

**The Light & Power Employees Co-operative
Credit Union Limited**
Audited Financial Statements
December 31st, 2025
(Expressed in Barbados Dollars)

The Light & Power Employees Co-operative Credit Union Limited
Index to the Financial Statements
December 31, 2025

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Independent Auditors' Report

To the Members of The Light & Power Employees
Co-operative Credit Union Limited

Opinion

We have audited the financial statements of **The Light & Power Employees Co-operative Credit Union Ltd.** (the "Credit Union") which comprise the statement of financial position as at December 31, 2025, and the statement of income and comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA), and we have fulfilled our other ethical responsibilities in accordance with IESBA. 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 Board of Directors' Report, the Treasurer's Report and the Supplementary Information included in the Annual Report 2025 but does not include the financial statements and our auditor's report thereon. The Annual Report 2025 is expected to be made available to us after the date of this auditor's 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 when it becomes available and, in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement of the other information, we are required to communicate the matter to those charged with governance and take appropriate action in accordance with ISA 720 (Revised).

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 IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union'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 Credit Union or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 Credit Union'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 Credit Union'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. We conclude that management's use of the going concern basis of accounting is appropriate and that no material uncertainty exists.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

This report is made solely to the Credit Union's members in accordance with Sections 109 and 123 of the Co-operatives Societies Act of Barbados. Our audit has been conducted so that we might state to the Credit Union's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and its members for our audit work, for this report, or for the opinion we have formed.



NOVA Assurance Solutions Inc.

Prior Park Gardens, St. James, Barbados
March 2, 2026

The Light & Power Employees Co-operative Credit Union Limited
Statement of Financial Position
As at December 31, 2025
(expressed in Barbados dollars)

	Notes	2025 \$	2024 \$
Assets			
Cash and bank balances	4	9,229,549	8,012,254
Accounts receivable	5	641,695	532,455
Due from affiliate		-	4,570
Investments	6	23,583,112	24,328,584
Loans to members	7	31,036,814	29,061,942
Investment property	8	779,693	803,374
Property, plant and equipment	9	<u>1,990,222</u>	<u>2,090,853</u>
Total Assets		<u>67,261,085</u>	<u>64,834,032</u>
Liabilities			
Accounts Payable	10	809,238	825,661
Due to affiliate		1,385	-
Demand deposits	11	<u>26,839,059</u>	<u>25,626,594</u>
		27,649,682	26,452,255
Non-qualifying shares		<u>28,735,116</u>	<u>28,195,875</u>
Total Liabilities		56,384,798	54,648,130
Members' Equity			
Equity shares	12	221,400	209,500
Statutory reserves	13	5,695,505	5,357,790
Other reserves		2,460,131	2,183,382
Undivided surplus		<u>2,499,251</u>	<u>2,435,230</u>
Total Members' Equity		10,876,287	10,185,902
Total Liabilities and Members' Equity		<u>67,261,085</u>	<u>64,834,032</u>

The attached notes form an integral part of these financial statements.

Approved by the Board on March 2, 2026, and signed on its behalf by:


 _____ Director


 _____ Director

The Light & Power Employees Co-operative Credit Union Limited
Statement of Income and Comprehensive Income
For the year ended December 31, 2025
(expressed in Barbados dollars)

	Notes	2025 \$	2024 \$
Interest income			
Loan interest		2,263,349	2,190,494
Other interest		2,615	3,297
		<u>2,265,964</u>	<u>2,193,791</u>
Interest expense			
Interest on deposits		160,053	152,357
Interest on non-qualifying shares		136,964	133,503
		<u>297,017</u>	<u>285,860</u>
Net interest income		1,968,947	1,907,931
Other income			
Investment income		520,514	522,687
Dividends received		57,127	51,848
Rental income		44,912	40,819
Other income		42,654	38,853
Net income after interest expense		<u>2,634,154</u>	<u>2,562,138</u>
Expenses			
Staff cost (Schedule 1)		997,415	948,510
Operating and administrative (Schedule 1)		660,184	706,238
Membership security		226,947	223,714
Meetings		209,459	189,581
Depreciation – Property, plant & equipment	9	121,913	97,223
Increase\decrease) in provision for credit losses	7	(49,549)	57,543
Depreciation – Investment property	8	23,681	23,312
Youth community and social outreach		19,291	12,352
Decrease in loss allowance on investments	6	(14,703)	(2,737)
Total other expenses		<u>2,194,638</u>	<u>2,255,736</u>
Net operating income for the year		<u><u>439,516</u></u>	<u><u>306,402</u></u>

The attached notes form an integral part of these financial statements.

