



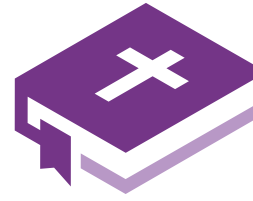
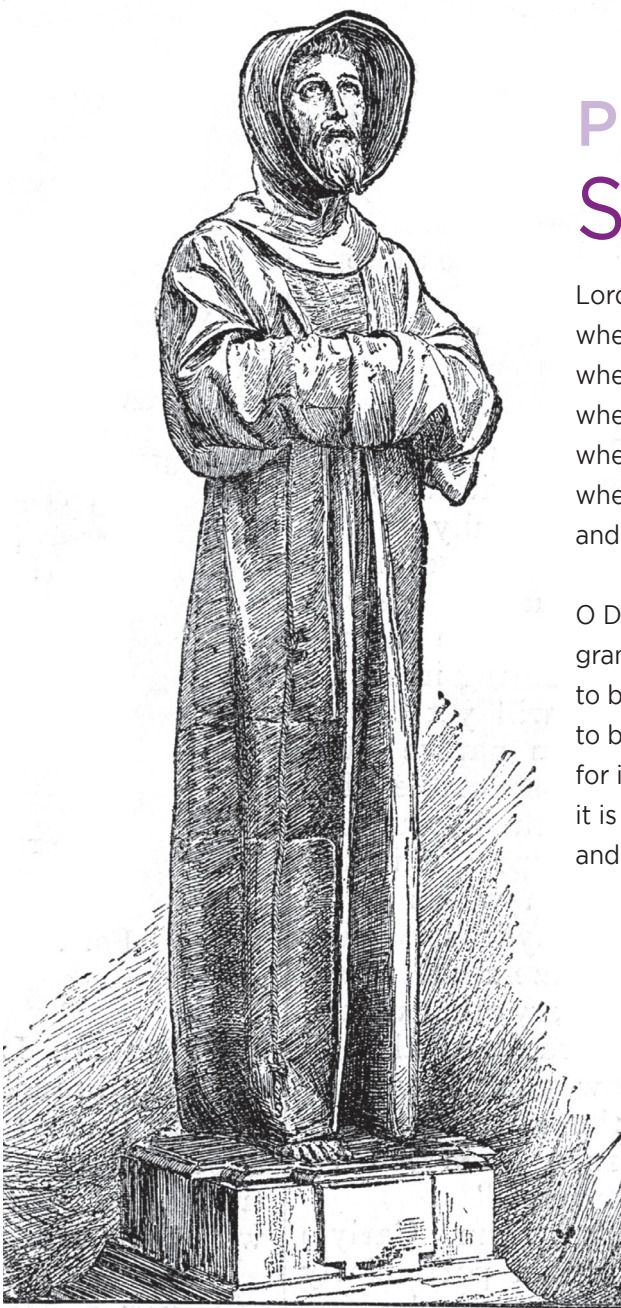
**TRANSFORM
AMPLIFY
GROW**



2025 ANNUAL
REPORT

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Prayer of St Francis of Assisi

Lord, make me an instrument of your peace;
where there is hatred, let me sow love;
where there is injury, pardon;
where there is doubt, faith;
where there is despair, hope;
where there is darkness, light;
and where there is sadness, joy.

O Divine Master,
grant that I may not so much seek to be consoled as to console;
to be understood, as to understand;
to be loved, as to love;
for it is in giving that we receive,
it is in pardoning that we are pardoned,
and it is in dying that we are born to Eternal Life.

This prayer of Saint Francis of Assisi is often used by Credit Union members' at the beginning or at the end of their meetings. It is even referred to in some places as the "Credit Union Prayer".



Our Member Service Charter

THE CREDIT UNION'S EXPECTATIONS OF ITS MEMBERS

- To remain loyal to their Credit Union
- To maintain a professional manner when conducting business at the Credit Union.
- To be respectful to employees and other members.
- To be co-operative by way of providing all the necessary information requested by employees.
- To take the initiative on issues affecting them.
- To seek clarification on problematic issues.
- To maintain high levels of honesty and integrity.
- To be punctual for appointments and any other meetings at the Credit Union.
- To display care and consideration for Credit Union property and facilities.

WHAT MEMBERS CAN EXPECT TO RECEIVE IN TERMS OF SERVICE

- Prompt, professional, efficient service with an emphasis on service excellence.
- Dedication to adding value to the members' experience.
- Keen interest in making the member feel appreciated.
- Accuracy on members' accounts.
- Remittances processed in a timely manner (two (2) working days).
- Information on the Credit Union's products and services.
- Guidance on financial planning.
- Effective communication on the Credit Union's policies and procedures.
- Timely response to queries and telephone calls.



TO BE THE LEADING PROVIDER OF
FINANCIALSOLUTIONS FOR ALL
OUR MEMBERS.



TO BE THE MOST EFFICIENT PROVIDER OF
CREDIT UNION SERVICES AND PRODUCTS
THAT DEVELOP AND SUSTAIN ALL MEMBERS'
SOCIO-ECONOMIC STANDARDS, BASED ON
CO-OPERATIVE PRINCIPLES..



MEMBER SERVICE

We strive to deliver a caring and effortless experience for all our members.

TEAMWORK

We work collaboratively and co-operatively with our staff, members, and key stakeholders.

INNOVATION

We encourage and reward innovative thought and action at every level of the Credit Union

SOLUTION-ORIENTED

We focus on always finding creative solutions to solve problems or challenges.

EXCELLENCE

We provide personable, customized, superior service in every interaction.

RESPECT

We promote an environment of mutual respect.

INTEGRITY

We seek to build trust and are highly ethical and transparent in our every interaction.

COMMUNITY

We care about each other and our members and strive to build community within and outside the Credit Union.



Agenda

1. Ascertainment of Quorum
2. Call to Order
3. Prayers / St. Francis of Assisi
4. Apologies for Absence
5. Welcome and acknowledgement of other Organisations
6. Credentials Committee Report
7. Appointment of Election Chairman
8. Elections
Vacancies and Terms
 - a) *Independent Directors*
 - b) *Board of Directors*
 - c) *Credit Committee*
 - d) *Supervisory Committee*
9. Adoption of Standing Orders
10. Minutes of the last Annual General Meeting held on July 6, 2024
11. Matters arising from Minutes of Annual General Meeting held on July 6, 2024
12. Reports 2024 - 2025
 - a) *Board of Directors*
 - b) *Credit Committee*
 - c) *Supervisory Committee*
 - d) *Auditors*
 - e) *Financial Statements*
13. Fixing of Maximum Liability
14. Appropriation of Surplus
15. Appointment of Auditors
16. Amendments to the By-Laws by Insertion of Section 33 (2) and Section 33 (3)
17. Resolutions
18. Close of Voting for elections to the Board of Directors, Supervisory Committee, and Credit Committee
19. Prize Giving
20. Election Results
21. Any Other Business
22. Vote of Thanks
23. Adjournment

Secretary
Board of Directors

BOARD OF DIRECTORS



Sis. Novaline Brewster
PRESIDENT



Bro. Damian Mascoll
VICE PRESIDENT



Sis. Marsha Greenidge
SECRETARY



Bro. Shomari Inniss
TREASURER



Bro. Eric Smith
ASSISTANT SECRETARY



Sis. Cheryl-Ann Vaughan
ASSISTANT TREASURER



Bro. Dario Arrendell
DIRECTOR



Bro. Dalton Medford
DIRECTOR



Sis. Gillian Greenidge
DIRECTOR



CREDIT COMMITTEE



Sis. Alicia Pilgrim
CHAIRPERSON



Sis. Ashlee Neblett
VICE CHAIRPERSON



Bro. Kemar Holder
SECRETARY



Sis. Juliet Pollard
ASSISTANT SECRETARY



Sis. Michelle Hamblin
MEMBER

SUPERVISORY COMMITTEE



Bro. Harcourt Husbands
CHAIRMAN



Sis. Daceia Bailey
VICE CHAIRPERSON



Sis. Faith Roach
SECRETARY



Sis. Lisa Martin
ASSISTANT SECRETARY



Faye Arthur
MEMBER



MANAGEMENT TEAM

Sis. Alana Cadogan
CHIEF EXECUTIVE OFFICER



Bro. Terry Bonnett
CHIEF FINANCE OFFICER



Sis. Marie Theodore
CHIEF OPERATIONS OFFICER



Bro. Shazard Mohammed
**CHIEF LEGAL & COMPLIANCE
OFFICER**



Sis. Deborah Currency-Hunte
**CHIEF HUMAN RESOURCE &
ORGANISATION DEVELOPMENT
OFFICER**



