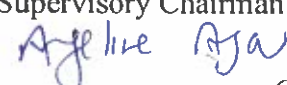
SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2025

	Notes	2025 \$	2024 \$
<u>ASSETS</u>			
Current assets			
Cash and short-term funds	5	5,394,082	5,264,744
Accounts receivable and prepayments	6	3,733,285	1,111,091
Investment securities	11	<u>33,531,949</u>	<u>29,400,507</u>
Total current assets		<u>42,659,316</u>	<u>35,776,342</u>
Non-current assets			
Investment securities	7	3,810,002	4,723,685
Loans to members	9	179,027,768	186,115,661
Property, plant and equipment	12	9,967,596	9,866,402
Right- of-use assets	8	<u>350,058</u>	<u>96,530</u>
Total non-current assets		<u>193,155,424</u>	<u>200,802,278</u>
Total Assets		<u>235,814,740</u>	<u>236,578,620</u>
<u>MEMBERS' EQUITY AND LIABILITIES</u>			
Members' equity			
Reserve fund		17,412,616	16,889,569
Education fund		691,814	625,854
Charitable fund		18,730	18,730
Asset revaluation reserve	18	3,619,110	3,619,110
Investment re-measurement reserve	17	(1,637,062)	(650,557)
Undivided surplus		<u>4,575,407</u>	<u>7,085,993</u>
Total members' equity		<u>24,680,615</u>	<u>27,588,699</u>
Non- current liabilities			
Members' Shares	16	<u>184,222,036</u>	<u>181,306,896</u>
Current liabilities			
Bank overdraft	5	1,825,520	7,529,766
Accounts payables and accruals	13	1,012,110	343,621
Lease liabilities	14	358,880	102,957
Members' term deposits	15	<u>23,715,579</u>	<u>19,706,681</u>
Total current liabilities		<u>26,912,089</u>	<u>27,683,025</u>
Total Liabilities		<u>211,134,125</u>	<u>208,989,921</u>
Total Liabilities and Shareholders' Equity		<u>235,814,740</u>	<u>236,578,620</u>

The accompanying notes on pages 10 to 38 form an integral part of these financial statements.

 : President  : Treasurer

: Supervisory Chairman


SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	2025 \$	2024 \$
Revenue			
Interest on members' loans		18,983,201	19,872,733
Investment income		1,294,479	783,791
Other income		<u>782,151</u>	<u>716,618</u>
Total revenue		<u>21,059,831</u>	<u>21,373,142</u>
Expenses			
Advertising and promotions		580,068	388,220
Annual general meeting		480,913	318,742
Finance charges		354,870	598,355
Board and committees		649,581	581,306
Cuna insurance		2,001,141	1,325,966
Depreciation		775,653	839,483
Expected credit loss	10	1,956,330	606,320
Insurances		185,633	187,381
Interest on members' deposits		71,557	68,809
Member related events		39,030	171,766
Occupancy		1,730,920	1,760,266
Office		418,646	527,271
Other		971,722	62,900
Personnel		5,725,295	5,855,860
Professional		<u>573,847</u>	<u>682,549</u>
		<u>16,515,206</u>	<u>13,975,194</u>
Operating surplus for the year		<u>4,544,625</u>	<u>7,397,948</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to Profit or Loss</i>			
Net change in fair value of equity investment securities Measured at fair value through OCI		<u>(986,505)</u>	<u>(2,014,738)</u>
Total comprehensive income		<u>3,558,120</u>	<u>5,383,210</u>

The accompanying notes on pages 10 to 38 form an integral part of these financial statements.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2025

	Reserve Fund	Education Fund	Charitable Fund	Investment Re-measurement Reserve	Asset Revaluation	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$
DECEMBER 2025							
Balance as at 1 st January 2025	16,889,569	625,854	18,730	(650,557)	3,619,110	7,085,993	27,588,699
Net surplus for the year	-	-	-	-	-	4,544,625	4,544,625
Appropriations	454,463	204,508	-	-	-	(658,971)	-
Entrance fees	68,584	-	-	-	-	-	68,584
Fund expenditure / adjustments	-	(138,548)	-	-	-	-	(138,548)
Fair value movement on investment securities	-	-	-	(986,505)	-	-	(986,505)
Unclaimed shares	-	-	-	-	-	(44,914)	(44,914)
Honorarium paid	-	-	-	-	-	(335,127)	(335,127)
Dividends paid	-	-	-	-	-	(6,016,199)	(6,016,199)
Balance at 31st December 2025	<u>17,412,616</u>	<u>691,814</u>	<u>18,730</u>	<u>(1,637,062)</u>	<u>3,619,110</u>	<u>4,575,407</u>	<u>24,680,615</u>
DECEMBER 2024							
Balance as at 1 st January 2024	16,096,365	485,183	18,730	1,364,181	3,619,110	7,293,939	28,877,508
Net surplus for the year	-	-	-	-	-	7,397,948	7,397,948
Appropriations	739,795	332,908	-	-	-	(1,072,703)	-
Entrance fees	53,409	-	-	-	-	-	53,409
Fund expenditure / adjustments	-	(192,237)	-	-	-	-	(192,237)
Fair value movement on investment securities	-	-	-	(2,014,738)	-	-	(2,014,738)
Honorarium paid	-	-	-	-	-	(322,915)	(322,915)
Dividends paid	-	-	-	-	-	(6,210,276)	(6,210,276)
Balance at 31st December 2024	<u>16,889,569</u>	<u>625,854</u>	<u>18,730</u>	<u>(650,557)</u>	<u>3,619,110</u>	<u>7,085,993</u>	<u>27,588,699</u>