The Light & Power Employees Co-operative Credit Union Limited
Statement of Income and Comprehensive Income (continued)
For the year ended December 31, 2025
(expressed in Barbados dollars)

	Notes	2025	2024
		\$	\$
Net operating income for the year		439,516	306,402
Items that will not be reclassified subsequently to profit and loss:			
Fair value (loss)/ gain on investments in equity instruments designated as at FVTOCI	6	<u>276,749</u>	<u>(68,381)</u>
Other comprehensive income/(loss) for the year		276,749	(68,381)
Total comprehensive income for the year		<u>716,265</u>	<u>238,021</u>

The attached notes form an integral part of these financial statements.

The Light & Power Employees Co-operative Credit Union Limited
Statement of Changes in Members' Equity
For the year ended December 31, 2025
(expressed in Barbados dollars)

	Equity Shares	Statutory Reserve	Other Reserves	Undivided Surplus	Total
	\$	\$	\$	\$	\$
Balance at January 1, 2024	201,100	5,356,940	2,251,763	2,166,668	9,976,471
Net operating income	-	-	-	306,402	306,402
Other comprehensive gain/loss	-	-	(68,381)	-	(68,381)
Net increase in share capital	8,400	-	-	-	8,400
Entrance fees & fines	-	850	-	-	850
Dividends paid	-	-	-	(37,840)	(37,840)
Balance at December 31, 2024	209,500	5,357,790	2,183,382	2,435,230	10,185,902
Balance at January 1, 2025	209,500	5,357,790	2,183,382	2,435,230	10,185,902
Net operating income	-	-	-	439,516	439,516
Other comprehensive gain	-	-	276,749	-	276,749
Transfer to statutory reserves	-	336,305	-	(336,305)	-
Net increase in share capital	11,900	-	-	-	11,900
Entrance fees & fines	-	1,410	-	-	1,410
Dividends paid	-	-	-	(39,190)	(39,190)
Balance at December 31, 2025	221,400	5,695,505	2,460,131	2,499,251	10,876,287

The attached notes form an integral part of these financial statements.

The Light & Power Employees Co-operative Credit Union Limited
Statement of Cash Flows
For the year ended December 31, 2025
(expressed in Barbados dollars)

	2025	2024
	\$	\$
Cash flows from operating activities		
Net operating income for the year	439,516	306,402
Adjustments for non-cash income and expenses:		
Depreciation	145,594	120,535
Loss/(gain) on disposal of asset	-	195
Loss allowance on impairment of financial assets	(14,703)	(2,737)
Change in provision for credit losses	(49,549)	57,543
Changes in operating assets and liabilities:		
Decrease/(increase) in accounts receivable	(109,240)	9,189
(Decrease)/ increase in amounts due to affiliate	5,954	(5,798)
Decrease in accounts payable	(16,423)	(249,248)
Net cash from operating activities	401,149	236,081
Cash flows from investing activities		
Loans to members	(1,925,323)	(251,298)
Decrease in investments	1,036,925	591,488
Additions to property and equipment	(21,282)	(278,217)
Net cash (used in) from investing activities	(909,680)	61,973
Cash flows from financing activities		
Members' deposits	1,212,465	183,248
Non-qualifying shares	539,241	(259,801)
Share capital	11,900	8,400
Dividends paid	(39,190)	(37,840)
Entrance fees and fines	1,410	850
Net cash (used in) from financing activities	1,725,826	(105,143)
Net increase in cash and cash equivalents	1,217,295	192,911
Cash and cash equivalents, beginning of year	8,012,254	7,819,343
Cash and cash equivalents, end of year	9,229,549	8,012,254

The attached notes form an integral part of these financial statements.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

1. Registration and Principal Activity:

The Light & Power Employees Co-operative Credit Union Limited was registered on January 11, 1984, and continued under the Co-operative Societies Act 1990-23. The Credit Union exists principally to promote the economic interest of its members in accordance with co-operative principles.