Bro. Antonio Arthur
**CHIEF INFORMATION
TECHNOLOGY OFFICER**



Sis. Valerie Hope
MARKETING MANAGER



Sis. Lisa Collymore
BRANCH MANAGER



Sis. Michaela Niles
BRANCH MANAGER



Sis. Leah Murray
RISK MANAGER



Alwyn Springer
INTERNAL AUDITOR



OUR CORPORATE TEAM

CHIEF EXECUTIVE OFFICER

Alana Cadogan

OFFICE OF THE CEO

Leah Murray..... Risk Manager
 Lucretia Hall..... Executive Secretary
 Sharon Murrell..... Executive Assistant
 Board of Directors

FINANCE & COLLECTIONS

Terry Bonnett..... Chief Finance Officer
 Kristina Browne..... Finance Officer
 Akilah Morgan..... Finance Assistant
 Jelani Hope..... Finance Assistant
 Natalia Williams..... Finance Assistant
 Carl Kishna..... Finance Assistant - Card Services
 Shonnelle Holmes..... Senior Collections Officer
 Sharon Hope..... Collections Officer
 Sasha Gibbons..... Collections Officer
 Natalie Gilkes..... Collections Clerk

HR & ADMINISTRATION

Deborah Currency-Hunte..... Chief Human Resource
 and Organisation Development Officer
 Gail Cumberbatch..... Human Resource
 and Administration Officer
 Makaila Best..... HR, Administrative Assistant
 Janice Griffith..... Office Attendant
 Mary Haynes..... Office Attendant
 Joan Best..... Office Attendant
 Adrian Bradshaw..... Office Assistant

INTERNAL AUDIT

Alwyn Springer..... Internal Auditor
 Akeelia Maynard..... Internal Audit Assistant

INFORMATION SYSTEMS

Antonio Arthur..... Chief Information
 Technology Officer
 Dario Holder..... Senior Systems Administrator
 Jovon Amos..... Systems Administrator

LEGAL AND COMPLIANCE

Shazard Mohammed..... Chief Legal
 and Compliance Officer
 Yvette Jordan-Dottin..... Compliance Officer
 Michelle Husbands..... Securities Officer

MARKETING

Valerie Hope..... Marketing Manager
 Adarian Brome..... Marketing Assistant

OPERATIONS

Marie Theodore..... Chief Operations Officer
 Lisa Collymore..... Branch Manager
 Michaela Niles..... Branch Manager
 Kim Hunte..... Branch Supervisor
 Shana Taylor..... Branch Supervisor
 Sacha Mondesir..... Branch Supervisor
 Sherri Taylor..... Relationship Officer
 Marika Hinds..... Relationship Officer
 Shavonne Dottin..... Relationship Officer
 Chelsea Brathwaite..... Relationship Officer
 Keisha Goddard..... Loans Underwriter
 Juann McCarthy..... Loans Underwriter
 Dario Yearwood..... Loans Underwriter
 Kelly Lewis..... Processing Clerk
 Toni Worrell..... Member Experience
 Representative
 Omelle Broomes..... Member Experience
 Representative
 Charmaine Johnson..... Member Experience
 Representative
 Neville Nurse..... Teller
 Jade-Amor Grant..... Teller
 Erika White Cummings..... Teller
 Tia Atwell..... Teller
 Octavia Lewis..... Teller
 Jequan Jones..... Teller
 Reon Harris..... Teller
 Sadie-Ann Alleyne..... Telephone Operator
 Danica Mullin-Haynes..... Telephone Operator
 Adrien Emmanuel..... Receptionist

PART-TIME

Cheryse Simmons..... Telephone Operator



PRESIDENT'S MESSAGE

Our performance this year defines AffinityPlus Credit Union's (AffinityPlus) commitment to bold, purpose-driven progress. Anchored by a strong foundation of trust, continuous improvement, and a relentless focus on service and results, we have confidently embraced a new direction. Energized by the momentum of our transformative rebrand, this chapter is defined by innovation, operational excellence, and a deeper, more meaningful connection with the members and communities we proudly serve.

CELEBRATING GROWTH AND IMPACT

We are proud to report another standout year, defined by strong growth and solid profitability, as we exceeded our targets and achieved total assets of more than a quarter billion dollars. Significant increases in loans and deposits, a record net surplus of over three million, and an excellent member retention rate, all underscore the strength of our governance and the exceptional capabilities of our management and staff. These achievements reflect our continued dedication to delivering timely, relevant, and responsive financial solutions that support the evolving needs of members.

As we celebrated the first anniversary of our new AffinityPlus brand on April 2, 2025, we were reminded that our rebranding was not just about a new look, but about a renewed promise to serve our customers, innovate, and celebrate our staff. This commitment continues to shape every decision we make and every service we offer.

STRATEGIC VISION: TRANSFORM, AMPLIFY, GROW

We embarked on a new strategic journey this year, with the introduction of a three-year plan designed to elevate every facet of our operations. The Board, management team as well as select, committee members and staff crafted our strategy. Focused on deepening digital integration, building on our institutional strengths, and expanding our reach, this roadmap positions AffinityPlus to lead with greater agility and purpose. At its core is a bold ambition, to reimagine our credit union experience in ways that are more dynamic, inclusive, and attuned to the evolving needs of our members.

PEOPLE, PURPOSE AND PERFORMANCE

People remain at the heart of all we do. From launching new member outreach programs and onboarding new members, to engaging youth and the wider community in a variety of ways, we continue to work towards leaving a positive footprint.

Our investment in the development of our staff, committees, and leadership team is ongoing. With all our staff participating in training, and new policies and standards introduced across operations, governance, risk, and compliance, we've ensured that AffinityPlus is built not just to grow, but to lead.

INNOVATION AND SUSTAINABILITY

We remain vested in sustainability and delivering greater membership value and this is reflected in initiatives such as the launch of our Member Discount Programme and continued emphasis on Green Loans to air quality testing and energy-efficient upgrades across branches. In tandem, our cybersecurity infrastructure has been fortified through nonstop monitoring and staff training, while we have embraced and upgraded our digital banking platforms, bringing greater ease, access, and confidence to our members.

CELEBRATING OUR COLLECTIVE EFFORT

None of these achievements would be possible without the dedication of our entire AffinityPlus family. I extend gratitude to our Board of Directors, Supervisory and Credit Committees, management, staff, and volunteers. Your unwavering commitment, insight, and service continue to propel us forward.

To our members, you are at the centre of everything we do. Thank you for your trust, insights, and unwavering support. Your belief in us drives us to grow stronger, serve better, and make a lasting difference.

SHAPING OUR FUTURE

As we look forward, we do so with energy, purpose, and vision. In the coming year, we will deliver long-awaited services including our own ATM network and connect to the Automated Clearing House and the Real Time Gross Settlement System to facilitate your payment transactions. These initiatives reflect our unrelenting drive to be faster, smarter, and more responsive, while always staying true to our cooperative roots.

We are experiencing remarkable growth and remain committed to investing in the financial futures of every generation, while developing smarter, more connected ways to serve our members. With innovation as our compass and people as our purpose, we move forward boldly, united in our mission to uplift lives, strengthen communities, and redefine the credit union experience.

Thank you for being part of this extraordinary journey.



BOARD REPORT

Transform, Amplify, Grow

INTRODUCTION

The 2024/2025 financial year was a pivotal chapter in the journey of AffinityPlus Credit Union. It marked the successful conclusion of our previous strategic plan and the launch and evolution of our new identity under the AffinityPlus brand, introduced through a transformative rebranding initiative. On April 2, 2025, we celebrated the first anniversary of this bold relaunch.

Our new distinctive identity strongly embodies our commitment to innovation, growth, and financial empowerment. This milestone reaffirmed our position as a progressive, member-centric institution poised to meet the changing needs of those we serve.

Now, we take the next step forward with a renewed strategic vision, under the theme: Transform, Amplify, Grow. Our 2025–2028 strategic plan is designed to drive operational excellence through digital transformation, deepen member engagement by amplifying our strengths, and accelerate sustainable growth.

By leveraging our strong foundation, cutting-edge technology, and a high-performing team, we are poised to redefine the financial landscape for our members.

