PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

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FIRSTLINE SECURITIES LIMITED

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FIRSTLINE Securities Limited

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Firstline Securities Limited, which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory information;

- Ensuring that the Company keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Company's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

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

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorized for issue, if later.

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

Keith M. King	Dalia King
Chairman	Company Secretary
Date: 30 March 2026	Date: 30 March 2026

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Firstline Securities Limited

Opinion

We have audited the consolidated financial statements of Firstline Securities Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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Directors: Renée-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin

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INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

PKF

Barataria
TRINIDAD
30 March 2026

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	Notes	31 December 2025 ($)	31 December 2024 ($)
Assets:			
Cash and short term funds	5	15,524,211	18,547,462
Other financial assets	7	178,834,965	179,245,309
Investments	8	78,518,023	105,056,424
Lease assets	9	54,394	199,445
Investment property	10	19,872,420	19,872,420
Fixed assets	11	2,693,072	2,692,654
Total Assets		295,497,085	325,613,714

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	2025 ($)	2024 ($)
Liabilities:			
Accounts payable and accruals	12	47,049,623	45,609,635
Certificates of participation	13	195,280,239	199,493,112
Repurchase agreements	14	8,200,500	7,129,979
Margin accounts	15	23,382,029	57,557,785
Lease liabilities	9	57,138	202,430
Provision for taxation		1,222,554	270,282
Total Liabilities		275,192,083	310,263,223
Shareholders' Equity			
Stated capital	16	8,992,621	8,992,621
Investment re-measurement reserve		4,821,536	2,865,192
Retained earnings		6,490,845	3,492,678
Total Shareholders' Equity		20,305,002	15,350,491
Total Liabilities and Shareholders' Equity		295,497,085	325,613,714

These financial statements were approved by the Board of Directors and authorised for issue on 30 March 2026 and signed on their behalf by:

Director **Director**

The notes on pages 8 to 45 form an integral part of these financial statements

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the year ended 31 December 2025 ($)	2024 ($)
Revenue			
Fees		13,453,968	6,806,685
Investment income		16,757,656	12,953,749
Musharaka and Murabaha income		133,741	-
Other		2,296,782	362,421
		32,642,147	20,122,855
Management and operating expenses	17	(26,058,944)	(26,435,688)
Unrealised gain on investment properties		-	455,000
Gain on sale on investments		1,184,857	2,766,721
Bad debt written off		(583,200)	(4,398,133)
Decrease in expected credit losses - investments		-	1,582,375
Increase in expected credit losses - Other financial assets		(2,779,295)	(10,366,974)
Net loss before taxation on continued operations		4,405,565	(16,273,844)
Taxation	18	(1,209,342)	(266,956)
Net profit/(loss) from continuing operations		3,196,223	(16,540,800)
Loss on discontinued operation net of tax	20	-	(237,960)
Net profit/(loss) for the year		3,196,223	(16,778,760)
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
Net gain/(loss) on equity financial assets measured at FVOCI		694,879	(2,424,454)
Items that may be reclassified to profit or loss			
Net gain/(loss) on debt financial assets measured at FVOCI		1,261,465	(1,353,895)
Total Other Comprehensive Income/(Loss)		1,956,344	(3,778,349)
Total Comprehensive Income/(Loss) for the year		5,152,567	(20,557,109)

The notes on pages 8 to 45 form an integral part of these financial statements

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Stated Capital ($)	Investment Re-measurement Reserve ($)	Retained Earnings ($)	Total Equity ($)
Balance, 1 January 2025	8,992,621	2,865,192	3,492,678	15,350,491
Total Comprehensive Income for the year	-	1,956,344	3,196,223	5,152,567
Dividends paid	-	-	(198,056)	(198,056)
Balance, 31 December 2025	8,992,621	4,821,536	6,490,845	20,305,002
Balance, 1 January 2024	8,992,621	6,643,541	20,499,359	36,135,521
Total Comprehensive Loss for the year	-	(3,778,349)	(16,778,760)	(20,557,109)
Dividends paid	-	-	(227,921)	(227,921)
Balance, 31 December 2024	8,992,621	2,865,192	3,492,678	15,350,491

The notes on pages 8 to 45 form an integral part of these financial statements

FIRSTLINE SECURITIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the year ended 31 December 2025 ($)	2024 ($)
Cash Flows from Operating Activities			
Net profit/(loss) before taxation on continued operations		4,405,565	(16,273,844)
Adjustment for non-cash items:			
Amortisation of bonds		(140,567)	286,972
Depreciation		203,575	238,294
Gain on sale of investments		(1,184,857)	(2,766,721)
Loss/(gain) on disposal of fixed assets		4,844	(21,111)
Gain on revaluation of investment properties		-	(455,000)
Depreciation on RoUAs		145,051	90,657
Acquisition of RoUAs		-	(290,102)
Acquisition of lease liability		-	290,102
Interest portion of lease payment		10,707	9,828
Decrease for expected credit losses - investments		-	(1,582,375)
Allowance for expected credit losses - other financial assets		2,779,295	10,366,974
Changes in non-cash working capital:		6,223,613	(10,106,326)
Net change in inventory		-	20,670
Net change in other financial assets		(2,368,951)	(23,140,401)
Net change in accounts payable and accruals		1,439,988	35,614,462
Net change in certificates of participation		(4,212,873)	8,297,834
Net change in margin accounts		(34,175,756)	(871,213)
		(33,093,979)	9,815,026
Taxation paid		(257,070)	(366,790)
Net cash (used in)/provided by Operating Activities		(33,351,049)	9,448,236
Investing Activities			
Purchase of fixed assets		(210,837)	(115,953)
Proceeds from disposal of fixed assets and investment property		2,000	2,050,000
Net cash inflow from discontinued operations	20	-	1,612,040
Net change in investments		29,820,169	(5,076,956)
Net cash provided by/(used in) Investing Activities		29,611,332	(1,530,869)
Financing Activities			
Interest portion of lease payments		(10,707)	(9,828)
Principal portion of lease payments		(145,292)	(87,672)
Repurchase agreements		1,070,521	518,212
Dividends paid		(198,056)	(227,921)
Net cash provided by Financing Activities		716,466	192,791
Net change in cash and cash equivalents		(3,023,251)	8,110,158
Cash and cash equivalents, beginning of year		18,547,462	10,437,304
Cash and short term funds, end of year		15,524,211	18,547,462

The notes on pages 8 to 45 form an integral part of these financial statements

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

1. Incorporation and Principal Activity:

The Company was incorporated in the Republic of Trinidad and Tobago in November 2005.