2. Accounting policies

a) Basis of preparation

These financial statements are stated in Barbados dollars and have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention except for items carried at fair value.

The statement of financial position is presented in order of liquidity as this provides reliable and more relevant information given the nature of the Credit Union's operations.

b) New standards, amendments and interpretations effective in the current year

The Credit Union adopted all new and amended standards and interpretations issued by the IASB that are effective for annual periods beginning on or after January 1, 2025. The adoption of these standards and amendments did not have a material impact on the financial statements of the Credit Union.

c) Financial instruments

Recognition, measurement and derecognition

Financial assets and financial liabilities are recognised on the statement of financial position of the Credit Union when it becomes a party to contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities are added or deducted from the fair value of the financial asset as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of the financial asset or liability at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sale of financial assets are recognised or derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at amortised cost or fair value depending on the classification of the financial asset.

The Credit Union de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity.

2. Accounting policies (cont'd)

Classification of financial assets

The Credit Union classifies its financial assets into one of the following categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI).

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective rate of interest to the gross carrying amount of the financial asset.

On initial recognition, the Credit Union may make an irrevocable election (on an instrument –by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

2. Accounting policies (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Credit Union manages together and has evidence of a recent actual pattern of short-term profit taking.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in

fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit and loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Credit Union has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

d) Measurement and recognition of expected credit losses

The measurement of expected credit losses (ECL) is a function of the probability of default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount as at the reporting date.

At each reporting date, the Credit Union measures the loss allowance for the financial asset at an amount equal to the lifetime ECL, if the credit risk on the financial asset has increased significantly since initial recognition (Stage 2) or if there is objective evidence of impairment (Stage 3). If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Credit Union measures the loss allowance for the financial asset at an amount equal to twelve months' ECL (Stage 1). If the Credit Union has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECLs are no longer met, the Credit Union measures the loss allowance at an amount equal to a 12-month ECL (Stage 1) at the current reporting date, except for assets for which the simplified approach was used.

12-month ECLs are the portion of the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Lifetime ECLs are the ECL that result from all possible default events over the expected life of the financial instrument.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

2. Accounting policies (cont'd)

The Credit Union recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment in the carrying amount through a loss allowance account, except for investments in debt or equity instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserves, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Impairment of assets

At each reporting date fixed and other assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected assets or group of assets is estimated and compared with their carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

e) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment, excluding land, is provided over the estimated lives of the respective assets on the straight-line basis.

The annual depreciation rates are applicable:

Building	2%
Furniture and equipment	10%
Computer system	25%
Motor vehicle	20%

f) Entrance fees

Entrance fees and fines are credited directly to Statutory Reserves.

g) Corporation Tax

The Credit Union is exempt from taxation under Section 9(g) of the Income Tax Act of Barbados, Chapter 73.

2. Accounting policies (cont'd)

h) Group pension plan

The Credit Union has established a group pension plan termed a “Defined Contribution Plan” on behalf of its permanent employees. All pension cost in relation to this scheme is expensed when incurred in accordance with IAS 19.

i) Foreign currency transactions

Foreign currency transactions completed during the year are recorded at the actual rates of exchange prevailing at the dates of such transactions.

j) Investment property

Investment property comprises land and buildings owned but not occupied by the Credit Union and held to earn rental income or held for capital appreciation with possible future development potential. Investment property is recognised at cost. Depreciation on buildings is provided over the estimated lives of the assets on the straight-line basis at 2% per annum. Transfers to or from investment property are recorded when there is a change in the use of the property. If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. If any action is taken to develop or sell investment property it is classified as development property.

Rental income from investment property is recognised on an accrual basis.

k) Revenue recognition

Revenue is recognised on the accrual basis to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be measured reliably.

