Sheppard Securities Limited

Audited Unconsolidated Financial Statements

For the year ended February 28, 2025

BDO

Sheppard Securities Limited

Unconsolidated Financial Statements
For the year ended February 28, 2025
(Expressed in Trinidad and Tobago Dollars)

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Independent Auditor's Report

To the Shareholders of
Sheppard Securities Limited

Opinion

We have audited the unconsolidated financial statements of Sheppard Securities Limited (the "Company"), which comprise the unconsolidated statement of financial position as at February 28, 2025, and the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity, and unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2025, and of its financial performance and its cash flows for the year then ended in accordance with accounting standards issued by the International Accounting Standards Board ("IFRS Accounting Standards").

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 Unconsolidated financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our 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.

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

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

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

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

Auditor's responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated financial statements.

Independent Auditor's Report (continued)

Auditor's responsibilities for the Audit of the Unconsolidated Financial Statements (continued)

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 unconsolidated 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 Company'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 Company'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 unconsolidated 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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.

BDO

May 23, 2025

Port of Spain,
Trinidad, West Indies

Sheppard Securities Limited

Unconsolidated Statement of Financial Position
As at February 28, 2025
(Expressed in Trinidad and Tobago Dollars)

	Notes	2025	2024
Assets			
Non-current assets			
Intangible Asset	4	51,042,000	-
Right-of-use assets	5	9,166,200	9,921,859
Property and equipment	6	3,175,717	3,651,877
Investment in subsidiaries	7	5,120,936	5,121,036
Loans to related parties		-	5,662,099
Investments	8	8,526	8,526
Total non-current assets		**68,513,379**	**24,365,397**
Current assets			
Investments	8	19,001,731	15,370,237
Deferred tax asset	9	1,335,886	-
Taxation recoverable	9	275,906	-
Accounts receivable and prepayments	10	1,799,371	355,196
Cash and cash equivalents	11	104,337,624	131,327,081
Total current assets		**126,750,518**	**147,052,514**
Total assets		**$195,263,897**	**$171,417,911**
Equity and liabilities			
Equity			
Stated capital	12	32,243,544	3,766,500
Retained earnings		27,762,900	25,240,610
Total equity		**60,006,444**	**29,007,110**
Liabilities			
Non-current liabilities			
Lease liabilities	4	9,243,417	9,797,233
Borrowings	13	1,028,603	1,415,910
Convertible loan note	14	22,564,956	-
Deferred tax liability	9	129,548	92,177
Total non-current liabilities		**32,966,524**	**11,305,320**
Current liabilities			
Funds held for clients	11	99,721,919	127,861,098
Lease liabilities	4	553,816	555,676
Borrowings	13	581,670	366,626
Accounts payable and accruals	15	1,433,524	940,072
Taxation payable	9	-	1,382,009
Total current liabilities		**102,290,929**	**131,105,481**
Total liabilities		**135,257,453**	**142,410,801**
Total equity and liabilities		**$195,263,897**	**$171,417,911**

The accompanying notes form an integral part of these unconsolidated financial statements.

These unconsolidated financial statements were approved by the Board of Directors of Sheppard Securities Limited on 23rd May 2025.

Director

Director

Sheppard Securities Limited

Unconsolidated Statement of Comprehensive Income
For the year ended February 28, 2025
(Expressed in Trinidad and Tobago Dollars)

	Notes	2025	2024 restated
Revenue			
Management fee income		16,705,733	14,001,760
Commission income		10,547,199	9,258,078
Service income		172,219	67,825
Other income		1,741,737	1,034,617
		29,166,888	**24,362,280**
Direct costs			
Commission expenses		(3,258,040)	(3,417,289)
Service fees		(11,846)	(6,897)
		(3,269,886)	**(3,424,186)**
Gross profit		25,897,002	20,938,094
Administrative expenses	16	(15,759,814)	(14,027,198)
Profit before taxation		10,137,188	6,910,896
Taxation charge	9	(3,325,446)	(1,784,222)
Total comprehensive income for the year		**$6,811,742**	**$5,126,674**

The accompanying notes form an integral part of these unconsolidated financial statements.

Sheppard Securities Limited

Unconsolidated Statement of Changes in Equity
For the year ended February 28, 2025
(Expressed in Trinidad and Tobago Dollars)

	Stated capital	Retained earnings	Total equity
Year ended February 28, 2025			
Balance as at March 1, 2024	3,766,500	25,240,610	29,007,110
Amalgamation of Sheppard Financial Technologies Limited's retained deficit (note 3)	-	(2,735,692)	(2,735,692)
Total comprehensive income for the year	-	6,811,742	6,811,742
Issue of Shares	28,477,044	-	28,477,044
Dividends paid	-	(1,553,760)	(1,553,760)
Balance as at February 28, 2025	**$32,243,544**	**$27,762,900**	**$60,006,444**
Year ended February 29, 2024			
Balance as at March 1, 2023	3,766,500	21,667,696	25,434,196
Total comprehensive income for the year	-	5,126,674	5,126,674
Dividends paid	-	(1,553,760)	(1,553,760)
Balance as at February 29, 2024	**$3,766,500**	**$25,240,610**	**$29,007,110**

The accompanying notes form an integral part of these unconsolidated financial statements.