FINANCIAL PERFORMANCE AND OVERVIEW

AffinityPlus achieved another stellar financial performance, surpassing \$260M in total assets. The loan portfolio grew by 9% to \$193M, and deposits grew by 12% to \$232M, indicating confidence in the Credit Union among its members and the wider society. We recorded a net surplus of \$3.6M, which is one of the highest recorded in our Credit Union's history. This highlights our ability to continue generating sustainable profits and improve our financial stability. To be edited once the auditor's report is submitted.

OUR ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) COMMITMENT

As part of our commitment to sustainable leadership, the Board has embraced the ESG approach for the first time. This provides a structured approach to integrating environmental, social, and governance considerations into our strategic oversight.

We believe that responsible growth goes hand in hand with sustainability, community engagement, and strong governance. Key highlights of how we lived out our values in 2025 are as follows:

Environmental

- **Paperless Push:** We continue to enhance our digital offerings and reduce our reliance on the use of paper in our operations.
- **Energy Efficiency:** We have installed energy efficient lighting in all our branches.
- **Air quality:** We have started air quality tests in all our branches and are committed to a consistent maintenance schedule to ensure the health and safety of our staff and members
- **Green Financing:** We continue to promote our Green Loan products, which feature some of our lowest interest rates to support the purchase of hybrid and electric vehicles, as well as other products that encourage sustainable living. We have also maintained our partnership with Williams Solar to provide access to quality PV systems at affordable rates.

Social

- **Financial Literacy:** We hosted eight (8) free SMARTChoices webinars as well as facilitated several SMARTYouth Leaders Club meetings, which targeted young adults and provided learning and development opportunities. Several schools and community groups were also engaged to deliver financial literacy sessions to youth audiences. More details are provided in the Marketing and Communication section of this report.
- **Community Impact:** Through our We Care programme we donated almost \$85,000 to a total of 94 members and local charitable initiatives focused on youth, Sports, Culture and Heritage, the environment and community development. We have also sponsored a wide range of projects that serve to make a significant positive impact on our society.
- **Diversity in Leadership:** We have committed to diversity and inclusion at every level of the Credit Union. Presently a large cross section of females serve across our Board and Committees including our current President and CEO. Women make up 33% of our Board and 72% of our management team. We are working to enhance our accessibility and support of people with disabilities.

Governance

- **Transparency & Ethics:**
 - An updated Code of Conduct has been introduced for all employees, committee and board members and training will be rolled out to ensure that it is embedded in the hearts and minds of stakeholders.
- **Risk & Compliance:**
 - Data protection policies have been strengthened to ensure compliance with local and international data privacy regulations and to ensure member confidentiality.
 - Our Enterprise Risk Management (ERM) Framework has been formally established and is actively monitored, reviewed, and refined to ensure robust oversight, resilience, and alignment with our strategic and operational objectives.
- **Board Engagement:**
 - Targeted training on governance best practices has been delivered to strengthen leadership effectiveness, enhance accountability, and ensure alignment with our commitment to strong corporate governance.

OPERATIONS

The Credit Union continued to deliver strong growth and operational excellence, achieving key milestones in the 2024-2025 financial year. Membership grew by 6.79%, with 1,899 new members onboarded, bringing total membership to 33,579 as of March 31, 2025. Our member retention rate stands at an impressive 99%, underscoring the trust and confidence our members place in us and the strength of our value proposition.

We recorded growth across key performance areas, with deposits increasing by 11.92% and loans by 9.25%, successfully exceeding our targets for both loans disbursed and interest income earned. Payroll transactions also grew by 7%, reflecting the increase in membership and greater member engagement through payroll services.

Our strategy to maintain deposits ahead of loans was effectively executed, supported by the strong performance of our flagship deposit products - the SMARTBuilder, SMARTAccumulator, and Term Deposits. Our targeted campaigns, including the highly successful limited-time term deposit offer of 4%, introduced in the final quarter of the year, provided members with competitive rates and attractive investment opportunities, reinforcing our commitment to offering market-leading products.

In line with our digital transformation agenda, we continued to see positive adoption of our digital channels. Active Mastercard users increased by 4%, while online banking usage grew by an impressive 20%, as more members embraced the convenience and efficiency of our digital platforms.

Delivering superior member service remains at the core of our operations. The successful rollout of our Service Excellence Standards has ensured greater consistency in service delivery across all touchpoints. These standards serve as our benchmark for maintaining high-quality member interactions, supported by ongoing initiatives such as our mystery shopper program to identify areas for improvement and uphold our commitment to exceptional service.

Looking ahead, we remain focused on delivering value-added services, maintaining open avenues for feedback, and continuously improving our service delivery to exceed member expectations and advance their financial well-being.

TECHNOLOGY

Cybersecurity

AffinityPlus remains committed to safeguarding the integrity of our digital infrastructure and member data by adopting a proactive, multipronged approach to cybersecurity. In response to the growing complexity of both internal and external threats, the Credit Union has implemented a layered defence strategy that includes ongoing monitoring, employee training, threat intelligence integration, and regular system audits.

- **Continuous Monitoring**

The credit union has partnered with a trusted leader in cybersecurity services, to provide 24/7 monitoring of our network, firewalls, and devices. This service ensures continuous surveillance, allowing us to detect and respond to potential threats or breaches in real time.

- **Training**

Employees are a critical line of defence against cyber threats, and an annual cybersecurity training program has been implemented in conjunction with the Human Resources department.

- **Member Education**

Through a mix of digital webinars, social media content, and traditional media outreach, the credit union has been committed to providing timely, relevant, and ongoing member education around cybersecurity. Our educational initiatives focus on safe usage of key services such as debit cards and online banking, equipping members with the knowledge to identify threats, protect their personal information, and navigate digital platforms securely and confidently.

Digital Enhancements

Significant advancements have been made in relation to two key initiatives to enhance our online and technology-related member services. Our integration with the local real-time transfer platform is now nearing completion. Once fully implemented, this enhancement will enable members to instantly transfer funds to all six commercial banks and two of our sister Credit Unions, offering greater convenience and efficiency in managing their financial transactions.

Additionally, we have made substantial progress on the rollout of full-service ATMs across our three branches. This project is well underway, with these ATMs set to provide 24/7 access to essential banking services, including both withdrawals and deposits, complementing our popular Mastercard debit card product.

Enhanced Communication Tools

As part of our ongoing commitment to improving member service and operational efficiency, we have initiated the transition to a modern, cloud-based telephone system powered by Microsoft Teams Phones. This upgrade will significantly enhance the way members connect with us offering quicker access to the right teams and more seamless call management. Internally, it will empower staff with smarter call handling capabilities, improve switchboard oversight, and support more effective collaboration across departments. This change reflects our focus on leveraging technology to strengthen communication and service delivery at every touchpoint. It is expected that this project will be completed by the second quarter of the 2025/2026 financial year.

LEGAL & COMPLIANCE

The Legal and Compliance Department continues to play a vital role in strengthening the Credit Union's ability to navigate legal, regulatory, and compliance matters efficiently and effectively. A key focus has also been supporting and advancing the "Governance" pillar of the Credit Union's ESG agenda.

Policies

As part of the strategy to build greater resilience and support enhanced management, a concerted effort was made to introduce, and update key policies. These will be instrumental in guiding decision-making and helping the credit union to standardize procedures and processes. Policies approved by the Board of Directors in the 2024/2025 financial year included:

- Data Protection
- Self-Certification (CRS)
- Corporate Governance
- Complaints Handling & Resolution
- Travel
- Whistleblowing and Employee Protection
- Fixed Assets
- Material Changes Disclosure
- Disciplinary Management
- Clean Desk
- Standards of Business Conduct
- Cybersecurity Risk Management
- Operations
- Risk Management Framework
- Third-Party Risk Management
- Bill of Sale

Regulatory Compliance

The Credit Union continues to ensure its compliance with the regulatory requirements of the Financial Services Commission of Barbados (the “FSC”) and other relevant governmental agencies. We formally responded to the FSC draft findings in the examination report for the period January 1, 2022, to December 31, 2022, which were shared with AffinityPlus this year and continue to advance the remediation efforts related to policies and plans. We also met the FSC’s requirement to complete and submit an:

- Information Technology and Cyber Security Questionnaire.
- Anti-Money Laundering (“AML”)/ Countering Terrorist Financing (“CFT”) and Proliferation of Weapons of Mass Destruction (“CPF”) Questionnaire; and an
- Assessment Survey conducted independently by Market Insight Inc. in relation to the operations and interaction of the FSC with its stakeholders.