3. Critical accounting judgements and key sources of estimation

In the applications of the Credit Union’s accounting policies, which are described in note 2, the board of directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is expected to affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Critical accounting judgements and key sources of estimation (cont'd)

The following are the critical judgements, apart from those involving estimates (which are dealt with separately below), that the board of directors has made in the process of applying the Credit Union's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

- **Business model assessments:** Classification and measurement of financial assets depend on the results of the Credit Union for the purpose of principal and interest (SPPI) and the business model test. The Credit Union determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgements reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risk that affects the performance of the assets and how they are managed and how the managers of the assets are compensated. The Credit Union monitors the financial assets measured at amortised cost or fair value through other comprehensive income that are de-recognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the assets are held. Monitoring is part of the Credit Union's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate

Key sources of estimation

The following are key estimations that the board of directors has used in the process of applying the Credit Union's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

- **Establishing the number and relative weightings for forward-looking scenarios for each type of product/market and determining the forward looking information relevant to each scenario:** When measuring ECL the Credit Union uses reasonable and forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- **Probability of default (PD):** PD constitutes a key input in measuring ECL. PD is an estimate of the probability of default over a given time horizon, the calculation includes historical data, assumptions and expectations of future conditions.
- **Loss given default (LGD):** LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.
- **Fair value measurement and valuation process:** In estimating the fair value of a financial asset or a liability, the Credit Union uses market-observable data to the extent that it is available. Where such level 1 inputs are not available, the Credit Union uses valuation models to determine the fair value of its financial instruments.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

4. Cash and bank balances

	2025	2024
	\$	\$
Cash holdings	181,519	175,738
Savings account	5,915,347	5,990,708
Current account	3,132,683	1,845,808
	<u>9,229,549</u>	<u>8,012,254</u>

The Credit Union earned interest on its RBBL savings account at 0.0125% (2024: 0.0125%) during the financial year.

5. Accounts receivable

	2025	2024
	\$	\$
Trade receivables and accrued interest	378,620	266,664
Prepayments	93,840	80,361
Rent receivable	18,684	18,996
VAT refundable	150,551	166,434
	<u>641,695</u>	<u>532,455</u>

6. Investments

Financial assets carried at amortised cost or FVTOCI are subject to credit impairment losses which are recognised in the statement of income. The gross carrying amounts of investments below represent the credit risk exposure of financial investments for which an ECL allowance is recognised and is the organisation's maximum exposure to credit risk on these assets, inclusive of accrued interest.

During the year ended 31 December 2018, the Government of Barbados offered to exchange treasury notes and debentures totalling \$8,933,250 and interest of \$61,841 for eleven (11) series B amortising strips with maturities of 5,6,7,8,9,10,11,12,13,14 and 15 years.

The interest rates are as follows:

Issuance through year 3	1.0%
Year 4	2.5%
Year 5 –maturity	3.75%

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

6. Investments (cont'd)

Interest will be paid quarterly, and the principal of each strip will be repaid in four equal quarterly installments beginning one year prior to the final maturity of the strip.

	2025	2024
	\$	\$
Investments in equity instruments designated at FVTOCI		
Barbados Co-operative and Credit Union League Ltd.	59,370	59,370
Cable & Wireless (Barbados) Ltd (33,360 shares)	76,394	76,394
Co-operators General Insurance Co. Ltd. (5,758 shares)	2,245,620	2,106,622
Co-operators General Management Co. Inc. (5,088 shares)	1,081,404	1,016,735
Insurance Corporation of Barbados (50,000 shares)	98,500	97,500
Sagicor Select Growth Fund	686,001	639,339
Sagicor Preferred Income Fund	291,492	276,456
Sagicor Global Balance Fund	608,245	580,007
	<u>5,147,026</u>	<u>4,852,423</u>
Investment assets measured at amortised cost		
Government of Barbados bonds series B	6,707,190	7,440,065
Term deposits	11,059,104	12,072,092
Co-operators General Management Co. Inc.	750,000	-
Mortgage loan	34,538	93,453
	<u>18,550,832</u>	<u>19,605,610</u>
Loss allowance	(114,746)	(129,449)
	<u>18,436,086</u>	<u>19,476,161</u>
Total Investments	<u><u>23,583,112</u></u>	<u><u>24,328,584</u></u>

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

6. Investments (cont'd)

The Credit Union adjusted the carrying value of its shares in Co-operators General Management Co. Inc. to reflect the share value resulting from a valuation commissioned by the investee company.