The accompanying notes on pages 10 to 38 form an integral part of these financial statements.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	2025 \$	2024 \$
Operating activities			
Net surplus for the year before appropriations		4,544,625	7,397,948
Reconciliation of net surplus to net cash:			
Depreciation		489,650	543,861
Expected credit loss provision		1,956,330	606,320
Gain on disposal of property, plant and equipment		(129)	(29,387)
Adjustments to property, plant and equipment		5,445	-
(Increase) / decrease in right-of-use asset		(253,528)	295,622
(Increase) in accounts receivable		(2,622,194)	(431,792)
Increase / (decrease) in accounts payable		668,489	(233,370)
Changes lease liabilities		<u>255,923</u>	<u>(299,329)</u>
Net cash generated from operating activities		<u>5,044,611</u>	<u>7,849,873</u>
Investing activities			
Net changes in loans to members		5,131,562	91,792
Net changes in members' deposits		4,008,898	595,486
Net changes in investment securities		(4,204,264)	(6,208,549)
Purchase of property, plant and equipment		(597,841)	(368,552)
Proceeds from disposal of property, plant and equipment		<u>1,682</u>	<u>52,832</u>
Net cash generated from / (used in) investing activities		<u>4,340,037</u>	<u>(5,836,991)</u>
Financing activities			
Increase in member's share balances		2,915,140	5,877,818
Dividends paid		(6,016,199)	(6,210,276)
Honorarium paid		(335,127)	(322,915)
Fund expenditure		(138,548)	(192,237)
Unclaimed Shares		(44,914)	-
Entrance fees		<u>68,584</u>	<u>53,409</u>
Net cash (used in) financing activities		<u>(3,551,064)</u>	<u>(794,201)</u>
Net increase in cash and cash equivalents		<u>5,833,584</u>	<u>1,218,681</u>
Cash and cash equivalents			
- at the beginning of the year		(2,265,022)	(3,483,703)
- at the end of the year		<u>3,568,562</u>	<u>(2,265,022)</u>
		<u>5,833,584</u>	<u>1,218,681</u>
Represented by:			
Cash and short-term funds		5,394,082	5,264,744
Bank overdraft		(1,825,520)	(7,529,766)
		<u>3,568,562</u>	<u>(2,265,022)</u>

The accompanying notes on pages 10 to 38 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

1. Incorporation and principal activities

The Society was incorporated under the Co-operative Societies Act Ch. 81:03 of the Republic of Trinidad and Tobago. Its registered office is situated at #101 Southern Main Road, California, Trinidad.

Its objectives are to promote the economic welfare of its members, self-help and co-operation, and to promote development of co-operative ideas.

2. Significant Accounting Policies

The principal accounting policies applied to the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. These financial statements were prepared under the historical cost convention.

Functional and presentation currency

The Credit Union's functional and presentation currency is Trinidad and Tobago dollars which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Society.

Foreign currency transactions and balances

Foreign currency transactions during the year are translated into Trinidad and Tobago dollars at the exchange rates ruling at the dates of the transactions. Current assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Gains or losses thus arising are included in the statement of income.

(i) Standards amended and interpretations which are effective and have been adopted by the Credit Union in the accounting period.

The accounting policies adopted in the preparation of the Society's financial statements are consistent with those followed in the previous financial year

(ii) New standards, amendments and interpretations issued but not effective and not early adopted.

There were no new standards, amendments and interpretations issued but not effective that would have an impact on the financial statements of the Credit Union.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. **Significant accounting policies (continued)**

(a) **Basis of accounting (continued)**

(iii) *Standards and Amendments to Published Standards not early adopted by the Credit Union*

The following new standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for the current financial year. The Credit Union has not early adopted these standards.

a) IFRS 18 Presentation and Disclosure in Financial Statements

- Effective for annual periods beginning on or after 1 January 2027. Summary: Introduces a new structure for the statement of profit or loss, requiring subtotals for operating, investing, and financing categories, and enhanced disclosure requirements.
- Expected impact: The Credit Union anticipates significant changes in presentation and disclosure of financial performance, but no material impact on recognition or measurement of assets and liabilities.

b) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

- Effective for 1 January 2026. Requires enhanced disclosures about supplier finance arrangements, including terms, amounts outstanding, and liquidity risk implications.
- Expected impact: The Credit Union does not currently engage in supplier finance arrangements; therefore, no material impact is expected.

c) Amendments to IFRS 9 Financial Instruments

- Effective for 1 January 2026. Refines criteria for classification and measurement of financial assets, particularly regarding contractual cash flow characteristics.
- Expected impact: Management is assessing the impact; preliminary review suggests limited effect on current asset classification given the Credit Union's portfolio of loans and investments.

d) Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

- Effective for Deferred indefinitely, early adoption permitted. Clarifies accounting treatment for sales or contributions of assets between an investor and its associate/joint venture.
- Expected impact: No immediate impact is expected, as the Credit Union does not currently hold investments in associates or joint ventures.