The principal activity of the Company is arranging business financing for corporations and governments.

The Company has eleven (11) wholly-owned subsidiaries – 46 Agra Street Limited, Firstline Oil Notes Limited, Firstline Securities (St. Lucia) Limited, Firstline Multi-Sector Notes Limited, Firstline Multi-Sector Notes II Limited, Sapvilla Limited, Mason Forrest Limited, Liege Properties Limited, Liege Properties II Limited (In Liquidation), Hyder Park Limited and Firstline Ethical Notes Limited.

Prior to the reporting date, the parent company resolved to apply for the subsidiary Liege Properties II Limited to be struck of the Registrar of Companies, and the dissolution process is currently in progress. The subsidiary's investment property was sold in 2024, and the company has no ongoing operating activities.

2. Summary of Material Accounting Policies:

(a) Basis of accounting -

These financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are stated in Trinidad and Tobago dollars. These financial statements have been prepared on the historical cost basis, except for financial assets measurement at fair value through profit or loss or other comprehensive income.

(b) Basis of consolidation -

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

Subsidiaries, which were those companies in which the Company, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases. All significant inter-company transactions, balances and unrealized gains in transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

2. **Summary of Material Accounting Policies (Cont'd):**

(c) **Use of estimates -**

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Group'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 financial statements and the reported amounts of revenues and expenses 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.

(d) **New Accounting Standards and Interpretations -**

i. The Group has not applied the following standards, revised standards and interpretations that have been issued and are effective as they:
- do not apply to the activities of the Group; or
- have no material impact on its financial statements.

Effective for annual periods beginning on or after 1 January 2025

IAS 21 Effects of Changes in Foreign Exchange rates – Amendments to lack of exchange ability

ii. The Group has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they:
- do not apply to the activities of the Group;
- have no material impact on its financial statements; or
- have not been early adopted by the entity.

Effective for annual periods beginning on or after 1 January 2026

IFRS 1 First-time Adoption of IFRS Accounting Standards - Amendments regarding hedge accounting for a first-time adopter

IFRS 7 Financial Instruments: Disclosures - Amendments to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9: Financial Instruments

IFRS 7 Financial Instruments: Disclosures - Amendments regarding contracts referencing nature-dependent electricity

IFRS 9 Financial Instruments - Amendments to address matters identified during the post-implementation review of the classification and measurement requirements of the standard

IFRS 9 Financial Instruments - Amendments to address a potential lack of clarity in the application of the requirements in the standard to account for an extinguishment of a lessee's lease liability

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

2. **Summary of Material Accounting Policies (Cont'd):**

(d) **New Accounting Standards and Interpretations (cont'd) -**

IFRS 9	Financial Instruments - Amendments regarding contracts referencing nature-dependent electricity
IFRS 9	Financial Instruments - Amendments to address the potential confusion between the definitions of the term 'transaction price' in IFRS 15: Revenue from Contracts with Customers, and the standard
IFRS 10	Consolidated Financial Instruments - Amendments relating to an investor determining whether another party is acting on its behalf as a 'de facto agent'
IAS 7	Statement of Cash Flows – Amendments to address the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards

Effective for annual periods beginning on or after 1 January 2027

IFRS 7	Financial Instruments: Disclosures - Amendments to move the disclosure requirements in IAS 1 regarding puttable financial instruments, classified as equity instruments, to IFRS 7
IFRS 18	Presentation and Disclosure of Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures
IAS 21	Effects of Changes in Foreign Exchange rates - Translation to a Hyperinflationary Presentation Currency - Amendments to clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one
IFRS S2*	Climate-related disclosures - Amendments to IFRS S2 aim at supporting entities applying IFRS S2 by reducing the complexity, risk of potential duplication of reporting and related costs of applying specific requirements in IFRS S2

***The application of these Sustainability Standards is not yet mandatory in our jurisdiction.**

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

2. **Summary of Material Accounting Policies (Cont'd):**

(e) **Foreign currencies**

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('functional currency).

The financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

(ii) 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 of year end exchange rates of monetary assets and liabilities denominated in foreign currencies and recognized in the profit and loss account.

(f) **Cash and short term funds -**

Cash and short term funds are carried in the Statement of Financial Position at cost. For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, and other short term highly liquid investments.

(g) **Financial instruments -**

Financial assets

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group measures investments and loans at amortized cost if both of the following conditions are met:

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

The carrying amount of these assets is adjusted by any expected credit loss (ECL) allowance recognized. Interest income from these financial assets is included in "Investment Income" using the effective interest rate method.

2. **Summary of Material Accounting Policies (Cont'd):**

(g) **Financial instruments (cont'd) -**

Financial assets (cont'd) -

The Group also has also participated or facilitated Shariah-compliant financing arrangements such as Murabaha (cost-plus financing) and Musharaka (partnership financing).

The carrying amount of these assets is adjusted by any expected credit loss (ECL) allowance recognized. Income from these financial assets is included in "Musharaka and Murabaha" using the agreed upon contractual arrangements.

The Business Model Assessment

The business model reflects how the Group manages groups of financial assets to generate cash flows and achieve its business objective. An assessment is made at a portfolio level and is based on factors such as:

- The stated objectives and policies of the portfolios;
- How information about financial assets and their performance is reported and evaluated by the entity's key management personnel; and
- Management's identification of and response to the risks that affect the performance of the business model.

The SPPI Test

The SPPI test requires the Group to assess the contractual terms of the financial assets. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes typically the consideration for the time value of money and credit risk. However, where the contractual term introduces volatilities that are inconsistent with a basic lending arrangement or risk exposures, the related financial assets are to be classified and measured at Fair Value Through Profit and Loss (FVPL).