Sheppard Securities Limited

Unconsolidated Statement of Cash Flows
For the year ended February 28, 2025
(Expressed in Trinidad and Tobago Dollars)

	2025	2024
Cash flows from operating activities		
Profit before taxation	10,137,188	6,910,896
Adjustments for non-cash movements:		
Depreciation of property and equipment	492,328	465,678
Amortization of right-to-use asset	755,659	688,667
Interest expense on lease liability	541,681	438,691
Net expense from amalgamation (note 3)	(2,165,311)	-
Gain on termination of right-of-use asset	-	(85,141)
Loss on disposal of assets	142,046	262,537
	9,903,591	8,681,328
Changes in working capital:		
(Increase)/decrease in accounts receivable and prepayments	(1,444,175)	236,043
Decrease/(increase) in loans to related parties	5,662,099	(2,306,742)
Decrease in investment in subsidiary	100	-
Decrease in funds held for clients	(28,139,179)	(2,403,979)
Increase in accounts payable and accruals	493,452	372,105
Net increase in working capital from amalgamation (note 3)	(570,381)	-
Taxes paid	(6,281,876)	(1,763,293)
Net cash (used in)/provided by operating activities	**(20,376,369)**	**2,815,462**
Cash flows from investing activities		
Purchase of property and equipment	(158,214)	(2,711,858)
Investment in subsidiaries	-	(212,500)
Purchase of investment	(3,631,494)	(4,259,388)
Net cash used in investing activities	**(3,789,708)**	**(7,183,746)**
Cash flows from financing activities		
Dividends paid	(1,553,760)	(1,553,760)
Proceeds from borrowings	-	1,987,292
Repayment of borrowings	(172,263)	(204,756)
Lease payments made	(1,097,357)	(703,212)
Net cash used in financing activities	**(2,823,380)**	**(474,436)**
Net decrease in cash and cash equivalents	**(26,989,457)**	**(4,842,720)**
Cash and cash equivalents as at beginning of year	131,327,081	136,169,801
Cash and cash equivalents as at end of year	**$104,337,624**	**$131,327,081**

The accompanying notes form an integral part of these unconsolidated financial statements.

1. Incorporation and business activities

Sheppard Securities Limited (the “Company”) was incorporated in the Republic of Trinidad and Tobago on January 5, 2009. The Company’s registered office is located at # 5-7 Sweet Briar Road, St. Clair, Trinidad.

Sheppard Financial Technologies Limited, a wholly owned subsidiary of the Company, was incorporated on March 19, 2021. The Company’s registered office is located at #5-7 Sweet Briar Road, St. Clair, Trinidad. On January 18, 2025, Sheppard Fintech Limited was amalgamated with Sheppard Securities Limited. The results of the amalgamations have been disclosed in note 3 of these financial statements.

The Company is registered with the Securities and Exchange Commission (“SEC”) under the Securities Industry Act, 1995 to act as a securities broker and dealer.

2. Material accounting policies

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

2.1 Basis of preparation

These financial statements are unconsolidated as they represent the separate financial statements of the Company. The Company also prepares consolidated financial statements in accordance with IFRS 10 – Consolidated Financial Statements.

The unconsolidated financial statements are prepared in accordance with IFRS Accounting Standards and are presented in Trinidad and Tobago dollars. These unconsolidated financial statements are prepared under the historical cost convention.

The preparation of unconsolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unconsolidated financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates.

There are no areas involving a high degree of judgment or complexity, or any areas where assumptions and estimates are significant to the unconsolidated financial statements.

a) New and amended standards adopted by the Company

The Company adopted the following new Standard and amendments with a transition date of March 1, 2024. There were no significant changes made to these financial statements resulting from the adoption of this new standard/amendment

- The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. The Amendments provide a requirement for the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

a) New and amended standards adopted by the Company (continued)

- The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

- Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

- On May 25, 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

b) New standards, amendments and interpretations issued but not effective and not early adopted

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Company's future financial statements in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated in the note below.

- On August 15, 2023, the IASB issued Lack of Exchangeability which amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

b) New standards, amendments and interpretations issued but not effective and not early adopted (continued)

- In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7:

  - Derecognition of financial liabilities settled through electronic transfers.
  - Elements of interest in a basic lending arrangement (the solely payments of principal and interest assessment – ‘SPPI test’)
  - Contractual terms that change the timing or amount of contractual cash flows
  - Financial assets with non-recourse features
  - Investments in contractually linked instruments
  - Disclosures in investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows.

  The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.

  The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

- On December 18, 2024, the IASB issued amendments to improve the reporting by companies of the financial effects of nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs). Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect an entity’s performance. In response, the IASB has made targeted amendments to *IFRS 9 Financial Instruments* and *IFRS 7 Financial Instruments: Disclosures* to improve the disclosure of these contracts in the financial statements. The amendments include clarifying the application of the ‘own-use’ requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on an entity’s financial performance and cash flows.