The Credit Union has not early adopted these standards. Management continues to evaluate their potential impact. Based on current operations, no material effect on recognition or measurement is anticipated, though presentation and disclosure requirements will be enhanced in future reporting periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. Significant Accounting Policies (continued)

(b) Revenue recognition

Interest on Loans

Interest on loans to members is accounted for on a cash basis in accordance with the Co-operative Societies Act 1971.

Investment Income

Income from investments is accounted for on the accruals basis except for dividends which are accounted for on a cash basis.

Other Income and Expenses

Other income and expenses are accounted for on the accrual basis.

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on the straight-line basis.

Buildings	- 2%
Furniture and fixtures	- 20%
Computer Equipment	- 20%
Computer Software	- 33 1/3%
Motor Vehicles	- 25%
PPT Project	- 25% (2022 - 50%)

The assets' residual values and useful lives are reviewed at each reporting date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

During 2022 accelerated depreciation was applied to Sharetec, the main operating system. This resulted in the then remaining book value having an estimated economic useful life of two years. Following the renewal of the contractual life in 2023, guarantees were provided for dormant features to be activated toward improving the credit union's operational efficiency. As a result, the economic useful life following the renewal was revised to cover a four-year period.

(d) Cash and cash equivalents.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank net of bank overdraft.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. Significant Accounting Policies (continued)

(e) Accounts receivable

Trade receivables are measured at cost or transaction price. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. This provision is equivalent to the carrying amount less the recoverable amount.

(f) Accounts payable

Accounts payable initially recognised at cost or transaction price, are obligations on the basis of normal credit terms and do not bear interest.

(g) Taxation

The Credit Union is subject to Green Fund Levy based on the stipulated rate for the respective year. The profits arising from the Society are exempt from Corporation Tax as per the Co-operative Societies Act Chapter 81:03 sections 76-77.

(h) Financial Instruments

Date of Recognition

Financial assets and liabilities, with the exception of loans and advances to members and balance due to members, are initially recognised on the settlement date, which is the date that an asset is delivered to or by the Society. Loans and advances to members are recognised when funds are disbursed or transferred to members' accounts. The Society recognises balances due to members when funds are deposited with the Society.

Initial Measurement of financial instruments

The classification of financial instruments at initial recognition depends on its contractual terms and the business model for managing the instruments. Financial instruments are initially measured at its fair value except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Society accounts for the Day 1 profit or loss, as described below.

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on the valuation technique using only inputs observable in market transactions, the Society recognises the difference between the transaction price and fair value in net operating income. In those cases where fair value is based on models for which some of inputs are not observable, the difference between the transaction price and fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. **Significant accounting policies (continued)**

(h) **Financial Instruments (continued)**

Measurement Categories of financial assets and liabilities

The Society classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through profit or loss (FVTPL);
- Fair value through Other Comprehensive Income (FVOCI)

The society may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

i) **Financial Assets and Liabilities**

Loans to members and financial investments at amortised cost

The Society only measures loans and advances to members and other financial investments at amortised cost if both of the following conditions are met:

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

The details of these conditions are outlined below:

The Business Model Assessment

The Society determines its business model at the level that best reflects how it manages financial assets to achieve its business objective. The Society's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- The expected frequency, value and timing of sales are also important aspects of the Society's assessment.

The Business Model Assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Society's original expectations, the Society does not change the classification of the remaining financial assets held in the business model, but incorporates such information when assessing how newly originated or newly purchased financial assets going forward.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. **Significant accounting policies (continued)**

(h) **Financial Instruments (continued)**

The SPPI (solely payments of principal and interest) test

As a second step of its classification process the Society assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Society applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, the contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

ii) **Financial Assets and financial liabilities at fair value through profit or loss**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met.

Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or
- The liabilities are part of the Society’s financial liabilities, which are managed and its performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movement in fair value of liabilities designated at FVTPL due to changes in the Society’s own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. **Significant accounting policies (continued)**

(h) **Financial Instruments (continued)**

The SPPI (solely payments of principal and interest) test (continued)

iii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income includes certain equity instruments, corporate bonds, notes and repurchase agreements.

These financial assets are investments that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables.

These financial assets are initially recognised at fair value plus transaction cost that are directly attributable to its acquisition.

After initial recognition, investments which are classified as “fair value through other comprehensive income” are measured at fair value with unrealised gains or losses on revaluation recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative loss or gain previously reported in the capital reserve is included in the statement of comprehensive income.

iv) Reclassification of financial assets and liabilities

The Society does not reclassify its financial assets subsequent to its initial recognition, apart from the exceptional circumstances in which the Society acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Society may reclassify any one of its financial assets from loans and advances to debt instruments at amortised cost. No financial liabilities were reclassified.

v) Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Society derecognises a financial asset such as a loan to a member, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

2. **Significant accounting policies (continued)**

(h) **Financial Instruments (continued)**

The SPPI (solely payments of principal and interest) test (continued)

vi) Derecognition other than substantial modification

Financial assets

A financial asset (or, where applicable, a part of a financial asset) is derecognised when the rights to receive cash flows from the financial asset have expired. The Society also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Society has transferred the financial asset if, and only if, either:

- The Society has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

vii) Impairment of financial assets

Overview of the ECL principles

The Society has been recording the allowance for expected credit losses for all loans and other debt financial asset not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL).