The Credit Union also continues to comprehensively address the Barbados Revenue Authority’s (“BRA”) onsite remediation review relative to the Automatic Exchange of Information (“AEOI”). This year we implemented the Self Certification Policy and other ongoing initiatives relative to the BRA’s recommendations. The policy outlines the Credit Union’s procedures for the collection, management and exchange of Members’ tax information with BRA in line with relevant laws and AEOI regulations.

RISK MANAGEMENT

ERM Framework

The Credit Union has made commendable strides in advancing our Enterprise Risk Management (ERM) framework to foster greater organizational resilience. The revamped framework provides a comprehensive approach to managing risks and aligns with industry best practice. This overhaul ensures a more robust structure for identifying, assessing, and addressing threats to the Credit Union’s objectives and operations.

Risk Registers

The risk registers for key segments of our operations have also undergone a meaningful transformation. They have been updated and integrated into Microsoft Forms, allowing for streamlined accessibility and efficient collaboration among stakeholders. Similarly, the launch of the risk dashboard in SharePoint marks a critical milestone, offering a visual tool to monitor key risk indicators and trends. This initiative facilitates real-time insights and fosters better-informed decision-making.

Risk Appetite Statement

A risk appetite statement has also been drafted, and this represents the final step in solidifying the principles of the ERM framework. This statement outlines the boundaries within which risks are considered acceptable, offering strategic guidance for future risk-related decisions.

Policies

The Third-Party Risk Management Policy and the Operations Policy were drafted by the risk management department and have been approved by the Board of Directors. These policies address the risks associated with external partnerships and operational practices. Their adoption reflects the institution’s ongoing commitment to safeguarding its interests through proactive risk mitigation.

HUMAN RESOURCE MANAGEMENT

The credit union’s rebranding & repositioning exercise served as a catalyst for redefining our organizational identity, inspiring the creation of a new Culture Statement that powerfully reflects the essence of our renewed brand and strategic direction.

At AffinityPlus We foster collaboration, drive innovation, take accountability, and strive for excellence in our solutions and services. We also embrace diversity and create a fun, engaging work environment.”

To reinforce the new culture statement, deliberate and strategic action was taken to embed it throughout the organization. The management team has committed to driving the culture by actively modelling the values, while a comprehensive internal rollout ensured staff at all levels understood and embraced its intent.

Learning and Development

The credit union continued to advance the development of skills, knowledge, and competencies across all levels of the organization, through a focused and sustained commitment to continuous learning and capacity building. Some of the key training initiatives which took place during the period under review are as follows:

- Governance: In keeping with fiduciary commitments, the Board and Committee members participated in numerous training activities with the aim of providing good and effective stewardship. Areas of learning included Understanding Artificial Intelligence and its Implications for Business Strategy, Risk Management – being able to recognize and mitigate imminent risks and Cybersecurity –Understanding how evolving cyber threats can impact individuals and the organisation.

• **Conferences:** The Credit Union supported attendance at the following Conferences:

- Compliance Aid & AMLFC Institute Hybrid Conference held in Miami, Florida -Two Employees
- Caribbean Confederation of Credit Unions (CCCU) Conference held in St. Kitts, a total of Eight persons represented the Credit Union – Four Employees, Two Board Members and Two Committee Members.
- World Council of Credit Unions (WOCCU) held in Boston Massachusetts – Two persons.
- **Cybersecurity:** In response to the rising threat landscape, all staff, Board, and Committee members received training on real-world cybersecurity practices. These sessions equipped participants with the tools to safeguard both personal and organizational data and outlined clear, immediate actions to take in the event of a breach or security incident.
- **Risk Management:** Training sessions were held with managers and supervisors, equipping them with practical strategies for effectively rating identified risks. This initiative aimed to ensure a consistent and accurate approach to evaluating risks across the organization and demonstrates our commitment to being proactive and thoughtful in managing risks. It also places us in a stronger position to tackle challenges effectively and achieve our goals with confidence.
- **Customer Service:** As an integral part of the new brand and culture of AffinityPlus, a concerted effort was placed on ensuring that staff especially member /public facing staff were exposed to service excellence training, which allows them to hone their skills and be better positioned to meet and exceed the service standards of the organisation and needs of members.
- **Public Speaking and Media Training:** During the last year AffinityPlus has increased its presence and visibility and it is anticipated that this situation will steadily continue. As a result, it was deemed necessary to equip management, the marketing team and some select staff with additional skills to adequately represent the Credit Union as needed.

The AffinityPlus Learning and Development programme remains a cornerstone of our growth strategy. A major highlight during the review period was achieving full participation, with 100% of staff engaging in at least one training initiative. This underscores our strong commitment to continuous professional development across the organization.

Rewards and Recognition

The credit union further expanded its Recognition Program to include the following:

- **Inspire the Heart Rewards** – Ad hoc recognition which can be awarded from Manager/Supervisor to direct report or from peer to peer for notable contributions and / or accomplishments.
- **Service Excellence Award** – Commendable Customer/ Member Service.
- **Unity in Service Award** – Extending selfless assistance of significant value to other department(s) and going above and beyond expectations.
- **Employee of the Year** – Overall outstanding performance for the year.
- **CEO's Award** – Awarded to the staff member that best exemplifies our core values, promotes a positive work environment, delivers verall excellent work results and makes a strategic impact.

Awards presented for 2024/2025 are as follows:

- **CEO's Award** – Mr. Antonio Arthur,
Chief Information Technology Officer
- **Employee of the Year** – Mr. Dario Holder,
Senior Systems Administrator
- **Perfect Attendance** - 16 staff members
- **Milestone Awards** - 13 staff members:
 - Four (4) 5-Year Awardees
 - Four (4) 10-Year Awardees
 - Two (2) 15- Year Awardees
 - Two (2) 20-Year Awardees
 - One (1) 35- Year Awardee

CORPORATE SOCIAL RESPONSIBILITY (CSR)

WE CARE Outreach Programme

Our mission, as a Credit Union, remains focused on enhancing the well-being of our members beyond financial solutions and making a positive difference within the broader community. Our WE CARE outreach initiative continues to reflect this focus.

During the 2024/2025 fiscal year, we awarded approximately \$84,821 in financial assistance. Of the 108 applications received, grants were issued to 25 members towards items and activities such as groceries, utility payments, healthcare management, educational and athletic activities, and essential home repairs.

The Credit Union also made donations to 69 charitable causes, including four schools, supporting projects within the key focus areas Youth Empowerment, Sports Development, Cultural and Heritage Preservation, Environmental Sustainability, and Community Advancement.

These initiatives underscore our ongoing commitment to being a purpose-driven and socially responsible financial institution that prioritizes the growth and resilience of our members and the communities we serve.

Members can visit our website, to learn more about the We Care programme and how to apply.

Community Sponsorships & Partnerships

Sponsorships and partnerships are key to reinforcing our renewed commitment to service, brand visibility, and impact. During the year, we supported some new initiatives and continued our alliance with others that make a significant impact on our community.

For the first time, AffinityPlus came on board as title sponsor of the Beacons of the North Calypso Competition, hosted by Half Moon Fort Primary School. The event featured contestants from ten primary schools and was streamed live by the Ministry of Education. It was also shared on the social media channels of the credit union, and some of the participating schools. During the Crop Over 2024 season, Affinity Plus Credit Union also sponsored for the first time, the Northernmas Kiddies Kadooment band based in Speightstown. The band achieved great success, winning several prizes including Best Junior Band.

Following a successful collaboration in 2023, the Credit Union again partnered with the Mr. Executive Challenge organization. In addition to offering complimentary membership to participants, the Credit Union introduced a new Savings Challenge with prizes for the “Most Consistent Saver” and “Biggest Saver” with the Credit Union. A social media video challenge was also launched to encourage young men to inspire others to adopt consistent saving habits.

Other ongoing sponsorships that served to build our brand awareness included Agrofest 2025, the Barbados Entrepreneurial foundation’s \$20 Challenge for secondary school students and the popular Oistins Fish Festival.