	Fair value at Dec 31, 2024	Value of Shares acquired	Unrealised gain/(loss)	Fair value at Dec 31, 2025
	\$	\$	\$	\$
Co-operators General Management Co. Inc.	1,016,735	13,680	50,989	1,081,404
Co-operators General Insurance Co. Ltd.	2,106,622	-	138,998	2,245,620
Insurance Corporation of Barbados	97,500	-	1,000	98,500
Barbados Co-operative & Credit Union League Ltd.	59,370	-	-	59,370
Cable & Wireless (Barbados) Ltd	76,394	-	-	76,394
Sagicor Select Growth fund	639,339	-	46,662	686,001
Sagicor Global Balance fund	580,007		28,238	608,245
Sagicor Preferred Income Fund	276,456	4,174	10,862	291,492
Total	<u>4,852,423</u>	<u>17,854</u>	<u>276,749</u>	<u>5,147,026</u>

7. Loans to members

The Credit Union offers ordinary loans to members at rates varying from 3% to 10% (2024: 4% to 10%) per annum, subject to the applicant's risk analysis. The rate of interest on unsecured loans ranges from 12% to 15%. The maximum loan limit is 10% of the Credit Union's equity base. A line of credit facility is also in place offering members revolving credit up to \$25,000 (2024: \$25,000) at the interest rate of 15% (2024: 15%) per annum.

Interest charged by the Credit Union is computed on the reducing balance basis.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

7. Loans to members (cont'd)

The Credit Union's portfolio of loans and advances as at December 31, 2025, are in the following staging categories:

	2025			Total \$	2024 Total \$
	ECL Staging				
	Stage 1	Stage 2	Stage 3		
	12 Month ECL \$	Lifetime ECL \$	Lifetime ECL \$	Total \$	
Line of Credit	2,375,000	44,296	261,746	2,681,042	2,985,313
Personal Loans	12,043,995	31,331	364,244	12,439,570	10,171,159
Mortgages	15,173,784	272,074	891,571	16,337,429	16,376,246
	<u>29,592,779</u>	<u>347,701</u>	<u>1,517,561</u>	<u>31,458,041</u>	<u>29,532,718</u>
Loss Allowances				<u>(421,227)</u>	<u>(470,776)</u>
Total loans to members				<u>31,036,814</u>	<u>29,061,942</u>

At December 31, 2025, Stage 3 (credit-impaired) loans totaled \$1,517,561 representing approximately 4.8% of the gross loan portfolio (2024: 5.9%).

The overall loan loss coverage ratio (loss allowance as a percentage of gross loans) was approximately 1.3% (2024: 1.6%).

Loss allowance by staging category is monitored by management as part of its credit risk oversight process.

Loss allowances on loans and receivables totaled \$421,227 at December 2025 (2024: \$470,776) resulting in a recovery of \$49,549.

	2025	2024	Credit impairment (loss)/recovery recorded in income
Loss Allowance	\$	\$	\$
Line of Credit	(154,995)	(180,181)	25,186
Personal Loans	(135,241)	(133,680)	(1,561)
Mortgages	<u>(130,991)</u>	<u>(156,915)</u>	<u>25,924</u>
	<u>(421,227)</u>	<u>(470,776)</u>	<u>49,549</u>

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

7. Loans to members (cont'd)

Commitments in respect of loans approved but not disbursed as at December 31, 2025, and for which an ECL was assessed were \$5,084,362 (2024: \$5,485,306).