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. **Significant accounting policies (continued)**

(h) **Financial Instruments (continued)**

Overview of the ECL principles (continued)

The Society has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Society groups its loans into Stage 1, Stage 2, Stage 3, as described below:

- Stage 1: When loans are first recognised, the Society recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Society records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Society records an allowance for the LTECLs.

For financial assets for which the Society has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECLs

The Society calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Society in accordance with the contract and the cash flows that the Society expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD – The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD- The Exposure of Default is an estimate of the exposure at a future default date, taking account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. **Significant accounting policies (continued)**

(h) **Financial Instruments (continued)**

Calculation of ECLs (continued)

LGD- The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of a collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Society has the legal right to call it earlier.

Collateral valuation

To mitigate its credit risks on financial assets, the Society seeks to use collateral, where possible. The collateral comes in various forms, such as shares, deposits, deed of mortgage and other non-financial assets. Collateral, unless repossessed, is not recorded on the Society's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed at a minimum at inception and re-assessed on a quarterly basis.

Write-offs

Loans and receivables are written off when the Society has no reasonable expectation of recovering the financial asset, for example, when the Society determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the Society's enforcement activities will result in gain.

(i) **Members' loans**

Loans and advances granted by this Credit Union are stated at cost (amortized cost).

A loan is classified as non-accrual when principal or interest is past due or when, in the opinion of management, there is reasonable doubt as to the ultimate collectability of principal or interest. Non-accrual loans may revert to performing status when all payments become fully current or when management has determined there is no reasonable doubt of ultimate collectability.

Loans are written off after all the necessary legal procedures have been completed and the amount of the loss is finally determined. This Credit Union maintains a loan loss provision, which in management's opinion, is adequate to absorb all incurred credit-related losses in its loan portfolio. The loan loss provision is calculated using a formula method taking into account recent loss experience. The provision for the year, less recoveries of amounts previously written off and the reversal of provisions no longer required, is disclosed in the statement of income as loan loss expense.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. Significant Accounting Policies (continued)

(j) Reserve fund

In accordance with Bye Law 19 of the Society and The Co-operative Society Act, 1971, Section 47 (2), at least 10 % of the annual net surplus of the Society for the year is to be transferred to a reserve fund. The reserve fund is indivisible and no member is entitled to any specific share thereof.

Under Regulation 47 of the Co-operative Societies Act 1971, the Reserve fund of a Society may, with the approval of the Commissioner be applied to meet bad debts or losses sustained through extraordinary circumstances over which the Society has no control.

(k) Education fund

In accordance with Bye Law 19 of the Credit Union, an amount of not less than 5 % of the net surplus of the year, after making provision for the reserve fund may be credited to an education fund. This fund is to be used for educational purposes.

(l) Investment re-measurement reserve

The Society created an investment re-measurement reserve to include unrealised gains/losses on investment securities recorded as fair value through other comprehensive income.

(m) Asset revaluation reserve

The Society created an asset re-measurement reserve to include unrealized gains/losses on properties recorded as fair value through other comprehensive income.

(n) Dividends

Dividends are recommended by the Board of Directors and confirmed by the members at the Annual General Meeting. The dividend is computed on the basis of the average number of shares in issue throughout the year, the average being determined on the basis of the number of shares in issue at the end of each month.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. Significant Accounting Policies (continued)

(o) Provisions

Provisions are recognised when the society has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Provisions are not recognised for future operating losses. Where a provision is measured using the cash flows estimated to settle the present obligation, its' carrying amount is the present value of those cash flows.

(p) Members' deposits

A member may deposit money into his account in the Credit Union subject to the terms and conditions specified by the Board.

(i) Members' saving deposits

Members' savings deposits are stated at their current balance. Interest on members' savings deposits is calculated at the rate of 0.5% per annum and paid on a quarterly basis.

(ii) Members' fixed deposits

Members' fixed deposits are stated at its current balance. Interest on members' fixed deposits is calculated generally at rates between 1% and 1.75%. There were four (4) fixed deposits held within the credit union. These fixed deposits matured during the financial year and were not renewed.

(q) Employee benefits / pension obligations

The Credit Union operates a defined contribution plan and pays contributions to administered pension insurance plans. The Credit Union has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

(r) Unclaimed shares

Under Bye-Law 8 (a), the Board may transfer any shares and or interest not claimed (net of any amounts due to the Society) within one year from the date of the last transaction of a member, whose whereabouts are unknown, to an Unclaimed Shares Account. Any sums remaining unclaimed for three (3) years may be transferred to the Reserve Fund.

2. Significant Accounting Policies (continued)

(s) Comparative

Where necessary, comparative figures have been adjusted to take account of the changes in presentation in the current year.

(t) Leases

The Society accounts for a contract or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Society obtains substantially all the economic benefits from the use of the asset.
- The Society has the right to direct use of the asset.

The Society considers whether the supplier has substantive substitution rights. If the supplier does have those right, the contract is not identified as giving rise to a lease. In determining whether the Society obtains substantially all the economic benefits from the use of the asset, the Society considers only the economic benefits that arise use of the asset, not those incidentals to legal ownership or other potential benefits.

In determining whether the Society has the right to direct use of the asset, the Society considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Society applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3. Financial Risk Management

Financial Risk factors

The Society's activities are primarily related to the use of financial instruments. The Society accepts funds from members and earns interest by investing in various types of financial instruments and on lending to members at higher interest rates.