MARKETING & COMMUNICATIONS

Branding and Market Positioning

Following the successful launch of our new AffinityPlus brand, the focus for the remainder of the year was on building brand awareness, ensuring brand consistency across all our key touchpoints, supporting the thrust for service excellence and strengthening our internal and external communication. Key activities included:

- Creating advertorials and a multichannel advertising campaign, along with engaging media to facilitate print, tv and radio interviews and coordinating other exposure opportunities to highlight and communicate the new AffinityPlus brand.
- Coordinating launch celebrations across the three branches to ensure that members were activity engaged and exposed to the new brand.
- Working with stakeholders to roll out new email signature, brand fonts, and templates.
- Developing key brand messaging to guide all brand related communication and keeping members informed and engaged with ongoing updates, storytelling, and education about the brand’s purpose and benefits.
- Finalizing comprehensive branding guidelines, to direct a cohesive brand experience across all marketing materials, platforms, and communications. This guide was distributed to key stakeholders to ensure a unified brand tone, look and feel.
- Continued development and enhancement of branded templates to support brand consistent credit union presentations and communication and to allow the marketing team to do basic designs in house as needed.
- Sourcing of new brand assets to support credit union outreach. This included a new 20x20 AffinityPlus tent, feather banners, branded tablecloths, and other branch signage.
- Scripting and coordinating new brand compliant advertisements and other promotional material to effectively showcase key products and services and support revenue goals.

The response from members, staff, and partners has been overwhelmingly positive. Our online engagement grew significantly, media visibility increased, and we welcomed a host of new members. Feedback from our community highlighted appreciation for our more modern, dynamic brand and refreshed outlook which we will continue to build and nurture.

Member Engagement & Communication

We made it a priority to keep our members informed and engaged by sharing timely updates on key developments, initiatives, and events across the Credit Union. Through a mix of email communications, text messages, social media, and in branch communication, we ensured our members remained in the loop and had the opportunity to get involved in key activities and promotions.

To deepen member appreciation, we reintroduced birthdaye-cards for our members. This small yet thoughtful gesture is one of the many ways we continue to strengthen relationships and express appreciation beyond everyday transactions. We encourage members who do not currently receive communication from AffinityPlus to contact our Member Experience team and ensure that we have the most up-to-date information on file.

We also saw continued growth across all our social media platforms, with increased interaction and a steady rise in followers. Carefully curated, creative content was shared throughout the year to educate, inspire, entertain, and connect with our members and target audiences.

Several videos produced this year went viral, amassing over 50,000 views and hundreds of shares by both followers and non-followers, highlighting the growing impact of our digital outreach to promote our brand, products and services and communicate with members. To further enhance our thrust to effectively connect and reach diverse audiences, the Credit Union also joined Threads, a new social media platform by Meta. This new channel will provide a conversational platform for the Credit Union to engage audiences more casually and make it easier to reach younger people.

Commemorative Video

Another highlight of the year was the kickstart of content creation for a credit union commemorative video, to honour our achievements and document the rich history of AffinityPlus. Video interviews were conducted with several credit union stalwarts and staff members who have worked with the credit union for many years. The

intent is to launch the video for our 42nd Anniversary as a credit union. Snippets of the content created will also be edited for social media.

Public Relations (PR) & Promotions

Throughout the year, the Credit Union continued to strengthen its public relations efforts. New website content was introduced to spotlight ongoing initiatives, promote products, and provide updates on community partnerships and sponsorships. These additions improved the overall user experience and maintained the website's mobile-friendly, visually appealing, and search-optimized design.

A consistent presence was also maintained across traditional and digital media. Regular radio segments allowed the Credit Union to reach a broader audience island-wide, while new in-branch signage ensured that members received timely updates on promotions and services at the point of contact. Print placements supported further awareness of key events and programs.

Social media remained a central pillar of communication. The Credit Union expanded its use of video content, interactive posts, and educational features to build engagement and strengthen brand presence. These efforts supported growth across platforms, especially among younger audiences, and reinforced the organization's visibility across multiple touchpoints.

Overall, the integrated public relations strategy spanning digital, print, in-person, and on-air helped the company maintain a strong connection with its community while continuing to grow its brand and member base.

Youth Activities

The Credit Union continues to build on its commitment to engage, empower and attract more youth. Through the SMARTYouth Leaders Club, impactful sessions were held on topics such as financial planning, understanding credit, the importance of mentorship, and the transition of school-to-work. A fun mini golf outing was also planned for members.

Several junior members received complimentary access to enriching summer camps. These included the SMART Money Camp, which focused on building financial literacy, the Smooth Transitions Camp, aimed at supporting students at various stages of their educational journey, and the Back to Nature Camp at Welchman Hall Gully, where the focus was on environmental awareness and its significance.

As part of our dedication to equip the next generation with essential financial knowledge, we hosted numerous financial literacy sessions for youth. These sessions were held at a variety of primary schools and higher education institutions, including the Barbados Community College (BCC) and the University of the West Indies. We also partnered with community groups like I Am a Girl to deliver sessions.

The Credit Union also sponsored several youth programs, small businesses, charities, and community events.

Youth Scholarships

The Credit Union currently offers many youth scholarships ranging from primary to tertiary level. In January 2025, the Credit Union awarded seven scholarships totalling \$3,000 and hosted a small ceremony to recognize the recipients. Additionally, eleven junior members who completed the 11+ exam in 2024 were also recognized.

Members are encouraged to explore the available scholarship opportunities by visiting the Credit Union's scholarships web page.

Member Education

Empowering members through financial education and lifelong learning remains a key credit union goal. The SMARTChoices Webinar Series brought this vision to life, featuring eight sessions on topics ranging from financing for small business, cybersecurity, and estate planning to mental health, and achieving work-life balance. Designed to support both financial wellbeing and everyday life challenges, the series reflected our comprehensive approach to member education.

Social media continued to serve as a key education platform for delivering ongoing, practical financial tips while highlighting our many products and services. To further support member uptake and effective use of available resources, a video tutorial series and dedicated webpage were launched.

Another new initiative this year was the launch of formal orientation sessions for new members to deepen the early membership connection. Two in-person sessions were hosted in November 2024 and March 2025 to officially welcome new members and introduce them to credit union products, services, and tools. The sessions were also used to highlight member benefits, answer queries, and discuss any potential issues so they could be resolved as quickly as possible.

Member Outreach

In 2024/2025, the Marketing Team collaborated closely with internal stakeholders to strengthen brand visibility, attract new members, and promote the full suite of financial solutions offered by the Credit Union. A series of outreach activities including pop-ups, corporate visits, and in-branch activations helped to deepen engagement and drive growth. The team also participated in partner-hosted events, using these opportunities to expand their reach and foster meaningful business relationships.

The first major promotion "*Meet Us in Town*," was held on May 17 at Golden Square Freedom Park. This event allowed for direct engagement with the public about the new brand and featured an influencer led promotion, where passersby were invited to sing the new AffinityPlus jingle and answer trivia for prizes. Over the summer, the Summer Takeover Promotion encouraged members to open accounts, apply for loans, and make deposits for a chance to win fun prizes such as festival tickets, AffinityPlus branded items, gift baskets, and credit union cash.

In June, the Credit Union renewed its partnership with Express Motors to roll out Drive Happy Thursdays, which offered competitive car loan packages to members and non-members alike. Another key initiative, Join, Save & Win Saturdays, ran during select month-end Saturday openings at the Fairchild Street branch and rewarded members for signing up, opening new accounts, and making large deposits.

To wrap up the year, the Credit Union hosted *Guess Who? Twelve Days of Christmas* digital challenge, inviting members to match staff baby photos for a chance to win cash prizes bringing a festive close to the year's marketing efforts.

Digital Banking Drive

As part of efforts to promote digital adoption, the Credit Union participated in the *2024 Digital Banking Drive* alongside other financial institutions. Activities included a public panel discussion on cybersecurity and a digital expo at Sky Mall, where members accessed services such as online banking support, loan sign-ups, and new memberships. The initiative supported national efforts toward a more less cash digitally empowered society.

International Credit Union Day

On 17th October 2024, we celebrated International Credit Union (ICU) Day by distributing branded tokens of appreciation and promotional flyers to members in

branch and to random people throughout Bridgetown and Speightstown. The deployed teams also took the opportunity to directly engage recipients and create greater awareness about the day and AffinityPlus Credit Union.

In honour of ICU Day, fans were also donated to The Alleyne Secondary School and students engaged in meaningful conversations around financial literacy. This formed part of our We Care “Cool Schools” initiative, which aims to help schools maintain comfortable and cooler environments.

Member Incentives & Rewards

In collaboration with Capita Financial and Mastercard, the Credit Union rolled out the *Just Go For it*, spend and win campaign for eligible debit cardholders including inactive, active, and ATM-only users. This nine-week (September 15 th 2024, to November 22 nd , 2024) promotion aimed to boost card usage by offering participants a chance to win one of two all-inclusive trips for them and a guest to Madrid, Spain.