2. **Summary of Material Accounting Policies (Cont'd):**

(g) **Financial instruments (cont'd) -**

Financial assets (cont'd) -

Initial measurement

All financial instruments are initially measured at the fair value of consideration given or received.

The Group measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group uses a fair value hierarchy that categorises valuation techniques into three levels:

(i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.

(ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.

(iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Subsequent measurement

Those financial assets such as loan notes, which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in the Statement of Comprehensive Income as movements in ECL. When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in the Statement of Comprehensive Income.

2. **Summary of Material Accounting Policies (Cont'd):**

(g) **Financial instruments (cont'd) -**

Financial assets (cont'd) -

Subsequent measurement (cont'd)

Those financial assets which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at FVOCI. Gains/losses arising on re-measurement of such financial assets are recognised in the Statement of Comprehensive Income as '*Items that may be reclassified subsequently to P&L*' and are called '*Net FV gain/(loss) on financial assets classified as at FVOCI*'.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVPL). Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as '*Net FV gain/(loss) on financial assets classified at FVPL*'. When a financial asset measured at FVOCI is derecognised, the cumulative gain/loss previously recognised in the Statement of Comprehensive Income is reclassified from equity to profit or loss.

Gains/losses arising on remeasurement of equity investments, which the Group has opted, irrevocably, to measure at FVOCI, are recognised in OCI *as 'Items that may not be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on equity financial assets classified as at FVOCI'*. When an equity investment measured at FVOCI is derecognised, the cumulative gain/loss previously recognised in the Statement of Comprehensive Income is not subsequently reclassified to profit and loss but instead, transferred within Equity.

Reclassification

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model. Equity instruments which the Group opted to treat at FVOCI cannot be reclassified.

2. **Summary of Material Accounting Policies (Cont'd):**

(g) **Financial instruments (cont'd) -**

Financial assets (cont'd) -

Impairment of financial assets -

IFRS 9 requires the Group to record an allowance for ECL's for all secured loan notes and other debt financial instruments not held at FVPL.

ECLs are measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether the asset is considered to be credit impaired. The Group uses the probability of default (PD) approach when calculating ECLs.

The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime ECL results from all possible default events over the expected life of the financial instrument. Both 12-month and lifetime ECLs are calculated on either an individual or collective basis, depending on the size and nature of the underlying portfolio of financial assets.

IFRS 9 outlines a three-stage model for impairment, which the Group uses to classify its financial assets:

Stage 1
When financial assets are first recognized, are not credit impaired, continue to perform in accordance with its contractual terms and conditions and credit risk is continuously monitored, the Group records an allowance based on 12-month ECLs.

Stage 2
When financial assets are identified as having significant increases in credit risk since origination, but are not yet deemed to be credit impaired, the Group records an allowance based on lifetime ECLs.

Stage 3
When financial assets have objective evidence of impairment at the reporting date i.e. when these financial assets are deemed to be credit impaired, the Group records an allowance based on lifetime ECLs.

2. **Summary of Material Accounting Policies (Cont'd):**

(g) **Financial instruments (cont'd) -**

Modification and Derecognition of Financial Assets

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. This occurs particularly where, although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened. The revised terms usually include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan and /or a reduction in the amount of cash flows due. When a financial asset is modified, the Group assesses whether this modification results in derecognition of the original loan, such as when the renegotiation gives rise to substantially different terms.

In the case where the financial asset is derecognised, the new financial asset will have a loss allowance measured based on twelve-month ECL. If, however, there remains a high risk of default under the renegotiated terms, the loss allowance will be measured based on lifetime ECL.

When the modification does not result in derecognition, the Group will measure loss allowance at an amount equal to lifetime ECL.

The calculation of ECL

The Group calculates ECL's based on a historical estimate of cash shortfalls discounted at a discount rate that takes account of the coupon rate on the secured loan note, any applicable penalty interest rate, and any arrangement fee rate paid at origination of the note. A cash shortfall is the difference between the cash flows that are due to the Group and the cash flows that the Group expects to receive.

The key elements of the ECL calculation are as follows.

Probability of Default (PD)
The PD is an estimate of the likelihood of default over a given period of time. The Group uses a PD based upon its internal grading of secured loan notes.

Exposure at Default (ED)
The ED is the estimate of the exposure to default under the secured loan note at the reporting date.

Loss Given Default (LGD)
The LGD is the estimate of the loss arising in the case where a default occurs at a given point in time. It is an estimate of the loss that would arrive on a secured loan note and is based upon its historical experience of losses arising on secured loan notes in default.

2. **Summary of Material Accounting Policies (Cont'd):**

(g) **Financial instruments (cont'd) -**

The calculation of ECL (cont'd)

The mechanics of the ECL method under IFRS 9 are summarised as follows:

Stage 1
The 12 months ECL is calculated as a portion of lifetime ECL's that represent the ECL's that result from default events on a financial instrument that are possible within a 12-month period from the Group's reporting date. 12-month ECL's are calculated by multiplying the ED by the PD and the LGD.

Stage 2
When a secured loan note has shown a significant increase in credit risk since origination the Group records an allowance for lifetime ECLs. The PDs and LGDS are estimated over the lifetime of the secured loan note.

Stage 3
For secured loan notes considered to be credit impaired the group recognises lifetime ECLs. The PD for secured loan notes classified within Stage 3 is set at 100%.

The Group measures ECL on an individual basis for their loan note portfolio. The Group ECL model factors in forward looking information in its calculations such as:

(i) Currency rates;
(ii) Expected GDP growth;
(iii) Expected changes in the Retail Price Index (RPI);
(iv) Expected levels of unemployment;
(v) Real estate price trends;
(vi) Industry specific trends; and
(vii) Changes in commodity prices.

2. Summary of Material Accounting Policies (Cont'd):

(g) Financial instruments (cont'd) -

Impairment allowance for secured loan notes

The table below indicates the credit quality and the maximum exposure to credit risk based on the Group's Credit rating system and the process by which all secured loan notes receive a stage classification at the reporting date.