  These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early application of the amendments is permitted.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

b) New standards, amendments and interpretations issued but not effective and not early adopted (continued)

- IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after January 1, 2027.

  IFRS 18, which was published by the IASB on April 9, 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:

  - The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.
  - Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
  - Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

    The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

- On May 9, 2024, the International Accounting Standards Board (IASB) issued *IFRS 19 Subsidiaries without Public Accountability: Disclosures*, which permits eligible subsidiaries to provide reduced disclosures while applying the recognition, measurement and presentation requirements in IFRS Accounting Standards.

  The eligibility criteria for an entity to apply IFRS 19 are the entity is a subsidiary (as defined in Appendix A of IFRS 10 Consolidated Financial Statements); the entity does not have public accountability; and the entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity has public accountability if its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses outsiders as one of its primary businesses.

  An entity is permitted to elect to apply IFRS 19 more than once. An entity that has elected to apply IFRS 19 may later revoke that election.

  IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027.

  Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Company and have not been disclosed.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

c) *Standards and amendments to published standards early adopted by the Company*

The Company did not early adopt any new, revised or amended standards.

2.2 Functional and presentation currency

Items included in the unconsolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The unconsolidated financial statements are presented in Trinidad and Tobago dollars, which is the functional and presentation currency.

2.3 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the unconsolidated statement of comprehensive income.

2.4 Property and equipment

Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the unconsolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the reducing balance method to allocate their cost to their residual values over their estimated useful lives, as follows:

Furniture, fixtures and Fittings	-	10-33%
Software	-	33%
Leasehold improvements	-	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of reporting period.

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 within other income (gains) or operating expenses (losses), in the unconsolidated statement of comprehensive income.

2. Significant accounting policies (continued)

2.5 Intangible assets

The Company recognises an intangible asset when it meets the following criteria:

- The cost can be reliably measured
- it arises from a contractual agreement
- it is expected to generate future economic benefit

The intangible asset is measured initially at cost. After initial recognition, the intangible asset will be carried at a revalued amount revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

If the intangible assets cannot be revalued because there is no active market for this asset, the asset will be carried at its cost less any accumulated amortisation and impairment losses. An impairment assessment will be performed annually and any provision for impairment will be recognised on the statement of comprehensive income.

2.6 Leases

The Company 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 Company obtains substantially all the economic benefits from the use of the asset; and
- The Company has the right to direct use of the asset.

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

In determining whether the Company has the right to direct use of the asset, the Company 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, the Company considers whether it was involved in the design 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 Company applies other applicable IFRS Accounting Standards 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.

2. Significant accounting policies (continued)

2.5 Leases (continued)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which is discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2. Significant accounting policies (continued)

2.5 Leases (continued)

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

2.6 Investment in subsidiaries

Subsidiaries are all entities (including Special Purpose Entities) over which the Company directly or indirectly, has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Investment in subsidiary is accounted for at cost less impairment in these unconsolidated financial statements.

2. Significant accounting policies (continued)

2.7 Financial instruments

(i) Financial Assets

Investment in Debt Instruments

The Company classifies its financial assets based on its business model.

The business model reflects how the Company manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Company's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows from the sale of assets.
- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel
- Management identification of and response to various risks, which includes but not limited to liquidity risk, market risk, credit risk and interest rate risk.
- How managers are compensated e.g. if compensation is based on the fair value of assets managed or contractual cash flows collected.

Arising out of the assessment, the Company's debt portfolio was deemed to have the 'hold to collect' business model.

The Company reclassifies debt instruments when, and only when, it's business model for managing those assets changes. The classification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

The Company classifies its financial assets in the amortised cost category. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not recognised at fair value through profit and loss (FVPL) are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 8. Interest income from these financial assets is included in the unconsolidated statement of comprehensive income using the effective interest rate method.

Accounts receivable

Accounts receivable arise principally from the provision of services to customers. The Company classifies its accounts receivables at amortized cost. They are initially recognized at fair value are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

2. Significant accounting policies (continued)

2.7 Financial instruments (continued)

(i) Financial Assets (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short terms highly liquid investments with original maturities of three months or less, and – for the purpose of the unconsolidated statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the unconsolidated statement of financial position.

Recognition/de-recognition of financial assets

All purchases and sales of financial assets are recognised on the trade date- the date on which the Company commits to purchase or sell the financial asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Company has transferred substantially all risks and rewards of ownership.

(ii) Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Impairment provisions for accounts receivable are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within operating and administrative expenses in the unconsolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for accounts receivable from related parties are recognized based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognized. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit-impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

2. Significant accounting policies (continued)

2.7 Financial instruments (continued)

(iii) Expected credit loss measurement

IFRS 9 outlines a ‘three-stage’ mode for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to ‘Stage 3’.

(iv) Definition of default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower formally files for bankruptcy or there is a commencement of foreclosure proceedings.
- The obligation is classified as Doubtful or worse as per the Company’s classification process.
- A modification to the terms and conditions of the original agreement that would not normally be considered is executed
- Restructure proceedings or an indication of the intention to restructure is initiated by the issuer.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), throughout the Company’s expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

2. Significant accounting policies (continued)

2.7 Financial instruments (continued)

(v) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per-Definition of default and credit-impaired above), either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by seniority of the claim and product type, while the availability of collateral is factored before LGD is considered. LGD is expressed as the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the debt instrument.