Throughout the campaign, members were not only encouraged to meet their usage targets but were also provided with tips on the features and benefits of the card. This year, two members, Sis. Kiesha Morris and Sis. Cherise Young won the grand prize.

To increase deposits and attract new members, the Marketing Department also worked with the Operations department to launch the Term Deposits Just Got Better campaign. Through this special promotion, members could earn up to a preferred interest rate of 4% by meeting minimal requirements. The campaign was successful and played a key role in helping the Credit Union exceed its overall deposit target.

As promised, the APlus Savers Club was officially launched in this financial year to encourage a strong savings culture and reward members. Through this initiative, members who consistently saved or maintained healthy account balances were recognized and rewarded. Qualifying members are entered into random draws and received rewards such as free tickets to popular events and Credit Union cash. Up to nine members have been selected as winners so far.

Member Discount Programme

In the 2024/2025 financial year, we launched the *AffinityPlus Member Discount Programme*, designed to reward members with exclusive savings across a range

of industries. Through strategic partnerships with local merchants, members can now access special discounts simply by presenting their AffinityPlus Debit Mastercard at participating businesses.

This initiative not only enhances the overall member experience but also strengthens ties with the small business community by driving traffic and visibility to partner establishments. The programme reflects the Credit Union’s commitment to providing meaningful benefits to members beyond financial products.

To explore the full list of participating partners or learn how to become one, members and business owners can visit the Credit Union’s website at affinityplusbb.com/member-discount-programme

Market Research

We remain committed to strengthening member relations through continuous improvement and service excellence. In June 2024, we launched our annual Member Services and Satisfaction Survey to gather valuable feedback, helping us to better understand member needs and preferences, as well as assess our overall member experience. This insight is critical to helping the credit union team identify areas for improvement, enhance service delivery, and ensure our products/ services remain relevant and responsive.

As we look to aggressively grow our junior member portfolio, we also sought feedback from parents and guardians through our Junior Membership Survey. This new assessment focused on evaluating the credit union experience at the Junior member level and determining awareness of valued added benefits currently offered such as youth scholarships and programmes.

Given the importance of engaging new members early in their membership lifecycle, a New Member Survey was launched in the latter part of the financial year, to gain insight into the experiences of members who recently joined AffinityPlus. The responses will help us evaluate and improve the onboarding journey to better meet members’ needs from the very start.

THE PATH AHEAD

Our achievements this year, including solidifying our brand, strengthening our services, and expanding our impact, marked a bold step forward and was a direct result of the hard work, passion, and commitment of the entire team.

We applaud the unified efforts and extend our thanks and gratitude to everyone who played a role in ensuring the Credit Union was able to meet its key goals.

This progress is just the start and has set the stage for even greater milestones ahead. As we celebrate our transformation and look toward the future, AffinityPlus remains committed to sustaining that momentum, deepening trust, delivering exceptional service and value, strengthening member relationships, and building a future for all of us that is truly A+.

In this coming financial year, members can look forward to the materialisation of long-awaited initiatives. This includes the implementation of our own ATM network, the launch of our Real Time Payments network, making it much easier to transfer funds in and out of the credit union, along with the roll out of a new more responsive contact centre, which will allow members to more easily contact and connect with the Credit Union by phone and other means.

We are also introducing a new, more efficient loan and member onboarding platform as well as the integration of more AI and automation in our communication channels and operational processes, which should lead to increased responsiveness and faster service delivery. Additionally, we will also launch our new SMARTJunior Savers Club, an initiative aimed at promoting savings and financial responsibility in children and helping to grow our junior membership. We will install this club in both primary and secondary schools and integrate it into formal community youth programs, further supporting our mission to inspire and guide young individuals on their financial journeys.

AffinityPlus is more than a new name, it's a renewed commitment to service, innovation, and putting our members first, every step of the way. We are excited to work hand in hand with our members and stakeholders to transform, amplify, and grow to our mutual benefit.

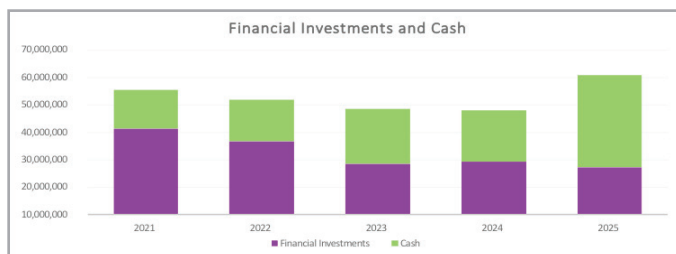


MANAGEMENT ANALYSIS

This financial year, April 2024 to March 2025 for AffinityPlus Credit Union Limited was punctuated with growth improving on the results achieved for the previous period ending March 2024. The Credit Union maintained substantial progress across key indicators, including loans, deposits, membership, and assets, while continuing to keep delinquency levels at a historical low.

CASH AND FINANCIAL INVESTMENTS

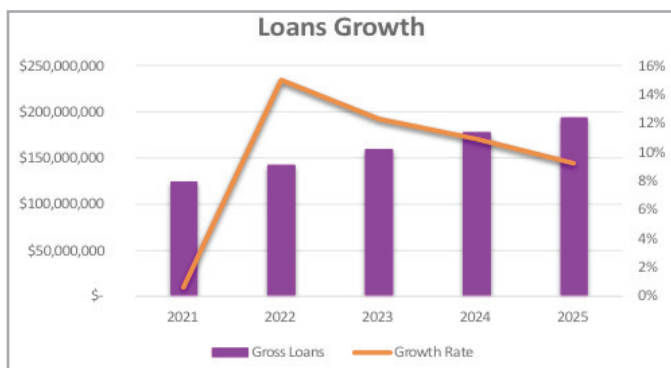
Total cash and investments increased by \$12.8 million as a result of attracting deposits from the initiative introduced in the final quarter of the financial year. Our cash resources rose by 79% to \$33.4 million, leading to a liquidity ratio of 14.4%, well above the 8% benchmark. The investment portfolio shrunk modestly by 4.2% or \$2.0 million. With the improved liquidity position, we plan to significantly increase investment activity during the financial year ending March 2026.



LOANS AND MORTGAGES TO MEMBERS AND CREDIT RISK

The credit union continues the growth trajectory in loans and mortgages to members, registering a substantial increase of 9.3% during the year and 58% over the last five years. The total loan portfolio is approaching the \$200 million milestone ending the year at \$193.44 million, with a notable breakdown of growth across different categories. Personal loans remained the driver of growth with an increase of \$10.7 million, mortgages increased by \$4.4 million and lines of credit expanded by \$1.9 million. This growth in lending activities reflects our commitment

to meeting the diverse financial needs of our members while carefully managing credit risk.



We are exceedingly proud to report an outstanding reduction in our delinquency ratio, which decreased from the previous year's 3.24% to 3.14%.

This achievement reflects our ongoing dedication to building strong relationships with our members and providing comprehensive support throughout their financial journeys. Our commitment to proactive member engagement and personalized financial guidance has undoubtedly influenced this favourable outcome.

LIABILITIES AND LIABILITIES TO MEMBERS

This year's deposit growth rate of 11.92% surpassed the recent high for last year of 8.30%, with total deposits reaching \$232.3 million. This growth can be attributed to a rise of \$11.1 million in Corporate deposits, \$7.3 million in Deposit Share Certificates, \$4.9 million in Membership

Prime deposits, \$1.2 million in SMART Accumulator, and \$1.2 million in Loan Savings

There was a deposit promotion for a limited time period offering attractive interest rates on new money, which the Corporate depositors took advantage of and resulted in the expansion of that deposit segment. The increase in deposits during the year consequently caused the interest expense to rise by \$0.64 million.



There was also growth experienced in our membership base which expanded by 1,899 new members, a 6% increase over the last financial year. This increase brings our total membership count to 33,579 (31,680 March 2024), contributing to a rise in our qualifying shares, which now stand at \$3.2 million. Our continued success in attracting and serving new members underscores the benefit of the rebranding and confidence they place in our credit union.