	2025	2024
	\$	\$
Line of Credit	4,220,873	3,604,022
Personal Loans	24,000	188,290
Mortgages	839,489	1,692,994
	<u>5,084,362</u>	<u>5,485,306</u>

8. Investment property

	2025	2024
	\$	\$
At beginning of year	803,374	798,986
Additions to property	-	27,700
Depreciation	<u>(23,681)</u>	<u>(23,312)</u>
Closing net book value	<u>779,693</u>	<u>803,374</u>

	2025	2024
INCOME:		
Horseshoe Manor	-	-
Collymore Rock	44,189	40,819
Total Income	<u>44,189</u>	<u>40,819</u>
EXPENSES:		
Horseshoe Manor	14,592	12,386
Collymore Rock	27,577	40,292
Total Expenses	<u>42,169</u>	<u>52,678</u>
Net Profit/(Loss)	<u>2,020</u>	<u>(11,859)</u>

The fair value of the investment property at December 31, 2025 is estimated at \$2,450,000 (2024: \$2,450,000). The estimate was determined by management based on their assessment of prevailing market conditions for similar properties in Barbados, with reference to the most recent Land Tax valuation issued by the Barbados Revenue Authority.

The fair value measurement is classified within Level 3 of the IFRS 13 fair value hierarchy as it is based on significant unobservable inputs and management judgement. An independent external valuer was not engaged.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

9. Property, plant & equipment

	Land & Buildings	Furniture & Equipment	Computer Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$
At January 1, 2024					
Cost/Valuation	2,761,845	386,760	353,507	42,000	3,544,112
Accumulated depreciation	(1,046,290)	(201,992)	(316,076)	(42,000)	(1,606,358)
	<u>1,715,555</u>	<u>184,768</u>	<u>37,431</u>	<u>-</u>	<u>1,937,754</u>
Year ended December 31, 2024					
Opening net amount	1,715,555	184,768	37,431	-	1,937,754
Additions	92,755	31,553	126,209	-	250,517
Disposals	-	(5,519)	(118,831)	-	(124,350)
Depreciation charge	(46,392)	(20,194)	93,518	-	26,932
	<u>1,761,918</u>	<u>190,608</u>	<u>138,327</u>	<u>-</u>	<u>2,090,853</u>
At December 31, 2024					
Cost/Valuation	2,854,600	412,794	360,885	42,000	3,670,279
Accumulated depreciation	(1,092,682)	(222,186)	(222,558)	(42,000)	(1,579,426)
Net book amount	<u>1,761,918</u>	<u>190,608</u>	<u>138,327</u>	<u>-</u>	<u>2,090,853</u>
Year ended December 31, 2025					
Opening net amount	1,761,918	190,608	138,327	-	2,090,853
Additions	-	13,606	7,676	-	21,282
Disposals	-	-	(423)	-	(423)
Disposals - accumulated depreciation	-	-	423	-	423
Depreciation charge	(47,939)	(28,765)	(45,209)	-	(121,913)
	<u>1,713,979</u>	<u>175,449</u>	<u>100,794</u>	<u>-</u>	<u>1,990,222</u>
At December 31, 2025					
Cost/Valuation	2,854,600	426,400	368,984	42,000	3,691,984
Accumulated depreciation	(1,140,620)	(250,951)	(268,190)	(42,000)	(1,701,762)
Net book amount	<u>1,713,980</u>	<u>175,449</u>	<u>100,794</u>	<u>-</u>	<u>1,990,222</u>

Lands and buildings shown at the net cost of \$1,713,980 (2024: \$ 1,761,918) as at December 31, 2025 have a current valuation of \$ 4,500,000 as determined by the Barbados Revenue Authority.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

10. Accounts payable

	2025	2024
	\$	\$
Trade payables	114,105	118,986
Interest payable	50,362	58,047
Non-members payables	561,770	588,325
Members clearing	56,038	60,303
National insurance payable	13,717	-
PAYE payable	13,246	-
	809,238	825,661

11. Demand deposits

	2025	2024
	\$	\$
Savings deposits	21,431,434	20,117,811
Term deposits	108,066	83,310
Fixed deposits	5,299,559	5,425,473
	26,839,059	25,626,594

Interest paid on fixed and term deposits varied between 0.35% and 1.35% per annum (2024: 0.35% and 1.35%).

12. Equity shares

Section 10 of the Co-operative Societies (Amendment) Act, 2007-39, requires that each member hold a minimum value of membership qualifying shares as determined by the Credit Union.