The ECL is determined by multiplying the PD, LGD and EAD after taking into consideration the discounted present value of the EAD and collateral enhancements. The EAD is determined by reducing the outstanding balance from the discounted collateral value. The cost of disposal of the collateral item is factored together with the time frame for disposal before discounting to present values. The discount rate used in the ECL calculation is the original effective interest rate.

The EAD for amortising products and bullet repayment loans is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment assumptions are also incorporated into the calculation.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

(vi) Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost. Financial liabilities include borrowings, funds held for clients, lease liabilities, accounts payable and accruals. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished (that is, when the obligation specified in the contract is discharged, cancelled or expired).

2.8 Stated capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

2. Significant accounting policies (continued)

2.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the unconsolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

2.10 Funds held for clients

Funds held for clients represent cash provided by clients which are to be subsequently used for investment transactions on behalf of the client. This is recorded at amortised cost.

2.11 Accounts payable and accruals

Accounts payable is money owed by the Company to its suppliers. Accounts payable are recognised initially at fair value and are subsequently measured at amortised cost.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.13 Revenue recognition

Revenue is derived from the provision of services with revenue recognised at a point in time. This is because the Company provides, and the customer accepts the services simultaneously. Revenue is derived from fixed-price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no judgement involved in allocating the contract price to each unit ordered in such contracts.

2.14 Direct costs and administrative expenses

Direct costs and administrative expenses are recognised on the accrual basis in the reporting period during which the related income is earned.

2.15 Income tax

(a) Current income tax

Income tax payable (receivable) is calculated on the basis of the applicable tax law in Trinidad and Tobago and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity.

Business levy and green fund levy is provided at the statutory rate of 0.6% and 0.3% respectively on gross income for the year. Business levy takes effect only when it exceeds the current corporation tax liability.

The Corporation tax rate is 30% of chargeable income (2023: 30%)

2. Significant accounting policies (continued)

2.15 Income tax (continued)

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the unconsolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the unconsolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.16 Fiduciary activities

The Company acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts and other institutions. These assets and income arising thereon are excluded from these unconsolidated financial statements, as they are not assets of the Company.

2.17 Offsetting

Financial assets and liabilities are offset and the net amount reported in the unconsolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3. Amalgamation of Sheppard Financial Technologies Limited

During the year ended February 28, 2025, Sheppard Financial Technologies Limited and the Company were amalgamated. The following represents the impact of the amalgamation on the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company as at and for the year ended February 28, 2025.

	2025
Statement of financial position	
Investment in subsidiary	(100)
Accounts receivable and prepayments	917,386
Loans to related parties	(8,327,358)
Cash and cash equivalents	17,246
Accounts payable and accruals	(104,788)
Deferred tax asset	4,496,838
Taxation recoverable	2,430,395
	(570,381)
Statement of comprehensive income	
Administrative expenses	265,084
Taxation charge	(2,430,395)
	(2,165,311)
Retained deficit on amalgamation	**$(2,735,692)**

4. Intangible asset

During the year ended February 28, 2025, the Company restructured their commission sharing arrangement with two (2) independent investment advisors, who are also shareholders of the Company. Under the previous arrangement, commission on investment trades was shared between the advisors and the Company.

On December 31, 2024, the Company purchased the client list of these advisors. From January 1, 2025, the Company recognised 100% of the commission earned from investment trades from these advisors.

	2025	2024
Client list - Cost	**$51,042,000**	**$-**
Consideration:		
Convertible loan note	22,564,956	-
1,582,058 common shares	28,477,044	-
	$51,042,000	**$-**

5. Leases

	Office premises	Office equipment	Total
Right-of-use asset			
Right-of-use asset as at March 1, 2024	9,835,684	86,175	9,921,859
Amortization	(690,223)	(65,436)	(755,659)
Right-of-use asset as at February 28, 2025	**$9,145,461**	**$20,739**	**$9,166,200**
Lease Liability			
Lease liability as at March 1, 2024	10,256,171	96,738	10,352,909
Interest expense	538,347	3,334	541,681
Lease payments	(1,031,171)	(66,186)	(1,097,357)
Lease liability as at February 28, 2025	**$9,763,347**	**$33,886**	**$9,797,233**
Non-current	9,243,417	-	9,243,417
Current	519,929	33,887	553,816
Total Lease liability	**$9,763,346**	**$33,887**	**$9,797,233**

	Office premises	Office equipment	Total
Right-of-use asset			
Right-of-use asset as at March 1, 2023	1,090,822	151,611	1,242,433
Additions	10,353,350	-	10,353,350
Disposal	(985,257)	-	(985,257)
Amortization	(623,231)	(65,436)	(688,667)
Right-of-use asset as at February 29, 2024	**$9,835,684**	**$86,175**	**$9,921,859**