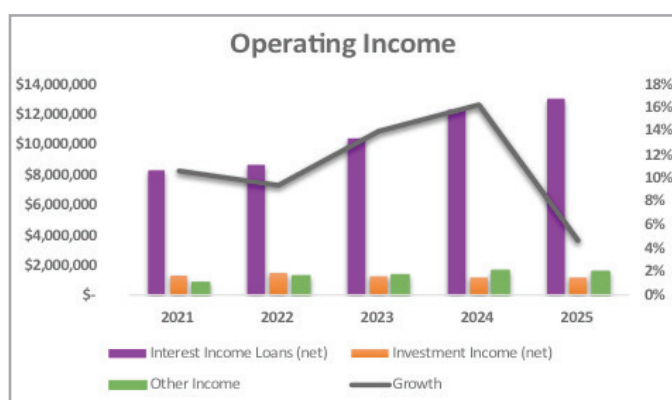
EQUITY

Our equity has reached \$21.8 million, with a \$3.7 million increase over the previous year, due to the growth in Net Surplus. While our capital ratio of 9.63% falls slightly below the required 10%, it's crucial to note that it is trending in the correct direction, as the credit union continues to recover from the all-time low of 1.45% in 2019, attributed to government debt restructuring, loss

on building valuation, and the introduction of IFRS 9. We remain committed to strengthening our equity position in the immediate term to enhance the financial resilience and long-term sustainability of the credit union.

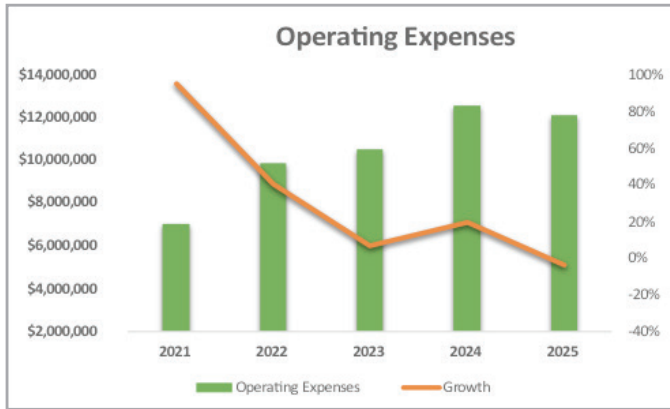
OPERATING INCOME

Our Total Operating Income increased by 5% or \$0.7 million, improving on the previous high of \$15.1 million in March 2024, to \$15.9 million this year. The growth was driven by a 6.4% increase in Net Loan Interest Income, propelled by the expansion of the loan portfolio breaking the \$13 million barrier. There were slight decreases for Investment Income (net) of \$0.02 million and Other Income of \$0.05 million.



EXPENSE MANAGEMENT

Following a prudent approach to expenses, we experienced a 3.5% decrease amounting to \$0.44 million. The main drivers of this decrease were Building Remediation expenses, which decreased by \$785 thousand, as the work was completed. Additionally, there were decreases in Card Expenses by \$205 thousand and General and Administration and Depreciation by \$131 thousand each. Conversely, Payroll Costs increased by \$446 thousand fueled by the settled union negotiations and payment of back pay. Information Systems costs increased by \$258 thousand from increased existing subscriptions plus new subscriptions for network monitoring, BACHSI support and maintenance etc. and \$142 thousand for Membership Protection and (MBP) Governance because of higher Convention costs, MBP premiums and Regulatory Fees based upon asset size.

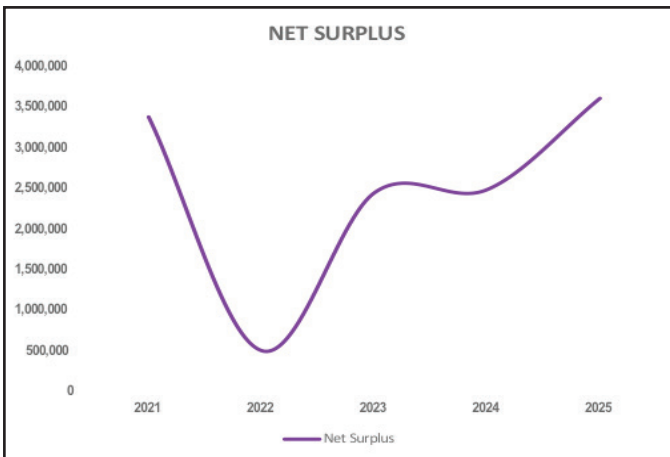


CONCLUSION

The Credit Union had a successful year, with assets exceeding a quarter of a billion dollars for the first time. The Net Surplus of \$3.6 million as of March 31, 2025, marks another year of continued growth and reflects one of the strongest performances in the Credit Union's history.

With the building remediation having been completed, there was a positive valuation on the Fairchild Street property. The Credit Union is moving in a positive direction as all the foregoing performance indicators illustrate. However, we are mindful of the need to grow in a financially prudent and sustainable manner to build on a solid foundation. As we move forward into the 2026 financial year, there are exciting times ahead.

Our commitment to our membership remains ever unwavering and we are in an advance stage of rolling out new services, which will enhance the membership experience. We will continue to prioritize members' needs and employ the principles of good corporate governance to ensure that we fulfil our mandate of being an A plus Credit Union. With a focus on our financial well-being and the highest standards of service, we are confident in our ability to thrive meet any challenge the financial landscape has to offer.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31ST, 2025





AFFINITYPLUS CREDIT UNION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025



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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
AFFINITYPLUS CREDIT UNION LIMITED**

Opinion

We have audited the financial statements of AffinityPlus Credit Union Limited (the "Credit Union"), which comprise the statement of financial position as at March 31, 2025, statements of changes in equity, comprehensive income, and cash flows for the year then ended, and notes, to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at March 31, 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 Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' (IESBA) and International Code of Ethics for Professional Accountants (including International Independence Standards) (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.

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' Report, Treasurer's Report and Supplementary information in the Annual Report 2024 - 2025 but does not include the financial statements and our auditors' report thereon. The Annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or appears to be materially misstated.

When we read the Annual Report 2024 - 2025, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.

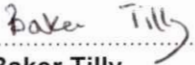
Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

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


.....
Baker Tilly

BARBADOS
June 12th, 2025

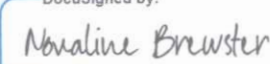
AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31ST, 2025

With comparative figures for 2024
(Expressed in Barbados dollars)

	<u>Notes</u>	<u>2025</u> \$	<u>2024</u> \$
ASSETS			
Cash resources	5	33,456,179	18,653,953
Interest receivable	6	506,056	515,270
<i>Financial investments:</i>			
Amortized cost	8	21,685,699	23,394,393
FVOCI	8	5,524,815	5,847,952
FVTPL	8	22,120	22,120
Loans and mortgages	4(a) & 9	<u>190,528,980</u>	<u>174,518,506</u>
		<u>251,723,849</u>	<u>222,952,194</u>
OTHER ASSETS			
Accounts receivable - net	10	859,374	2,446,440
Prepaid expenses		391,322	294,893
Right of Use Asset	11	358,324	361,325
Property and equipment	11	<u>6,889,719</u>	<u>6,164,467</u>
Total Other Assets		<u>8,498,739</u>	<u>9,267,125</u>
Total Assets		<u>260,222,588</u>	<u>232,219,319</u>
LIABILITIES AND MEMBERS' EQUITY			
Liability to Non-members			
Accounts payable and accrued expenses	12	2,431,276	3,100,568
Lease Liability	13	<u>423,159</u>	<u>427,942</u>
		<u>2,854,435</u>	<u>3,528,510</u>
Liabilities to Members			
Deposits	14	232,301,261	207,559,537
Regulatory capital	15	<u>3,218,000</u>	<u>3,013,450</u>
		<u>235,519,261</u>	<u>210,572,987</u>
Members' Equity			
Statutory reserve	16	12,815,816	11,514,703
Revaluation reserve	11	459,703	-
Other Reserves	17	327,930	251,056
Unrealised gain on investments		2,910,922	3,234,059
Undivided earnings		<u>5,334,521</u>	<u>3,118,004</u>
Total Members' Equity		<u>21,848,892</u>	<u>18,117,822</u>
Total Liabilities and Members' Equity		<u>260,222,588</u>	<u>232,219,319</u>

See accompanying notes to the financial statements.