	31 December	
	2025 ($)	2024 ($)
Secured loan notes, other financial instruments and commercial paper	168,798,072	164,648,975
Stage 1: 12 month ECLs	(1,077,815)	(1,125,263)
Stage 2: Lifetime ECLs	-	-
Stage 3: Credit Impaired - Lifetime ECLs	(13,661,610)	(10,834,867)
	154,058,647	152,688,845

Collateral held as security

The Group holds various types of collateral to mitigate credit risk associated with financial assets such as cash deposits, investment securities, real estate, captured and assigned receivables, personal and third-party guarantees, and other investment assets:

*Collateral, unless repossessed, is not recorded in the Group's financial statements, but the fair value of collateral is used as input in the calculation of ECL's. Collateral valuations are reassessed on an annual basis as part of a credit review. The Group/group uses independent third parties to assess some items of collateral including real estate and complex assets.

Assets obtained by taking possession of collateral

The Group did not take possession of equipment and property collateral held as security against loans held at the year end.

2. Summary of Material Accounting Policies (Cont'd):

(g) Financial instruments (cont'd) -

Write-off

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

Financial liabilities -

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

Financial liabilities comprise accounts payable, repurchase agreements and margin accounts.

(h) Sale and repurchase agreements -

Securities sold subject to sale and repurchase agreements ("repos") are retained on the Statement of Financial Position and the counterparty liability is disclosed separately under the heading "Due under repurchase agreements".

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2. **Summary of Material Accounting Policies (Cont'd):**

(i) **Fixed assets -**

i. Fixed Assets are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

The carrying amount of an item of fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of the item, determined as the difference between the net disposal proceeds and the carrying amount of the item is recognised in the Statement of Comprehensive Income when the item is derecognised.

All assets are recorded at historical cost less depreciation.

Depreciation is charged as follows:

	Method	**Rates**
Leasehold improvements	Reducing balance	6.67%
Office furniture and equipment	Reducing balance	15% - 25%
Motor vehicles	Reducing balance	25%

ii. Owner occupied properties used by the Group for the supply of goods and services or for administrative purposes and are stated at fair values and accumulated impairment losses.

Fair values are based on independent professional open market valuations that are conducted at least once every five years. The last valuation was done in 2021.

2. Summary of Material Accounting Policies (Cont'd):

(j) Investment properties

Investment properties comprise of land and buildings held for rentals and/or for capital appreciation rather than occupied by the Group for use in the supply of goods and services or for administrative purposes. Land and buildings that comprise a portion held to earn rentals and/or for capital appreciation and another portion that is occupied by the Group for administrative purposes are classified as investment properties only if an insignificant portion is held primarily for administrative purposes. Otherwise it is classified as fixed assets.

An investment property is recognised as an asset only if it is probable that future economic benefits associated with the investment property will flow to the Group and its cost can be reliably measured.

Investment properties are initially measured at cost including transaction costs. Cost is the amounts of cash and cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction.

After initial recognition, investment properties are measured at fair values. Fair values are based on independent professional open market valuations that are conducted at least once every five (5) years. Gains and losses arising from changes in fair values are included in profit or loss in the period in which they arise.

Transfer to or from investment properties are made only when there is a change in use.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gains or losses arising from the retirement or disposal is determined as the difference between the net proceeds and the carrying amount of the asset and is recognised in profit or loss in the period of retirement or disposal.

The last valuations were done in 2020, 2021 and 2023. One investment property was disposed of by the Group during 2024.

FIRSTLINE SECURITIES LIMITED

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2. **Summary of Material Accounting Policies (Cont'd):**

(k) **Taxation -**

Tax on the profit or loss for the year comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the net taxable income for the year, using the prevailing tax rate and any adjustments for previous years.

Deferred tax is provided, using the liability method, on all temporary differences between the carrying amounts for financial reporting purposes the amounts used for taxation purposes. Currently enacted tax rates are used to determine deferred income tax. In the opinion of Management, the effect of temporary differences at 31 December 2025 is not considered material.

Deferred tax assets are taxed recoverable in future periods in respect of deductible temporary difference. Net deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) **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.

(m) **Finance leases -**

The Group has adopted IFRS 16 Leases and applied a single recognition and measurement approach for all leases, except short term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets (RoUAs) representing the right to use the underlying assets

A lease is the right to control the use of an identified asset for a period of time in exchange for consideration. If a lease exists, a lease liability is determined by discounting the lease payments using the Group's internally assessed incremental borrowing rate of 8%. The lease liability is subsequently affected by interest on the lease, lease payments made and remeasurement on account of changes in the lease payment.

A RoUA is determined at the amount equivalent to the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs and any asset dismantling costs, if such a liability exists. The entity uses the cost model where the right of use asset will be subsequently depreciated in accordance with IAS 16.

The leases entered into by the Group which do not transfer substantially all the risk and benefits of ownership are classified as finance leases. The total payments made under finance leases are charged to lease liabilities and leases interest in accordance to IFRS 16.

2. **Summary of Material Accounting Policies (Cont'd):**

(n) **Provisions -**

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

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 recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(o) **Investment income -**

Interest income is recognized in the profit and loss account using the effective interest method. Dividends on equity instruments are recognized in the profit and loss account when the entity's right to receive payment is established.

(p) **Fee income -**

Fee income is recognized on an accrual basis when the service has been provided. Management fees and commissions arising from negotiating or participating in the negotiation of, a transaction for a third party are recognized on completion of the underlying transaction. Portfolio, asset management and other management advisory and service fees are recognized based on the applicable service contracts over the period the service is provided.

(q) **Murabaha Income -**

Income derived from Murabaha is recognized within the profit and loss statement upon the sale of the instrument and in accordance with the effective yield calculated over the duration of the respective transactions.

(r) **Musharakah (partnership) -**

Profit or loss is recognized on completion of the contract agreement. Profit or losses are shared in accordance with a predetermined ratio established within the partnership agreement.

(s) **Assets under management -**

The Group provides asset management services to third parties. All related assets are held in a fiduciary capacity and not included in these financial statements as they are not assets of the Group.