5. Leases (continued)

Lease Liability			
Lease liability as at March 1, 2023	1,178,021	156,457	1,334,478
Additions	10,353,350	-	10,353,350
Disposal	(1,070,398)	-	(1,070,398)
Interest expense	432,368	6,323	438,691
Lease payments	(637,170)	(66,042)	(703,212)
Lease liability as at February 29, 2024	**$10,256,171**	**$96,738**	**$10,352,909**
Non-current	9,763,347	33,886	9,797,233
Current	492,824	62,852	555,676
Total Lease liability	**$10,256,171**	**$96,738**	**$10,352,909**

	up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liabilities						
As at February 28, 2025	**$143,605**	**$410,211**	**$548,525**	**$1,833,318**	**$6,861,574**	**$9,797,233**
As at February 29, 2024	**$136,157**	**$419,519**	**$553,816**	**$1,737,742**	**$7,505,675**	**$10,352,909**

6. Property and equipment

	Furniture, fixtures and fittings	Software	Leasehold improvements	Total
Year ended February 28, 2025				
Cost				
Cost as at March 1, 2024	2,895,028	-	2,688,283	5,583,311
Additions for the year	158,214	-		158,214
Disposals for the year	-	-	(226,371)	(226,371)
Cost as at February 28, 2025	**$3,053,242**	**$-**	**$2,461,912**	**$5,515,154**
Accumulated depreciation				
Accumulated depreciation as at March 1, 2024	(1,524,372)	-	(407,062)	(1,931,434)
Depreciation for the year	(264,300)	-	(228,028)	(492,328)
Depreciation on disposals	-	-	84,325	84,325
Accumulated depreciation as at February 28, 2025	**(1,788,672)**	**-**	**(550,765)**	**(2,339,437)**
Net book value as at February 28, 2025	**$1,264,570**	**$-**	**$1,911,147**	**$3,175,717**
Year ended February 29, 2024				
Cost				
Cost as at March 1, 2023	2,401,612	838,514	966,404	4,206,530
Additions for the year	654,545	-	2,057,313	2,711,858
Disposals for the year	(161,129)	(838,514)	(335,434)	(1,335,077)
Cost as at February 29, 2024	**2,895,028**	**-**	**2,688,283**	**5,583,311**
Accumulated depreciation				
Accumulated depreciation as at March 1, 2023	(1,390,027)	(739,798)	(408,471)	(2,538,296)
Depreciation for the year	(270,212)	(27,419)	(168,047)	(465,678)
Depreciation on disposals	135,867	767,217	169,456	1,072,540
Accumulated depreciation as at February 29, 2024	**(1,524,372)**	**-**	**(407,062)**	**(1,931,434)**
Net book value as at February 29, 2024	**$1,370,656**	**$-**	**$2,281,221**	**$3,651,877**

7. Investment in subsidiaries

	2025	2024
Sheppard Stockbrokers Ltd 100% shareholding	2,250,000	2,250,000
Sheppard Investment Services Limited 100% shareholding	948,962	948,962
Sheppard Financial Technologies Limited 100% shareholding (note 3)	-	100
Sheppard Insurance Brokers Limited 82% shareholding (2023: 82%)	1,921,974	1,921,974
	$5,120,936	**$5,121,036**

Sheppard Insurance Brokers Limited, Sheppard Stockbrokers Limited and Sheppard Financial Technologies Limited are incorporated in Trinidad and Tobago and their principal activities are insurance brokerage services, investment brokerage services and technology related services, respectively. Sheppard Investment Services Limited is incorporated in Saint Lucia and its principal activity is investment services.

8. Investments

	2025	2024
Non-current:		
Investments at amortized cost:		
Government bonds	8,526	8,526
Total non-current	**8,526**	**8,526**
Current:		
Investments at amortized cost:		
Treasury bills	18,467,992	15,094,831
Corporate bonds	-	275,406
	18,467,992	**15,370,237**
Investments at FVTPL:		
Equity	533,739	-
Total current	**19,001,731**	**15,370,237**
Total investments	**$19,010,257**	**$15,378,763**

As at both year ends, the fair value of the investments at amortised cost, which is based on estimated future cash flows discounted using the current market rates for debt with the same maturity period and credit risks, approximate the carrying value of the investments.

9. Taxation

Deferred tax

The deferred tax liability arose as a result of accelerated tax wear and tear allowance.

	2025	2024
As at beginning of year	92,177	74,157
Charge to unconsolidated statement of comprehensive income	37,371	18,020
As at end of year	**$129,548**	**$92,177**

9. Taxation (continued)

The deferred tax asset arose as a result of the amalgamation of the tax losses of Sheppard Financial Technologies Limited as disclosed in note 3.