Financial Instruments

The following table summarises the carrying amount and fair values of the Society's financial assets and liabilities: -

	Carrying Value	Fair Value
	2025	2025
	\$	\$
Financial Assets		
Cash and short-term funds	5,401,101	5,264,744
Investment interest receivable	148,545	6,805
Investment securities	37,341,951	34,124,192
Loans to members	179,027,768	193,282,498
Financial Liabilities		
Bank overdraft	1,825,520	4,875,752
Members' deposits	23,586,927	19,706,681
Members' Shares	184,222,036	181,306,896
	Carrying Value	Fair Value
	2024	2024
	\$	\$
Financial Assets		
Cash and short-term funds	5,264,744	1,392,049
Investment interest receivable	6,805	77,675
Investment securities	34,124,192	29,930,381
Loans to members	193,282,498	186,115,660
Financial Liabilities		
Bank overdraft	7,529,766	4,875,752
Members' deposits	19,706,681	19,111,194
Members' Shares	181,306,896	175,429,078

The society is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the society to manage these risks are discussed below:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3. Financial Risk Management (continued)

(a) Operational risk

Operational risk is the risk derived from deficiencies relating to the Credit Union's information technology and control systems, as well as the risk of human error and natural disasters. The Credit Union's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error.

(b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Credit Union's measurement currency. The Credit Union is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Society's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, customer deposits and other funding instruments.

Management of interest rate risk

The primary goal of the Society's investment strategy is to maximize investment returns while maintaining risks at an acceptable level. The value of the Society's financial investments will fluctuate due to changes in market prices of the equity and debt securities. The Society manages market risks by using the following strategies:

- Investing a certain percentage of total assets in financial instruments and monitoring the mix of debt and equity securities in its investment portfolio based on market expectation.
- Monitoring the price movements of debt and equity securities on a monthly basis in order to determine market trends.
- Investing in debt and equity securities that do not have a documented history of high price volatility and are easily tradable.
- Decisions to buy and sell investments must be approved by the Board of Directors.

(d) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Credit Union's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Society. The Society applies procedures to minimise this risk.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3. Financial Risk Management (continued)

(e) Liquidity risk

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Credit Union has procedures with the objective of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities. The Credit Union is able to make daily calls on its available cash resources to settle financial and other liabilities. The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Credit Union. The Credit Union employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Credit Union's assets as well as generating sufficient cash from new and renewed members' deposits and shares. To manage and reduce liquidity risk the Credit Union's management actively seeks to match cash inflows with liability requirements. The Society's exposure to liquidity risk is summarised in the table below which analyses assets and liabilities based on the remaining period from statement of financial position date to the contractual maturity date.

	2025			
Financial Assets	Up to 1 year	2 to 5 years	Over 5 years	Total
Cash and short-term funds	5,401,101	-	-	5,401,101
Investment interest receivable	148,545	-	-	148,545
Investment Securities	33,531,949	3,781,142	28,860	37,341,951
Loans to members (gross)	7,378,868	118,974,929	52,673,971	179,027,768
	46,460,463	122,756,071	52,702,831	221,919,365
Financial Liabilities				
Bank overdraft	1,825,250	-	-	1,825,250
Members' Deposits	23,586,927	-	-	23,586,927
Members' shares	184,222,036	-	-	184,222,036
	209,634,213	-	-	209,634,213
Net Liquidity Gap	(163,173,750)	122,756,071	52,702,831	12,285,152

	2024			
Financial Assets	Up to 1 year	2 to 5 years	Over 5 years	Total
Cash and short-term funds	5,264,744	-	-	5,264,744
Investment interest receivable	6,805	-	-	6,805
Investment Securities	29,400,507	1,539,814	3,183,871	34,124,192
Loans to members (gross)	16,534,232	89,880,350	79,701,079	186,115,661
	51,206,288	91,420,164	82,884,950	225,511,402
Financial Liabilities				
Bank overdraft	7,529,766	-	-	7,529,766
Members' Deposits	19,706,681	-	-	19,706,681
Members' shares	181,306,896	-	-	181,306,869
	208,543,343	-	-	208,543,343
Net Liquidity Gap	(157,337,055)	91,420,164	82,884,950	16,968,059

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3. Financial Risk

(f) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to supervision by the Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago as well as by the monitoring of controls applied to the Society.

(g) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the Statement of Financial Position date. The Credit Union relies heavily on a written Loan Policy Manual, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Credit Union's lending philosophy; provide policy guidelines to team members involve in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

The Credit Union's loan portfolio is managed and consistently monitored by the Credit Committee and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts. The society also actively monitors global economic development and government policies that may affect the growth rate of the local government.

(h) Capital risk management

The Credit Union manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, and providing value to its members by offering loan and savings facilities. The Credit Union's overall strategy remains unchanged from previous years. The capital structure of the Credit Union consists of equity attributable to members, and comprises members' funds, reserves and retained earnings.