The Co-operatives Societies Regulations, 2008 at section 32, set a minimum value for qualifying shares to be shown as equity of \$50. The Credit Union at its Special General Meeting held on September 24, 2008 approved its minimum amount for qualifying shares at \$100 which comprises twenty (20) shares at a nominal value of \$5 per share for members. Shares cannot be withdrawn except on the termination of membership. There is no limit to the number of shares the Credit Union is authorised to issue.

During the year, the Credit Union issued 2,900 (2024: 2,100) shares at \$5.00 each to its members for cash consideration of \$14,500 (2024: \$10,500). The Credit Union redeemed 520 (2024:420) shares and subsequently repaid \$2,600 (2024: \$2,100) to previous members.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

12. Equity shares (cont'd)

At December 31, 2025, the total number of membership qualifying shares was 44,280 (2024: 41,900).

The following table shows a reconciliation of all movements in the membership qualifying shares between the beginning and end of the reporting period:

	2025		2024	
	Carrying amount	No. of shares	Carrying amount	No. of shares
	\$		\$	
Balance, beginning of year	209,500	41,900	201,100	40,220
Shares issued	14,500	2,900	10,500	2,100
Shares redeemed	(2,600)	(520)	(2,100)	(420)
	221,400	44,280	209,500	41,900

13. Statutory Reserves

	2025	2024
	\$	\$
Statutory reserves	5,695,505	5,357,790
The movement in these reserves during the year is as follows:		
Balance, beginning of year	5,357,790	5,356,940
Transfers to reserve - voluntary	336,305	-
	5,694,095	5,356,940
Entrance fees	1,410	850
Balance, end of year	5,695,505	5,357,790

Section 197(2) of the Co-operative Societies (Amendment) Act 2007-39 requires for the Credit Union to appropriation equivalent to the greater of one half of one per cent (0.5%) of total assets or twenty-five per cent (25%) of net surplus shall be credited to the reserve fund annually until capital equals to ten per cent (10%) of total assets. The Registrar of Co-operatives may increase the appropriation amount to forty per cent (40%) of net surplus or one per cent (1%) of total assets in certain circumstances.

For the year ended December 31, 2025, 0.5% of total assets amounted to \$336,305, and this amount was transferred to statutory reserves. Management has assessed that this transfer is in compliance with the requirements of the Act.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

14. Related Party Transactions

Related parties are considered to exist if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Transactions with related parties may be entered into in the normal course of business.

Key management personnel comprise members of the Board of Directors and senior management.

Loans to Directors and Key Management Personnel

All loans were made in the ordinary course of business at normal commercial terms. No loans were impaired at year end.

At December 31, 2025, loans to directors and senior management totalled \$1,793,642 (2024: \$1,857,307).

15. Financial instruments and risk management

Financial risk factors

The Credit Union's activities expose it to a variety of financial risk: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Credit Union takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Concentrations of currency risk

The Credit Union provides all its services to members in the Island of Barbados and has limited exposure to foreign currency risk.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

15. Financial instruments and risk management (cont'd)

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Due to the nature of the Credit Union's business, there is a significant exposure to interest rate risk.

Interest Rate Sensitivity

At December 31, 2025, approximately \$31,458,041 of loans and \$26,839,059 of deposits are subject to interest rate risk. A 1% increase in interest rates, assuming all other variables remain constant, would increase annual net income by approximately \$46,000. A 1% decrease would have an equal and opposite effect.

The analysis assumes immediate repricing of variable rate instruments.

Credit risk

Loans:

Credit risk arises from the possibility that counter-parties may default on their obligations to the Credit Union. Credit exposures arise principally from loans, amount due from affiliate, receivables and cash held with financial institutions.