	2025	2024
As at beginning of year	-	-
Deferred tax asset of Sheppard Financial Technologies Limited	4,496,838	-
Credit to unconsolidated statement of comprehensive income	(3,160,952)	-
As at end of year	**$1,335,886**	**$-**

Taxation payable

	2025	2024
Corporation tax	(345,682)	1,315,028
Green fund levy	69,776	66,981
	$275,906	**$1,382,009**

Current tax

	2025	2024
Corporation tax	-	1,660,711
Green fund levy	127,123	105,491
Deferred tax charge	3,198,323	18,020
	$3,325,446	**$1,784,222**

The tax on accounting profit differs from the theoretical amount that would arise using the basic tax rate as follows:

	2025	2024
Profit before taxation	10,137,178	6,910,896
Tax calculated at corporation tax rates	3,041,153	2,073,269
Income not subject to tax and allowances	(312,775)	(294,101)
Expenses not deductible for tax purposes	432,574	435,113
Group loss relief utilised	(3,160,952)	(553,570)
Green fund levy	127,123	105,491
Deferred tax charge	3,198,323	18,020
	$3,325,446	**$1,784,222**

10. Accounts receivable and prepayments

	2025	2024
Prepayments	1,659,615	257,164
Accounts receivable	109,085	93,968
Staff receivables	30,671	4,064
	$1,799,371	**$355,196**

As at each year end the accounts receivable balance comprises amounts which are less than 60 days overdue and are not considered impaired. No provision has been made for bad or doubtful debts.

11. Cash and cash equivalents

	2025	2024
Client funds	99,721,919	127,861,098
Cash at bank	4,615,705	3,465,983
	$104,337,624	**$131,327,081**

The above cash balance includes:

- $99,731,919 (2024: $127,861,098) which represents cash held on behalf of clients in trust, the use of which is restricted.
- $3,000,000 (2024: $3,000,000) pledged as collateral for a letter of credit with First Citizens Bank.

Funds held for clients represent cash provided by clients which are to be subsequently used for investment transactions on behalf of the client.

12. Stated capital

Authorised capital

An unlimited number of common shares
An unlimited number of redeemable preferences shares
An unlimited number of redeemable non-voting non-participatory common shares

Issued capital

	2025	2024
2025: 3,491,058 (2024: 1,909,000) common shares (note 4)	31,450,044	2,973,000
2025: 83,000 (2024: 83,000) redeemable non-voting non-participatory common shares	793,500	793,500
	$32,243,544	**$3,766,500**

Holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each common share held at all such meetings; to receive any dividends declared at the discretion of the Board of Directors of the Company; and to receive the remaining property of the Company upon dissolution, liquidation or winding up whether voluntary or involuntary in proportion to the number of shares then held by each of them.

The issued redeemable non-voting non-participatory common shares carry no voting rights, do not have a fixed maturity date, do not attract compulsory dividends and are not subordinate to other equity instruments in the event of liquidation of the Company.

13. Borrowings

	2025	2024
Non-current		
Sagicor	**1,028,603**	**1,415,910**
Current		
Sagicor	387,170	366,626
Borrowed securities	194,500	-
Total non-current borrowings	**581,670**	**366,626**
Total borrowings	**$1,610,273**	**$1,782,536**

During the year ended February 28, 2024, the Company entered into a loan agreement with Sagicor Life Insurance Trinidad and Tobago Limited ("Sagicor") to purchase leasehold improvements. The loan totalled to $1,987,292 and is being repaid through monthly instalments of $37,960 over five (5) years at an interest rate of 5.5% per annum. The leasehold improvements represent the loan's collateral.

During the year ended February 28, 2025, the Company entered into a securities lending agreement with one of its shareholders ("the Lender"). As at year ended February 28, 2025, the securities are included in the Company's investment in equity as disclosed in Note 8. The loaned securities are secured by a collateral account for the Lender's benefit in the amount of at least 100% of the market value of the loaned securities.

14. Convertible loan notes

During the year end February 28, 2025, loan notes were issued to two shareholders of the Company;

Loan Note 1 was issued on December 31, 2024 for $15,637,500, maturing on December 31, 2027. The note is expected to be repaid with five (5) equal interest only payments of $465,745 each, and a single lumpsum payment at maturity of $16,059,250. The effective interest rate, based on the scheduled repayments, is 5.98% per annum.

Loan Note 2 was issued on December 31, 2024 for $6,927,456, maturing on December 31, 2027. The note is expected to be repaid with five (5) equal interest only payments of $207,212 each, and a single lumpsum payment at maturity of $7,114,294. The effective interest rate, based on the scheduled repayments, is 5.98% per annum.

15. Accounts payable and accruals

	2025	2024
Due to related parties	-	273,575
Accruals and other liabilities	622,817	475,715
Payroll liabilities	246,572	132,556
Accounts payable	564,135	58,226
	$1,433,524	**$940,072**