(t) **Comparative figures -**

Certain comparative figures were restated to facilitate changes in presentation. These changes had no effect on the previously reported net profit.

3. **Financial Risk Management:**

Financial instruments -

The Group's activities are primarily related to the use of financial instruments. The Group accepts funds from investors and earns interest by investing in equity investments, bonds and on-lending to customers at higher interest rates.

The following table summarizes the carrying amounts and fair values of the Group's financial assets and liabilities.

	2025	
	Carrying Value ($)	Fair Value ($)
Financial Assets		
Cash and Short-Term Funds	15,524,211	15,524,211
Other Financial Assets	178,834,965	178,834,965
Investments	78,518,023	78,518,023
Financial Liabilities		
Accounts Payable and Accruals	47,049,623	47,049,623
Certificates of Participation	195,280,239	195,280,239
Repurchase Agreements	8,200,500	8,200,500
Margin Accounts	23,382,029	23,382,029
Lease liabilities	57,138	57,138

	2024	
	Carrying Value ($)	Fair Value ($)
Financial Assets		
Cash and Short-Term Funds	18,547,462	18,547,462
Other Financial Assets	179,245,309	179,245,309
Investments	105,056,424	105,056,424
Financial Liabilities		
Accounts Payable and Accruals	45,609,635	45,609,635
Certificates of Participation	199,493,112	199,493,112
Repurchase Agreements	7,129,979	7,129,979
Margin Accounts	57,557,785	57,557,785
Lease liabilities	202,430	202,430

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3. **Financial Risk Management (Cont'd):**

Financial risk factors

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

(a) **Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including short-term investments.

	2025				
	Up to 1 year ($)	1 to 5 years ($)	Over 5 years ($)	Non-Interest Bearing ($)	Total ($)
Financial Assets					
Cash and short term funds	15,524,211	-	-	-	15,524,211
Other financial assets	87,711,192	71,222,517	-	19,901,256	178,834,965
Investments	7,362,381	28,824,281	540,305	41,791,056	78,518,023
	110,597,784	**100,046,798**	**540,305**	**61,692,312**	**272,877,199**
Financial Liabilities					
Accounts payable and accruals	-	-	-	47,049,623	47,049,623
Certificates of participation	52,587,506	142,692,733	-	-	195,280,239
Repurchase agreements	6,700,500	1,500,000	-	-	8,200,500
Lease liabilities	57,138	-	-	-	57,138
Margin accounts	23,382,029	-	-	-	23,382,029
	82,727,173	**144,192,733**	**-**	**47,049,623**	**273,969,529**

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3. **Financial Risk Management (Cont'd):**

Financial risk factors

(a) **Interest rate risk (cont'd) -**

	2024				
	Up to 1 year ($)	**1 to 5 years ($)**	**Over 5 years ($)**	**Non-Interest Bearing ($)**	**Total ($)**
Financial Assets					
Cash and short terms funds	18,547,462	-	-	-	18,547,462
Other financial assets	67,622,879	84,689,901	376,087	26,556,442	179,245,309
Investments	3,472,564	61,321,865	15,714,414	24,547,581	105,056,424
	89,642,905	146,011,766	16,090,501	51,104,023	302,849,195
Financial Liabilities					
Accounts payable and accruals	-	-	-	45,609,635	45,609,635
Certificates of participation	64,115,536	135,327,431	50,145	-	199,493,112
Repurchase agreements	1,629,979	5,500,000	-	-	7,129,979
Lease liabilities	145,446	56,984	-	-	202,430
Margin accounts	57,557,785	-	-	-	57,557,785
	123,448,746	140,884,415	50,145	45,609,635	309,992,941

(b) **Credit risk -**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant credit risk.

Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of exposure to any financial institution.

The Group also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

3. **Summary of Material accounting Policies (Cont'd):**

(b) **Credit risk (cont'd) -**

Credit risk arises primarily from structuring of short term investments, loan notes and investments in bonds.

i) **Short term investments**

The credit risk on short term investments is limited because the funds are invested in deposits with licensed banks and financial institutions, and in treasury bills.

ii) **Bonds**

The Group invests in bonds issued only by governments, financial institutions and corporations with acceptable credit ratings. The Group actively reviews all bond-issuing entities in which investments are being considered. The Group also limits the size of any given bond issue compared to size of its investment portfolio.

iii) **Loan Notes**

The Group relies heavily on a written Credit Policy Manual, which sets out in detail the current policies governing the loan notes that it invests in. Adherence to these guidelines is expected to communicate the Group's philosophy, provide policy guidelines to team members involved in investing, establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration, as well as create the foundation for a sound credit portfolio.

All team members involved with the structuring of loan notes are required to be familiar with the contents of the Credit Policy Manual and are required to adhere to the policies therein. Serious breaches result in disciplinary measures being taken. It is the responsibility of the Chief Executive Officer to ensure that policies are adhered to.

The Group's secured loan note portfolio is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

iv) **Concentration**

The Group has set an upper limit of total assets that can be invested with any one company or group of related companies so as to avoid any significant concentration of credit risk.

3. **Financial Risk Management (Cont'd):**

(b) Credit risk (cont'd) -

v) Global economic developments and government policies

The Group actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

vi) Credit Risk Ratings and PD estimations

The Group uses internal credit risk ratings, which reflect its assessment of the individual counterparties risk profile. Borrower and loan note specific information collected at the time of the application (such as asset value, sales turnover, credit history, security structure, geographical location) is fed into the model. Each exposure is allocated a credit risk rating on initial recognition based on the information inputted into the model.

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk-rating band. The monitoring typically involves use of the following data:

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts;
- Actual and expected significant changes in the financial, economic, political, regulatory and technological environment of the borrower and/or in its business activities;
- Payment records inclusive of overdue status (where applicable); and
- Utilization of approved credit facilities.

PDs for exposures. The Group looked at performance and number of defaults over a period of time analysed by credit risk grading. Historical PDs were developed using statistical models, which analysed the data collected, generating estimates of the POD of exposures.