(i) Capital Commitments and Contingent Liabilities

The Society has no contracted capital commitments as well as no contingent liabilities at year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Critical Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in the process of applying the Credit Union's accounting policies (see basis of preparation). Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Credit Union makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Changes in accounting estimates are recognised in the statement of comprehensive income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) *Classification of financial assets:* Assessments of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are SPPI on the principal amount outstanding.
- ii) Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of modes used to measure ECL.
- iii) *Impairment of financial instruments:* Determining inputs into the ECL measurement model, including the incorporation of forward-looking information. Determination of fair value of financial instruments with significant unobservable inputs. Key assumptions used in estimating recoverable cash flows.
- iv) *Which depreciation method for property plant and equipment is used.* The key assumption concerning the future and other key sources of estimation uncertainty at the statement of financial position date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:
 - i) *Impairment of assets* IFRS 9 dictates that entities are to develop an impairment model that would reflect the general pattern of deterioration in the credit quality of financial instruments and in which the amount of expected credit losses recognised as a loss allowance or provision would depend on the level of deterioration in the credit quality of financial instruments since initial recognition.
 - ii) *Property, plant and equipment* Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of assets.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

5. Cash and bank

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2025	2024
	\$	\$
Cash on hand	180,346	10,521
Cash in transit	(697,566)	341,618
Cash at commercial banks	<u>5,911,302</u>	<u>4,912,605</u>
	5,394,082	5,264,744
Bank overdraft	<u>(1,825,520)</u>	<u>(7,529,766)</u>
	<u>3,568,562</u>	<u>(2,265,022)</u>

The society maintains two overdraft facilities

- (i) First Citizens Bank Limited – limit \$10,000,000 at an interest rate of 7%.

Security for this facility is represented as follows:

- a) Units held on Abercrombie Fund in the name of Secu Credit Union Co-operative Society Limited valued at \$3,000,000.00
- b) Collateral on two fixed deposit accounts valued at \$1,500,000.00
- c) Assignment of the following shares:

<i>Company</i>	<i>Number of Shares</i>
Angostura Holdings Limited	33,766
ANSA Merchant Bank Ltd	5,820
ANSA Mc Cal	570
First Caribbean International Bank	7,400
Guardian Holdings Ltd	33,176
JMMB	316,776
Massy Holdings Limited	313,800
N.C.B. Financial Group Limited	315,066
National Enterprises Limited	29,884
National Flour Mills	13,289
National Gas Limited	22,710
Onc Caribbean Media Limited	12,694
PLIPDECO	16,541
Royal Bank of Canada	616
Republic Financial Holdings	7,727
Scotiabank Ltd.	27,041
Trinidad Cement Limited	83,927
Unilever Caribbean Limited	33,475
WITCO	73,712

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

5. Cash and cash equivalents (continued)

ii) RBC Royal Bank - limit \$500,000 at interest rate of 9.25% (Commercial Prime).

Security for this facility is represented as follows:

- a) Hypothecation of 24,000 Roytrin Income Fund units in the name of Secu Credit Union Co-operative Society Limited, held to secure advances in the name of Secu Credit Union Co-operative Society Limited. Stamped to secure TT \$600,000.00
- b) Hypothecation of 911 Roytrin Income Fund units in the name of Secu Credit Union Co-operative Society Limited, held to secure advances in the name of Secu Credit Union Co-operative Society Limited.
- c) Assignment of the following shares in the name of SECU Credit Union Co- operative Society Limited held to protect facility in the name of SECU Credit Union Co- operative Society Limited, stamped to cover TT\$127,000.00

<i>Company</i>	<i>Number of Shares</i>
Angostura Holdings Limited	1,383
Guardian Holdings Limited	1,003
National Flour Mills Limited	2,035
WITCO	1,030
Unilever Caribbean Limited	670

6. Accounts receivable and prepayments	2025	2024
	\$	\$
Interest Receivable	148,545	6,805
CUNA receivable	1,526,826	358,680
Sundry receivables and prepayments	<u>2,057,914</u>	<u>745,606</u>
	<u>3,733,285</u>	<u>1,111,091</u>

7. Investment securities – non -current

Debt instruments measured at amortized cost	2025	2024
	\$	\$
National Investment Fund	2,984,000	2,954,160
First Citizens Bank Ltd – 4.9% MA	197,142	198,631
Home Mortgage Bank Limited	600,000	1,539,814
CBD Savings	<u>28,860</u>	<u>31,080</u>
Balance as at December 31	<u>3,810,002</u>	<u>4,723,685</u>

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

8. Right-of-use Assets

	2025	2024
	\$	\$
i) Property		
Balance as at January 1	96,530	392,151
Addition to right-of-use assets	539,531	-
Depreciation charge for the year	<u>(286,003)</u>	<u>(295,621)</u>
Balance as at December 31	<u>350,058</u>	<u>96,530</u>
	2025	2024
	\$	\$
ii) Amount recognised in Statement of Comprehensive Income		
Interest on lease liabilities	36,072	29,951
Depreciation	286,003	295,621
Expense relating to short term lease	77,360	299,328

9. Members' loans

	2025	2024
	\$	\$
Back to school	430,348	122,072
Business	83,078	580,145
Carnival loan	8,850	8,850
Computer	58,371	53,054
Covid-19 relief	11,187	11,187
Christmas loan	22,403	1,019,812
Charge off	11,798,739	-
Debt consolidation	1,605	1,382,302
Mortgage	15,852,618	20,614,509
Ordinary	102,637,778	104,676,892
Tertiary Education	542,019	788,172
Unsecured Loan	25,319,111	32,071,849
Vehicle Loans	<u>31,384,829</u>	<u>31,953,655</u>
	188,150,936	193,282,499
Less: Expected Credit losses (note 10)	<u>(9,123,168)</u>	<u>(7,166,838)</u>
Total loans net expected credit losses	<u>179,027,768</u>	<u>186,115,661</u>

Loans to members are stated at principal outstanding net of a provision for loan losses. The provision for loan losses is based on management's evaluation of the performance of the loan portfolio under current economic conditions and past loan loss experience.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

10. Measurement of Expected Credit Loss (ECL)	2025	2024
	\$	\$
Opening balance as at 1 st January	7,166,838	6,767,233
Expected Credit losses	1,956,330	606,320
Loans written off	<u>-</u>	<u>(206,715)</u>
Closing balance as at 31 st December	<u>9,123,168</u>	<u>7,166,838</u>

An analysis of the credit union's credit risk exposure without taking into account the effects of collateral is provided in the following tables. The amounts in the table represent gross carrying amounts.