16. Administrative expenses

	2025	2024 Restated
Staff costs	8,902,824	7,882,994
Depreciation and amortization	1,247,987	1,154,345
Professional fees	877,825	871,701
Software licenses	764,774	1,154,621
Advertising and promotion	653,753	196,853
Insurance	602,213	473,163
Loan interest	541,681	447,267
Rent expense	475,484	304,863
Computer and internet expenses	418,785	440,327
Loss on disposal of property, plant and equipment	142,046	262,537
Office supplies	152,215	132,783
Dues and subscriptions	116,074	82,804
Audit fees	103,567	-
Interest and penalties	96,980	52,385
Janitorial expense	96,690	79,789
Utilities	92,298	71,855
Entertainment	77,355	77,186
Business licenses and permits	73,363	50,314
Postage and delivery	57,746	50,523
Training	57,531	31,823
Travel expense	51,304	42,466
Bank service charges	44,606	38,528
Charitable contributions	32,541	14,203
Telephone expense	26,680	34,194
Foreign exchange loss	25,213	50,241
Subsistence	11,701	11,057
Taxation services	7,087	-
Repairs and maintenance	6,641	13,561
Automobile expense	2,850	1,939
Withholding tax	-	2,876
	$15,759,814	**$14,027,198**
Staff costs:		
Fixed salary	5,816,441	4,752,476
Bonus	1,045,942	740,454
Commission based salary	829,290	1,284,301
Allowances	595,350	568,800
NIS	396,681	376,848
Pension contribution	214,350	153,875
Medical	4,770	6,240
	$8,902,824	**$7,882,994**
Number of Staff	**44**	**37**

17. Financial risk management

The Company's activities expose it to a variety of financial risks. These include liquidity risk, credit risk and market risk which includes interest rate risk, foreign exchange risk and price risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

a) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management manages assets with liquidity in mind and monitors future cash flows and liquidity on a daily basis.

The table below presents the cash flows payable by the Company under non-derivative financial liabilities by remaining contractual maturities at the unconsolidated statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flow.

	One to three months	Three to twelve months	One to five years	Over 5 years	Total
As at February 28, 2025					
Liabilities					
Funds Held for Clients	99,721,919	-	-	-	99,721,919
Borrowings	289,343	292,463	1,028,467	-	1,610,273
Lease Liabilities	143,605	410,211	2,381,843	6,861,574	9,797,233
Convertible loan notes	-	-	22,564,956	-	22,564,956
Accounts Payables and accruals	1,433,524	-	-	-	1,433,524
Total liabilities	**$101,588,391**	**$702,674**	**$25,975,266**	**$6,861,574**	**$135,127,905**
As at February 29, 2024					
Liabilities					
Funds Held for Clients	127,861,098	-	-	-	127,861,098
Borrowings	89,779	276,847	1,415,910	-	1,782,536
Lease Liabilities	136,157	419,519	2,291,558	7,505,675	10,352,909
Accounts Payables and accruals	940,072	-	-	-	940,072
Total liabilities	**$129,027,106**	**$696,366**	**$3,707,468**	**$7,505,675**	**$140,936,615**

b) Credit risk

Credit risk is the risk that a borrower or counterparty fails to meet contractual obligations or to perform as agreed. This risk is managed through robust credit appraisal governed by stringent adherence to credit risk policies in compliance with regulatory requirements. Credit risk also arises from cash and cash equivalents with banks and financial institutions. Cash and cash equivalents are held with high-quality financial institutions to reduce the risk of recoverability.

The risk of default is that counterparties may fail to make timely payments of scheduled interest and principal sums.

17. Financial risk management (continued)

b) *Credit risk (continued)*

Maximum exposure to credit risk before collateral held or other credit enhancements

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
As at February 28, 2025				
Investments	19,010,257	-	-	19,010,257
Accounts receivable	139,756	-	-	139,756
Cash and cash equivalents	104,337,624	-	-	104,337,624
	$123,487,637	**$-**	**$-**	**$123,487,637**
As at February 29, 2024				
Investments	15,378,763	-	-	15,378,763
Loan to related parties	5,662,099	-	-	5,662,099
Accounts receivable	355,196	-	-	355,196
Cash and cash equivalents	131,327,081	-	-	131,327,081
	$152,723,139	**$-**	**$-**	**$152,723,139**

c) *Market risk*

i) *Interest rate risk*

Interest sensitivity of assets and liabilities

The Company is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates on its financial position and cash flows. The table below summarises the Company's exposure to interest rate risks. Included in the table are the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Up to one year	One to five years	Over five years	No stated maturity	Total
As at February 28, 2025					
Assets					
Investments at amortised cost	18,476,518	-	-	-	18,476,518
Accounts receivable	139,756	-	-	-	139,756
Cash and cash equivalents	104,337,624	-	-	-	104,337,624
Total assets	**$122,953,898**	**$-**	**$-**	**$-**	**$122,953,898**
As at February 29, 2024					
Assets					
Investments at amortised cost	15,370,237	8,526	-	-	**15,378,763**
Loan to related party	21,135	-	-	5,640,964	**5,662,099**
Accounts receivable	355,196	-	-	-	**355,196**
Cash and cash equivalents	131,327,081	-	-	-	**131,327,081**
Total assets	**$147,073,649**	**$-**	**$-**	**$-**	**$152,723,139**

Sensitivity analysis

The table below summarises the Company's sensitivity to a reasonable change in the interest rate with all other variables held constant on total comprehensive income and shareholders' equity.

17. Financial risk management (continued)

c) Market risk (continued)

i) Interest rate risk (continued)

Change in interest rate:	Effect on Shareholders' Equity 2025	Effect on Shareholders' Equity 2024
+1%	1,229,539	1,527,231
-1%	(1,229,539)	(1,527,231)

ii) Foreign exchange risk

Foreign exchange risk arises from recognised financial assets and financial liabilities denominated in a currency that is not the Company's functional currency. The Company's major foreign exchange risk relates to cash and cash equivalents, accounts receivables, funds held for clients and accounts payables that are denominated in United States Dollar. The Company has the following significant currency positions.