3. **Financial Risk Management (Cont'd):**

(b) **Credit risk (cont'd) -**

vii) **Significant increase in credit risk**

In order to determine whether a financial asset or portfolio of financial assets are subject to 12 month ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. Whether the risk of default on a financial instrument has increased significantly, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment.

viii) **Default and credit impaired assets**

The Group considers a financial asset defaulted and therefore Stage 3 (credit-impaired) for ECL calculations when it meets one or more of the following criteria:

- The borrower is more than 180 days past due on its contractual obligations;
- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as collateral realization;
- It is probable that there would be a modification to the original agreement due to the borrower's inability to pay its credit obligations; and
- The exposure has been classified as Accounts in Liquidation as per the Group's classification process.

ix) **Analysis of Gross Carrying Amount and Corresponding ECLs**

	31 December	
Secured Loan Notes and Commercial Paper	2025	2024
Stage 1: 12 month ECLs	33.2%	47.6%
Stage 2: Lifetime ECLs	0.0%	0.0%
Stage 3: Credit Impaired - Lifetime ECLs	66.8%	52.4%
	100.0%	100.0%

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3. **Financial Risk Management (Cont'd):**

(b) **Credit risk (cont'd) -**

ix) **Analysis of Gross Carrying Amount and Corresponding ECLs (cont'd)**

	31 December	
	2025	**2024**
	$	**$**
Stage 1		
Gross Loan Notes	56,020,207	78,330,482
ECL Allowance	(1,077,815)	(1,125,263)
	54,942,392	77,205,219
ECL Allowance as % of Gross Loan Notes	**1.9%**	**1.4%**
Stage 2		
Gross Loan Notes	-	-
ECL Allowance	-	-
	-	-
ECL Allowance as % of Gross Loan Notes	**0.0%**	**0.0%**
Stage 3		
Gross Loan Notes	112,777,865	86,318,493
ECL Allowance	(13,661,610)	(10,834,867)
	99,116,255	75,483,626
ECL Allowance as % of Gross Loan Notes	**12.1%**	**12.6%**

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3. **Financial Risk Management (Cont'd):**

(c) **Liquidity risk -**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities. The Group is exposed to daily calls on its available cash resources to settle financial and other liabilities.

Liquidity gap

	2025			
	Up to 1 year ($)	1 to 5 years ($)	Over 5 years ($)	Total ($)
Financial Assets				
Cash and short term funds	15,524,211	-	-	15,524,211
Other financial assets	107,612,448	71,222,517	-	178,834,965
Investments	49,153,437	28,824,281	540,305	78,518,023
	172,290,096	100,046,798	540,305	272,877,199
Financial Liabilities				
Accounts payable and accruals	47,049,623	-	-	47,049,623
Certificates of participation	52,587,512	142,692,727	-	195,280,239
Repurchase agreements	6,700,500	1,500,000	-	8,200,500
Lease liabilities	57,138	-		57,138
Margin accounts	23,382,029	-	-	23,382,029
	129,776,802	144,192,727	-	273,969,529

	2024			
	Up to 1 year ($)	1 to 5 years ($)	Over 5 years ($)	Total ($)
Financial Assets				
Cash and short term funds	18,547,462	-	-	18,547,462
Other financial assets	94,179,321	84,689,900	376,088	179,245,309
Investments	28,020,145	61,321,865	15,714,414	105,056,424
	140,746,928	146,011,765	16,090,502	302,849,195
Financial Liabilities				
Accounts payable and accruals	45,609,635	-	-	45,609,635
Certificates of participation	64,115,536	135,327,431	50,145	199,493,112
Repurchase agreements	1,629,979	5,500,000	-	7,129,979
Lease liabilities	145,446	56,984		202,430
Margin accounts	57,557,785	-	-	57,557,785
	169,058,381	140,884,415	50,145	309,992,941

3. **Financial Risk Management (Cont'd):**

(d) **Currency risk -**

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

(e) **Operational risk -**

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

(f) **Compliance risk -**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to the extent of monitoring controls applied by the Group.

(g) **Reputation risk -**

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

4. Critical Accounting Estimates and Judgments:

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions in the process of applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future and actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

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

i) Whether investments are classified as held to maturity investments or loans and receivables.
ii) Whether leases are classified as operating leases or finance leases.
iii) Which depreciation method for plant and equipment is used.
iv) Measurement of the ECL allowance.
v) Classification and measurement of financial assets.

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

4. Critical Accounting Estimates and Judgments (Cont'd):

Measurement of the ECL allowance

The measurement of impairment losses under IFRS 9 requires the use of complex models and requires significant assumptions. A number of significant accounting judgements and estimates were required for the ECL model, these include:

- The Group's internal credit rating model, as this was used in calculating PD;
- The estimation of the present value of collateral values when determining impairment losses;
- Determining criteria for assessing if there has been a significant increase in credit risk; and
- Development of ECL models, including the various formulae.

Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and business model assessment. The Group determines the business model at a level that reflects how financials assets are managed together to achieve the business objectives. An assessment is made at a portfolio level and is based on factors such as:

- How information about financial assets and their performance is reported and evaluated by the entity's key management personnel; and
- Management's identification of and response to the risks that affect the performance of the business model.

Fixed Assets

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and the useful lives and residual values of these assets.

Deferred tax assets

Management uses judgement in determining whether it is probable that future taxable profits will be available against which deductible temporary differences can be utilised before deferred tax assets arising there from are recognised.

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5. Cash and Short Term Funds:

	31 December 2025 ($)	31 December 2024 ($)
Cash in hand and at bank	14,187,524	10,110,216
Money market instruments	1,336,687	8,437,246
	15,524,211	18,547,462
Current portion of cash and short term funds	15,524,211	18,547,462

6. Assets Under Management:

As at 31 December 2025, the Group held investments valued at **$106,480,739** (2024 - **$101,880,892**) on behalf of its clients. These investments were not included in the Group's assets in the Statement of Financial Position.