SECU Credit Union Co-operative Society Ltd
IFRS 9 Analysis of Movement in Expected Credit Losses

	Stage 1 0 - 30 Days in Arrears	Stage 2 31 - 90 Days in Arrears	Stage 3 >90 Days in Arrears	Sum Total
<i>December 31, 2025</i>	\$	\$	\$	\$
Principal	7,378,868	119,934,929	60,837,139	188,150,936
Expected Credit Losses	<u>(56,212)</u>	<u>(1,963,761)</u>	<u>(7,103,195)</u>	<u>(9,123,168)</u>
	<u>7,322,656</u>	<u>117,971,168</u>	<u>53,733,944</u>	<u>179,027,768</u>
<i>December 31, 2024</i>	\$	\$	\$	\$
Principal	171,475,590	2,459,773	19,347,136	193,282,499
Expected Credit Losses	<u>(4,573,187)</u>	<u>(122,988)</u>	<u>(2,470,663)</u>	<u>(7,166,838)</u>
	<u>166,902,403</u>	<u>2,336,785</u>	<u>16,876,473</u>	<u>186,115,661</u>

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

11. Investment securities - current

i) Fair value through other comprehensive income	2025	2024
	\$	\$
Angostura holdings Limited 35,149 shares	448,150	521,963
Ansa Finance Limited 5,820 shares	165,870	229,890
Ansa Mcal Limited 570 shares	24,909	34,086
First Caribbean International Bank 7,400 shares	60,976	59,940
First Citizens Bank Limited 30,393 shares	1,034,578	1,230,917
Guardian Holdings Limited 34,179 shares	506,533	510,976
Jamaica Money Market Brokers 316,776 shares	240,750	338,950
Lever Brothers (W.I.) Limited 34,145 shares	480,762	389,253
Massy Holdings Limited 313,800 shares	1,157,922	1,239,510
National Enterprises Limited 29,884 shares	57,377	83,376
National Flour Mills 15,324 shares	24,672	26,051
Trinidad and Tobago NGL Limited 22,710 shares	59,954	108,327
National Commercial Bank Jamaica 315,066 shares	604,926	753,008
One Caribbean Media limited 12,694 shares	16,883	35,797
Point Lisas Industrial Port Development Corporation Ltd 16,541 shares	76,089	54,254
Republic Financial Holdings Limited 7,727 shares	800,440	875,546
Royal Bank of Canada 665 shares	801,909	594,172
Sagicor Financial Corporation 4,607 shares	219,855	148,183
Scotiabank Trinidad and Tobago Limited 27,041 shares	1,297,698	1,548,368
Trinidad Cement Limited 83,927 shares	155,265	209,818
The West Indian Tobacco Company Limited 76,802 shares	<u>200,453</u>	<u>430,091</u>
	<u>8,435,971</u>	<u>9,422,476</u>
ii) Equity instruments measured at FVTPL		
A/C Mutual Funds	299,316	285,454
First Citizens Bank Limited; Abercrombie Funds	7,954,103	7,353,150
Fixed Deposits	1,522,584	1,511,254
US Savings Account	21,278	22,023
Roytrin Mutual Fund	791,753	791,753
Guardian Asset Management	1,383,883	358,841
Trinidad and Tobago Unit Trust Incorporation 1 st Scheme	39,117	38,585
2 nd Schemes	<u>13,083,944</u>	<u>9,616,971</u>
	<u>25,095,978</u>	<u>19,978,031</u>
Total investment securities	33,531,949	29,400,507

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

12. Property, plant and equipment

31 st December 2025	Computer Equipment	Computer Software	Furniture & Fixtures	Land & Building	Motor Vehicles	PPT Project	Total
<i>Cost/Valuation</i>	\$	\$	\$	\$	\$	\$	\$
January 1, 2025	2,530,604	960,348	3,657,905	8,864,463	210,000	2,208,132	18,431,452
Additions	42,616	-	48,975	506,250	-	-	597,841
Disposals	(3,104)	-	-	-	-	-	(3,104)
December 31, 2025	2,570,116	960,348	3,706,880	9,370,713	210,000	2,208,132	19,026,189
<i>Accumulated Depreciation</i>							
January 1, 2025	2,039,793	931,800	3,541,755	40,549	171,500	1,839,653	8,565,050
Charge for the year	168,344	20,328	50,878	27,359	38,500	184,241	489,650
Adjustments	12,206	-	(6,761)	-	-	-	5,445
Disposals	(1,552)	-	-	-	-	-	(1,552)
December 31, 2025	2,218,791	952,128	3,585,872	67,908	210,000	2,023,894	9,058,593
Net Book Value 2025	351,325	8,220	121,008	9,302,805	-	184,238	9,967,596