The aging profile of the loan portfolio before loss allowances at December 31, 2025 is as follows:

	Current (0–30)	31–60 Days	61–90 Days	Over 90 Days	Total 2025	Total 2024
	\$	\$	\$	\$	\$	\$
Line of credit	2,375,000	18,970	25,326	261,746	2,681,042	2,985,313
Personal loans	12,043,995	29,795	1,536	364,244	12,439,570	10,171,159
Mortgages	15,173,784	272,074	-	891,571	16,337,429	16,376,246
Total	29,592,779	320,839	26,862	1,517,561	31,458,041	29,532,718
Loss allowance					(421,227)	(470,776)
Net loans					31,036,814	29,061,942

Loans past due more than 90 days are generally classified as credit impaired (Stage 3). The Credit Union considers a loan to be in default when contractual payments are more than 90 days past due or when there is objective evidence of impairment.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

15. Financial instruments and risk management (cont'd)

Credit Risk (cont'd)

Significant Increase in Credit Risk (SICR):

A significant increase in credit risk is deemed to have occurred when a loan is more than 30 days past due or where there is evidence of deterioration in the borrower's financial position.

Credit Risk Management

In measuring expected credit losses, management incorporates forward-looking information, including trends in local economic conditions, unemployment levels, interest rate movements and the financial stability of the Credit Union's primary member employer base.

No significant deterioration in these indicators was observed at the reporting date.

Maximum exposure to credit risk

	2025	2024
	\$	\$
Bank balances	9,229,549	8,012,254
Accounts receivable	641,695	532,455
Due from affiliates	-	4,570
Investments	23,583,112	24,328,584
Loans to members - net	31,036,814	29,061,942
	<u>64,491,170</u>	<u>61,939,805</u>

Liquidity risk

Liquidity risk is the risk that the Credit Union is unable to meet its payment obligations associated with its financial liabilities when they fall due. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Credit Union and its exposure to changes in interest rates and exchange rates.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
For the year ended December 31, 2025
(expressed in Barbados dollars)

The table below summarises the Credit Union's current financial liabilities at December 31, 2025, based on contractual undiscounted payments.

	On Demand	< 1 Year	Total 2025	Total 2024
	\$	\$	\$	\$
Accounts payable	-	809,238	809,238	825,661
Due to affiliate	1,383	-	1,383	-
Demand deposits	26,839,059	-	26,839,059	25,626,594
Non-qualifying shares	28,735,116	-	28,735,116	28,195,875
Total	55,575,558	809,238	56,384,796	54,648,130

Fair value

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. Fair value of financial instruments is assumed to approximate their carrying values.

The Light & Power Employees Co-operative Credit Union Limited
Details of Operating and Administrative Expenses
For the year ended December 31, 2025
(expressed in Barbados dollars)

(Schedule 1)

	2025	2024
	\$	\$
Staff cost		
Salaries and wages	823,839	766,625
National insurance	79,538	71,964
Pension fund	37,365	41,319
Education/training	9,139	25,088
Medical insurance	22,917	20,646
Uniforms	11,005	11,231
Staff well-being	12,508	10,533
Group life insurance	1,104	1,104
Total staff cost	<u>997,415</u>	<u>948,510</u>
Number of employees	10	10
Operating and administrative		
Office expenses		
Stationery, office expenses and advertising	133,353	137,084
Utilities	33,911	28,244
Cleaning	22,476	14,360
Insurance	12,925	12,925
Security	11,574	11,959
	<u>214,239</u>	<u>204,572</u>
Property management		
Repairs and maintenance	67,140	68,626
Land tax	57,285	57,420
Insurance	21,574	20,280
Utilities	2,927	3,168
	<u>148,926</u>	<u>149,494</u>
Motor vehicle expenses	<u>4,801</u>	<u>3,480</u>

The Light & Power Employees Co-operative Credit Union Limited
Details of Operating and Administrative Expenses
For the year ended December 31, 2025
(expressed in Barbados dollars)

(Schedule 1)

	2025	2024
	\$	\$
Other administrative expenses		
Professional fees	67,434	105,941
Audit fees	65,100	66,500
League dues	46,012	45,503
Regulatory fees	36,869	33,601
Cooperative Celebration	(1,111)	29,493
General expenses	28,538	21,345
Education fund	9,192	13,339
Bad debts	10,643	11,062
Bank charges	8,959	7,335
Miscellaneous	10,850	7,247
Member relations	4,596	4,947
Donation and subscriptions	5,136	2,184
Loss/ (gain) on disposal of fixed assets	-	195
	<u>292,218</u>	<u>348,692</u>
Total operating and administrative expenses	<u>660,184</u>	<u>706,238</u>