7. Other Financial Assets:

	31 December 2025 ($)	31 December 2024 ($)
Accrued interest income	16,535,705	18,526,408
Prepaid expenses	7,377,381	7,224,716
Other receivables	863,232	805,340
Secured loan notes, other financial instruments and commercial paper	168,798,072	164,648,975
	193,574,390	191,205,439
Less: ECL allowance	(14,739,425)	(11,960,130)
	178,834,965	179,245,309

Movement in allowance for ECL

	31 December 2025 ($)	31 December 2024 ($)
Balance, beginning of year	11,960,130	19,256,911
Write off of bad debt	-	(17,663,755)
Increase in allowance	2,779,295	10,366,974
Balance, end of year	14,739,425	11,960,130

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7. **Other Financial Assets (Cont'd):**

	31 December	
	2025	**2024**
	($)	**($)**
Current portion of other financial assets	107,612,448	94,179,321
Non-current portion of other financial assets	71,222,517	85,065,988
	178,834,965	**179,245,309**

8. **Investments:**

	31 December	
	2025	**2024**
	($)	**($)**
Equities	45,001,005	25,417,597
Mutual funds	2,019,140	2,173,010
Corporate bonds	31,497,878	77,465,817
	78,518,023	**105,056,424**
Current portion of investments	49,153,437	28,020,145
Non-current portion of investments	29,364,586	77,036,279
	78,518,023	**105,056,424**

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9. Lease Assets/Liabilities:

The Group has lessee lease contracts for rental of office space. The Group's obligations under its leases are secured by the lessor's title to the leased assets. These lease contracts are for 2 years.

Right of Use Assets:

	Office Space ($)
Cost	
Balance, 1 January 2025	290,102
Renewals	-
Additions for the period	-
Disposals for the period	-
Balance, 31 December 2025	290,102
Accumulated Depreciation	
Balance, 1 January 2025	90,657
Renewals	-
Charge for the year	145,051
Disposals for the year	-
Balance, 31 December 2025	235,708
Net Book Value	
Balance, 31 December 2025	**54,394**
Balance, 31 December 2024	**199,445**

Lease Liabilities:

Balance, 1 January 2025	202,430
Renewals	-
Additions	-
Disposals	-
Payments	(145,292)
Balance, 31 December 2025	**57,138**
Current portion of lease liabilities	57,138
Non-current portion of lease liabilities	-
Balance, 31 December 2025	**57,138**
Balance, 31 December 2024	**202,430**

FIRSTLINE SECURITIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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9. **Lease Assets/Liabilities:**

Right of Use Assets:

	Office Space ($)
Cost	
Balance, 1 January 2024	-
Renewals	-
Additions for the period	290,102
Disposals for the period	-
Balance, 31 December 2024	290,102
Accumulated Depreciation	
Balance, 1 January 2024	-
Renewals	-
Charge for the year	90,657
Disposals for the year	-
Balance, 31 December 2024	90,657
Net Book Value	
Balance, 31 December 2024	199,445
Balance, 31 December 2023	-

Lease Liabilities:

Balance, 1 January 2024	-
Renewals	-
Additions	290,102
Disposals	-
Payments	(87,672)
Balance, 31 December 2024	202,430
Current portion of lease liabilities	145,446
Non-current portion of lease liabilities	56,984
	202,430

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. Investment Property:

	31 December 2025 ($)	31 December 2024 ($)
Balance as at beginning of year	19,872,420	24,967,420
Additions	-	-
Disposals	-	(3,395,000)
Transfer to Fixed Assets*	-	(1,700,000)
Balance as at end of year	**19,872,420**	**19,872,420**

* Transfer of investment property that should be classed as owner occupied under the Group

	2025	2024
Income earned	413,449	359,302
Expenses incurred	337,783	440,240

11. Fixed Assets:

2025

	Land and Building ($)	Motor Vehicle ($)	Office Furniture and Equipment ($)	Total ($)
Cost				
Balance as at 1 January 2025	2,032,442	1,465,000	1,901,751	5,399,193
Additions	21,315	-	189,522	210,837
Disposals	-	-	(20,120)	(20,120)
Balance as at 31 December 2025	2,053,757	1,465,000	2,071,153	5,589,910
Accumulated Depreciation				
Balance as at 1 January 2025	110,126	1,171,591	1,424,822	2,706,539
Charge for the year	16,633	73,153	113,789	203,575
Disposals	-	-	(13,276)	(13,276)
Balance as at 31 December 2025	126,759	1,244,744	1,525,335	2,896,838
Net Book Value				
Balance as at 31 December 2025	**1,926,998**	**220,256**	**545,818**	**2,693,072**
Balance as at 31 December 2024	**1,922,316**	**293,409**	**476,929**	**2,692,654**

FIRSTLINE SECURITIES LIMITED

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11. Fixed Assets (Cont'd):

2024

	Land and Building ($)	Motor Vehicle ($)	Office Furniture and Equipment ($)	Total ($)
Cost				
Balance as at 1 January 2024	332,442	1,624,950	1,859,311	3,816,703
Additions	-	-	115,953	115,953
Disposals	-	(159,950)	(73,513)	(233,463)
Transfer from Investment Property	1,700,000	-	-	1,700,000
Balance as at 31 December 2024	2,032,442	1,465,000	1,901,751	5,399,193
Accumulated Depreciation				
Balance as at 1 January 2024	93,309	1,220,734	1,358,776	2,672,819
Charge for the year	16,817	97,805	123,672	238,294
Disposals	-	(146,948)	(57,626)	(204,574)
Balance as at 31 December 2024	110,126	1,171,591	1,424,822	2,706,539
Net Book Value				
Balance as at 31 December 2024	1,922,316	293,409	476,929	2,692,654
Balance as at 31 December 2023	239,133	404,216	500,535	1,143,884

12. Accounts Payables and Accruals:

	31 December 2025 ($)	31 December 2024 ($)
Funds under management	7,098,577	8,339,004
Accrued interest	2,297,378	2,006,864
Debt service account	33,449,120	30,311,019
Statutory deductions	58,051	73,417
Unrealised income	2,828,657	3,462,425
Trade payables and accruals	1,317,840	1,416,906
Other accounts payables	-	-
	47,049,623	45,609,635
Current portion of accounts payable and accruals	47,049,623	45,609,635

FIRSTLINE SECURITIES LIMITED

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13. Certificates of Participation:

The Group's Firstline Oil Notes (FONL) investments have interest rates range from .40% - 5.00% (2024: .40% - 5.00%).