31 st December 2024	Computer Equipment	Computer Software	Furniture & Fixtures	Land & Building	Motor Vehicles	PPT Project	Total
<i>Cost/Valuation</i>	\$	\$	\$	\$	\$	\$	\$
January 1, 2024	2,422,051	960,348	3,638,177	8,686,009	210,000	2,208,132	18,124,717
Additions	155,582	-	34,516	178,454	-	-	368,552
Disposals	(47,029)	-	(14,787)	-	-	-	(61,816)
December 31, 2024	2,530,604	960,348	3,657,906	8,864,463	210,000	2,208,132	18,431,453
<i>Accumulated Depreciation</i>							
January 1, 2024	1,883,284	879,477	3,498,698	13,190	129,500	1,655,412	8,059,561
Charge for the year	186,255	52,323	51,683	27,359	42,000	184,241	543,861
Disposals	(29,746)	-	(8,626)	-	-	-	(38,372)
December 31, 2024	2,039,793	931,800	3,541,755	40,549	171,500	1,839,653	8,565,050
Net Book Value 2024	490,811	28,548	116,151	8,823,914	38,500	368,479	9,866,402

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

13. Accounts payable and accruals	2025	2024
	\$	\$
Sundry payables and accruals	<u>1,012,110</u>	<u>343,621</u>
14. Lease Liabilities	2025	2024
	\$	\$
Balance as at January 1	102,957	402,285
Addition to lease liabilities	333,283	-
Payment of lease liabilities	<u>(77,360)</u>	<u>(299,328)</u>
Balance as at December 31	<u>358,880</u>	<u>102,957</u>
	2025	2024
	\$	\$
Current	<u>358,880</u>	<u>102,957</u>
15. Members' deposits	2025	2024
	\$	\$
Members' Saving Deposits	23,586,927	19,556,719
Members' Christmas plans	<u>128,652</u>	<u>149,962</u>
	<u>23,715,579</u>	<u>19,706,681</u>
16. Members- shares	2025	2024
	\$	\$
An unlimited number of shares of \$20.00 each	<u>184,222,036</u>	<u>181,306,896</u>

The Capital of the Society consist of an unlimited number of shares of \$20.00 each. In accordance with International Financial Reporting Interpretation Committee (IFRIC-2), these are redeemable shares and have been treated as liabilities.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

17. Investment re-measurement reserve

Investments are recognized in the Statement of Financial Position at the market value. The carrying amounts of the Credit Union's Investment Revaluation Reserve at the end of the reporting period is as follows:

	2025	2024
	\$	\$
Opening balance	(650,557)	1,364,181
Net decline in market value for the period	(986,505)	(2,014,738)
Ending balance	<u>(1,637,062)</u>	<u>(650,557)</u>

18. Asset revaluation reserve

	2025	2024
	\$	\$
Closing balance as at 31 st December	<u>3,619,110</u>	<u>3,619,110</u>

On November 7th 2023, the property at #101 Southern Main Road, California was revalued by independent professional valuers to \$6,000,000. The difference in revaluation of \$3,619,110 in relation to the property was accounted for in the 2023 period. This increase in carrying amount arising on revaluation was applied to the Asset Revaluation Reserve.

19. Employees

	2025	2024
The number of persons employed at year end	<u>40</u>	<u>40</u>

20. Dividends

Dividends are recommended by the Board of Directors and are subject to confirmation by the members at the Annual General Meeting. The dividend is computed on the basis of the average number of shares in issue throughout the year, the average being determined on the basis of the number of shares in issue at the end of each month.

The Board of Directors has proposed a dividend of 2.35% of the average value of members' shares in issue throughout the year for the year ended 31st December, 2025. This dividend is projected to be \$4.287M (2024: 3.4% or \$6.074M). The proposed dividend is subject to approval by the membership at the Annual General Meeting and have not been recorded as liabilities in these financial statements in accordance with IAS 10.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

21. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society. A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market prices.

Balances and transactions with related parties and key management personnel during the year were as follows:

	2025	2024
	\$	\$
Due from directors and committee members		
Board of Directors	520,852	374,215
Supervisory committee	166,937	162,929
Credit Committee	<u>56,785</u>	<u>146,694</u>
	<u>744,574</u>	<u>683,838</u>
	2025	2024
	\$	\$
Due to directors and committee members		
Board of Directors	1,663,829	1,520,383
Supervisory committee	80,115	183,298
Credit Committee	<u>304,075</u>	<u>345,256</u>
	<u>2,048,019</u>	<u>2,048,937</u>

22. Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

22. Fair values (continued)

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

a) Current assets and liabilities

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

b) Members' deposits

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values which approximate carrying values.

c) Classification of financial instruments at fair value

The society measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: Quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments. There were no transfers of financial instruments between levels during the year, neither were there any changes in the categorisation from the prior year.

d) Members' Loans

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

e) Investments

The fair values of investments are determined on the basis of quoted market prices available at December 31st, 2025.

SECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

23. Subsequent events

There are no subsequent events occurring after the statement of financial position date and before the date of approval of these financial statements by the directors that require adjustment to or disclosure in these financial statements.

24. Approval of Financial Statements

These financial statements were approved by the board of directors and authorised for issue on 14th May, 2026.