	TT	US	Other	Total
As at February 28, 2025				
Assets				
Investments	66,876	18,467,992	475,389	19,010,257
Accounts receivable	128,581	15,244	(4,069)	139,756
Cash and cash equivalents	88,214,559	16,036,743	86,322	104,337,624
	88,410,016	**34,519,979**	**557,642**	**123,487,637**
Liabilities				
Funds held for clients	87,554,672	12,179,516	(12,269)	99,721,919
Accounts payable	1,049,300	383,207	1,017	1,433,524
Lease liabilities	9,797,233	-	-	9,797,233
Convertible loan notes	-	22,564,956	-	22,564,956
Borrowings	1,610,273	-	-	1,610,273
	100,011,478	**35,127,679**	**(11,252)**	**135,127,905**
Net currency gap	**$(11,601,462)**	**$(607,700)**	**$568,894**	**$(11,640,268)**
Effect on profit of 1% change in exchange rates		**$(6,077)**	**$5,689**	**$(116,403)**
As at February 29, 2024				
Assets				
Investment at amortised cost	8,526	15,370,237	-	15,378,763
Loan to related parties	5,662,099	-	-	5,662,099
Accounts receivable	335,689	22,384	(2,877)	355,196
Cash and cash equivalents	109,775,163	19,262,614	2,289,304	131,327,081
	115,781,477	**34,655,235**	**2,286,427**	**152,723,139**
Liabilities				
Funds held for clients	109,192,582	17,125,642	1,542,874	127,861,098
Borrowings	1,782,536			1,782,536
Accounts payable	10,352,909	-	-	10,352,909
Lease liabilities	921,486	17,350	1,236	940,072
	122,249,513	**17,142,992**	**1,544,110**	**140,936,615**
Net currency gap	**$(6,468,036)**	**$17,512,243**	**$742,317**	**$11,786,524**
Effect on profit of 1% change in exchange rates		**$175,122**	**$7,423**	**$182,546**

17. Financial risk management (continued)

d) *Capital management (continued)*

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowing.

Management monitors capital based on a gearing ratio. The Company meets its objectives for managing capital and ensures adherence to the requirements of Regulatory Authorities by continuous monitoring and ensuring awareness of the regulations and by ensuring that the relevant procedures and controls are in place within the Company's systems.

18. Related party transactions and balances

A number of transactions have been entered into with related parties in the normal course of business. These transactions were conducted at market rates, on commercial terms and conditions.

	2025	2024
Key management compensation	$3,388,289	$2,515,386
Due from related parties		
Loans to related parties	$-	$5,662,099
Receivable from subsidiary	$75,154	$73,038
Receivable from other related parties	$6,241	$970
Due to related parties		
Payable to other related parties	$21,661	$273,575
Convertible loan notes	$22,564,956	$-
Borrowed securities	$194,500	$-
Transactions with related parties		
Shares issued during the year	$28,477,044	$-
Commissions paid to related parties	$12,594,511	$11,580,425
Income earned from subsidiary	$765,330	$1,676,628
Recharges for services provided to subsidiary	$175,060	$150,173
Expenses recharged from subsidiary	$142,340	$216,350
Staff reimbursements	$18,702	$7,682
Directors fees	$20,000	$25,000

Receivable from other related parties is included in the accounts receivable and prepayments balance. Payable to other related parties is included in accounts payable and accruals.

Loan to related parties represent interest-free loans to the Company's subsidiaries. There is no stated maturity date on these loans.

19. Contingencies

On January 4, 2012, the Company entered into an agreement with Pershing LLC, a subsidiary of The Bank of New York Mellon, to provide trading and other auxiliary services in the global financial markets on a fully disclosed basis. This agreement requires the Company to guarantee minimum revenue to Pershing of US$50,000 per calendar quarter. During the financial year ended February 29, 2024, the Company met its minimum obligation.

20. Fiduciary activities

The Company provides custody, trustee and investment management services to third parties. All related assets are held in a fiduciary capacity and are not included in these unconsolidated financial statements as they are not the assets of the Company. These assets under administration as at February 28, 2025 totalled $8,114,345,619 (2024: $7,226,184,198).

21. Prior period restatement

The following restatement was made to this financial statement for the year ended February 28, 2025. The restatement was necessary to accurately reflect the commission sharing arrangements between independent financial advisors and the Company.

	2024	2024	2024
	As previously reported	Restatement	Restated
Management fee income	24,410,574	(10,408,814)	14,001,760
Commission income	13,333,567	(4,075,489)	9,258,078
Administrative expenses	(28,511,501)	14,484,303	(14,027,198)

22. Subsequent events

Management evaluated all events that occurred from March 1, 2025, through May 23, 2025, the date the unconsolidated financial statements were available to be issued. During the period, the Company did not have any subsequent events requiring recognition or disclosure in the unconsolidated financial statements.