Investors have purchased zero coupon notes in the Firstline Multi Sector Notes I and Firstline Multi Sector Notes II at yields ranging from 1.0% - 6.5% (2024: 1.0% - 6.5%) at varying tenors.

	31 December	
	2025	**2024**
	($)	**($)**
Current portion of certificates of participation	52,587,512	64,115,536
Non-current portion of certificates of participation	142,692,727	135,377,576
	195,280,239	**199,493,112**

14. Repurchase Agreements:

The repurchase agreements become due in 2026 and 2028. Interest is accrued thereon at the rate of 3.25% - 4.25% per annum (2024: 3.25% - 4.25%).

15. Margin Accounts:

The average rate of funding from the Group's brokerage institutions is 4.14% (2024: 5.12%). The market value of the investment securities held as collateral for this facility amounted to **$24,055,776** (2024: **$57,636,466**).

16. Stated Capital:

	31 December	
	2025	**2024**
	($)	**($)**
Authorized		
An unlimited number of ordinary shares of no par value		
Issued and fully paid		
8,992,621 (2024: 8,992,621) ordinary shares of no par value	**8,992,621**	**8,992,621**

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17. Management and Operating Expenses:

	31 December 2025 ($)	31 December 2024 ($)
Administrative expenses	2,779,106	3,178,876
Interest expenses	11,560,888	12,341,387
Depreciation - Fixed Assets	203,575	238,294
Depreciation - RoUA	145,051	90,657
Legal and professional fees	1,398,434	1,383,109
Salaries and staff benefits	9,971,890	9,203,365
	26,058,944	26,435,688

18. Taxation:

	31 December 2025 ($)	31 December 2024 ($)
Business Levy/Corporation taxation	1,087,326	174,569
Green Fund Levy	122,016	92,387
	1,209,342	266,956

The tax on the Group's net income before taxation differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2025 ($)	2024 ($)
Net profit/(loss) before taxation on continued operations	4,405,565	(16,273,844)
Tax calculated at applicable rate	1,321,670	(4,882,153)
Taxable losses utilised	(1,757,985)	(329,681)
Taxable losses not recognised	1,577,452	5,475,375
Taxable income not subject to corporation tax	-	(24,071)
Exempt income	(176,945)	(239,470)
Prior period adjustment	(13,214)	(3,329)
Business Levy	136,348	177,898
Green Fund Levy	122,016	92,387
	1,209,342	266,956

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19. Related Party Transactions:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

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

	31 December	
	2025 ($)	2024 ($)
Key management compensation		
Short-term benefits	1,596,000	1,596,000
Dividends paid	198,056	229,921

20. Discontinued Operations:

In 2024, the Group disposed of 100% interest in the subsidiary Patrice Properties Limited for $1,662,000 and the following are the results of the disposals:

Loss on disposal of discontinued operations:

	2025 ($)	2024 ($)
Total consideration received	-	1,662,000
Less: Net assets disposed	-	(1,850,000)
Loss on disposal of discontinued operations	-	(188,000)

Result of discontinued operations:

	2025 ($)	2024 ($)
Revenue	-	-
Management expenses	-	(49,960)
Loss on disposal of discontinued operations	-	(188,000)
Loss on discontinued operations net of tax	-	(237,960)

20. Discontinued Operations (Cont'd):

Net cash inflow from discontinued operations:

Total consideration received	-	1,662,000
Expense paid	-	(49,960)
Net cash inflow from discontinued operations	-	**1,612,040**

21. Fair Values:

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

22. Capital Risk Management:

The Group manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to the shareholders. The Group's overall strategy remains unchanged from previous years.

The capital structure of the Group consists of equity attributable to the shareholder, which comprises stated capital and retained earnings.

23. Capital Commitments:

The Group does not have any confirmed capital commitments as at 31 December 2025, however, the Group intends to upgrade its current investment management software or acquire and implement new software in the future. Either option selected will incur additional costs in the future though management has not yet been determined the amount required as at the year end.

24. Contingent Liabilities:

The parent company, Firstline Securities Limited, is involved in legal proceedings with third parties arising in the ordinary course of business as indicated below:

i. **Matter 1**

On 5 September 2023, judgment was issued against the parent company in the initial hearing. The parent company subsequently filed an appeal against the decision and, in accordance with legal requirements, lodged the amount of the initial judgment together with accrued interest totalling **TT$7,150,545**. The matter was heard before the appellate court on 8 May 2025. However, no substantive judgment had been issued as at the date the directors approved these consolidated financial statements.

Based on legal advice received from external counsel, the directors are of the opinion that there are reasonable grounds for the appeal and that an adverse outcome is not considered probable.

ii. **Matter 2**

On 24 June 2025, judgment was issued against the parent company in the amount of **TT$227,009**. The parent company filed an appeal against the decision on the same date, and the matter is currently awaiting a hearing date before the appellate court.

Based on legal advice received from external counsel, the directors are of the opinion that there are reasonable grounds for the appeal and that an adverse outcome is not considered probable.

Accordingly, no provision has been recognised in these consolidated financial statements in respect of these matters. Both are disclosed as contingent liabilities in accordance with IAS 37. At this stage, it is not practicable to determine reliably the potential financial effect, if any, that may arise should the appeals be unsuccessful.

25. Events After the Reporting Date:

On 3 December 2025, the Group entered into a sale agreement for the investment property. The total consideration of **$17 million**, less costs of disposal amounting to **$580,000**, will be recognised in the financial statements for the period in which the transaction is completed. As of the date of issue of the financial statements, the sale has not been finalised. Management has evaluated this subsequent event and determined that it does not necessitate an adjustment to the measurement of assets and liabilities as at the reporting date.

Subsequent to the year-end, the parent company resolved to apply for the subsidiary Liege Properties Limited to be struck off the Register of Companies. The dissolution process to be completed before the end of the next financial year. The subsidiary's investment property was sold 2022, and the company has no ongoing operating activities.