Approved by the Board of Directors: June 11, 2025

DocuSigned by:

 Director:18AF8335C4E7424.....
 President

Signed by:

 Director:E3507890E18B41E.....
 Treasurer

AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31ST, 2025
 With comparative figures for 2024
 (Expressed in Barbados dollars)

	Notes	Statutory Reserves	Revaluation Reserve	Other Reserves	Unrealised Gain on Investment	Undivided Earnings	Total
		\$	\$	\$	\$	\$	\$
Balance at March 31 st , 2023		10,353,606	-	199,651	3,036,457	2,007,035	15,596,749
Net income for the year		-	-	-	-	2,471,019	2,471,019
Transfer to statutory reserves	16	1,161,097	-	-	-	(1,161,097)	-
Transfer to other reserves	17	-	-	134,956	-	(134,956)	-
Disbursement from other reserves	17	-	-	(83,551)	-	83,551	-
Patronage Refund	15	-	-	-	-	(147,548)	(147,548)
Unrealised gain on investments for the year		-	-	-	197,602	-	197,602
Balance at March 31 st , 2024		11,514,703	-	251,056	3,234,059	3,118,004	18,117,822
Net income for the year		-	-	-	-	3,594,504	3,594,504
Transfer to statutory reserves	16	1,301,113	-	-	-	(1,301,113)	-
Transfer to other reserves	17	-	-	186,695	-	(186,695)	-
Disbursement from other reserves	17	-	-	(109,821)	-	109,821	-
Revaluation of building	11	-	459,703	-	-	-	459,703
Patronage Refund	15	-	-	-	-	-	-
Unrealised loss on investments for the year		-	-	-	(323,137)	-	(323,137)
Balance at March 31 st , 2025		12,815,816	459,703	327,930	2,910,922	5,334,521	21,848,893

See accompanying notes to the financial statements.

AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31ST, 2025

With comparative figures for 2024

(Expressed in Barbados dollars)

	<u>Notes</u>	<u>2025</u> \$	<u>2024</u> \$
Interest on loans	20	9,540,013	8,141,274
Interest on mortgages	20	<u>5,137,896</u>	<u>5,112,983</u>
Total Loan Interest Income		14,677,909	13,254,257
Less Interest on deposits			
Interest expense	20	<u>(1,625,451)</u>	<u>(985,035)</u>
Net Interest Income		<u>13,052,458</u>	<u>12,269,222</u>
INVESTMENT INCOME			
Interest on savings account	20	978	2,428
Dividend income	20	120,487	63,955
Interest on investments	20	1,074,830	1,146,541
Gain on sale of investments		<u>-</u>	<u>5,333</u>
Total Investment Income		1,196,295	1,218,257
Less investment fees and charges		<u>(16,394)</u>	<u>(17,224)</u>
Net Investment Income		<u>1,179,901</u>	<u>1,201,033</u>
OTHER INCOME			
Other operating income		1,588,796	1,643,907
Rental income		<u>30,000</u>	<u>30,000</u>
Total Other Income		<u>1,618,796</u>	<u>1,673,907</u>
Total Operating Income		<u>15,851,155</u>	<u>15,144,162</u>

See accompanying notes to the financial statements.

AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE YEAR ENDED MARCH 31ST, 2025

With comparative figures for 2024

(Expressed in Barbados dollars)

	<u>Notes</u>	<u>2025</u> \$	<u>2024</u> \$
OPERATING EXPENSES			
Payroll costs		4,712,455	4,266,349
Membership protection and governance	19	1,117,493	975,706
Occupancy costs	19	695,758	693,763
General and administrative expenses	19	364,961	496,196
Expected credit losses	7	1,468,742	1,470,730
Marketing costs		480,751	516,138
Depreciation	11	821,972	953,081
Information systems expense		1,077,323	819,104
Card services		1,309,897	1,514,960
Building Remediation		76,117	861,647
Penalty and interest/ overages		<u>(3,100)</u>	<u>(1,475)</u>
Total Operating Expenses		<u>12,122,369</u>	<u>12,566,200</u>
Profit before Interest for the year		3,728,786	2,577,962
Interest expense	13	<u>(24,461)</u>	<u>(23,392)</u>
Net profit for the year after Interest and before disbursements to funds		3,704,325	2,554,570
Disbursement from funds:			
Common good fund	17	(5,000)	(10,000)
We care fund	17	(84,821)	(53,551)
Education Fund	17	<u>(20,000)</u>	<u>(20,000)</u>
		<u>(109,821)</u>	<u>(83,551)</u>
Net Income for the year		<u>3,594,504</u>	<u>2,471,019</u>
OTHER COMPREHENSIVE INCOME			
Revaluation of building		459,703	-
Unrealised loss/gain on investments for the year	8	<u>(323,137)</u>	<u>197,602</u>
Other comprehensive income/(loss)		<u>136,566</u>	<u>197,602</u>
Total Comprehensive Income for the year		<u>3,731,070</u>	<u>2,668,621</u>

See accompanying notes to the financial statements.

AFFINITYPLUS CREDIT UNION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31ST, 2025
 With comparative figures for 2024
(Expressed in Barbados dollars)

	<u>2025</u>	<u>2024</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	3,594,504	2,471,019
<i>Adjustments for:</i>		
Depreciation	821,972	953,081
Expected credit loss	1,468,742	1,470,730
Dividend income	(120,487)	(63,955)
Interest income	(15,753,717)	(14,403,226)
Net (loss)//gain on sale of assets	(2,966)	(2,661)
Interest expense	<u>1,649,912</u>	<u>1,008,427</u>
Operating loss before working capital changes	(8,342,040)	(8,566,585)
(Decrease)/increase in accounts payable	(954,078)	727,365
(Increase) in prepaid expenses	(96,430)	(136,041)
Decrease/(increase) in accounts receivable	1,544,523	(1,564,954)
Increase in loans to members	(17,475,461)	(19,316,983)
Increase in regulatory capital	<u>204,550</u>	<u>164,350</u>
Net Cash used in Operations	(25,118,936)	(28,692,848)
Interest received – loans	14,687,123	13,082,385
Interest paid	<u>(1,365,126)</u>	<u>(1,080,982)</u>
Net Cash used in Operating Activities	<u>(11,796,939)</u>	<u>(16,691,445)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(947,507)	(893,681)
Interest received on investments	1,083,834	1,136,428
Net Proceeds from sale of assets	23,187	15,000
Proceeds from sale of Investments	-	28,000
Dividends received	120,487	63,955
Decrease/increase in investments - net	<u>1,739,455</u>	<u>(616,110)</u>
Net Cash from/(used in) Investing Activities	<u>2,019,456</u>	<u>(266,408)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/Increase in deposits	24,741,724	15,900,338
Payment of lease liability	(162,015)	(98,257)
Patronage Rebate	<u>-</u>	<u>(147,548)</u>
Net Cash from Financing Activities	<u>24,579,709</u>	<u>15,654,533</u>
Increase/(decrease) in cash resources during year	14,802,226	(1,303,320)
Cash resources, beginning of year	<u>18,653,953</u>	<u>19,957,273</u>
Cash resources, end of year	<u><u>33,456,179</u></u>	<u><u>18,653,953</u></u>

See accompanying notes to the financial statements.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

1. Reporting Entity

The AffinityPlus Credit Union Limited (Credit Union) was registered on July 8, 1983, under the Co-operative Societies Act, Cap 378 and was continued under the Co-operative Societies Act 1990-23 as evidenced by a Certificate of Continuance dated July 14th, 1994. Its principal objectives include:

- (a) the promotion of thrift among its members by providing means whereby savings can be affected and shares in the society can be acquired, and
- (b) the creation out of savings of its members of a source of credit available to its members on reasonable terms and conditions.

On March 20, 2024, the Financial Services Commission approved the name change of the Credit Union from The Barbados Workers' Union Co-Operative Credit Union Limited to AffinityPlus Credit Union Limited. The Credit Union was officially rebranded on April 1, 2024.

The Credit Union's registered office is located at the corner of Fairchild & Nelson Streets, Bridgetown, Barbados.

These financial statements were authorised for issue by the Directors on June 11th, 2025.

2. Basis of Preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance IFRS Accounting Standards and their interpretations as adopted by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and investments measured at fair value.

(b) The Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets, and contingent liabilities at the reporting date and income and expenses for the year then ended. Actual results could differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

2. Basis of Preparation (cont'd)

(b) The Use of Estimates and Judgments (cont'd)

Key sources of estimation and uncertainty

Classification of financial assets:

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Expected credit losses (ECL):

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL, and selection and approval of models used to measure ECL.

Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information. (See Note 3 (j) for further information).

Measurement of fair values:

A number of the Credit Union's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Credit Union uses market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as disclosed in Note 3 (k).

3. Material Accounting Policies

(a) Functional and Presentation Currency

The financial statements are presented in Barbados dollars, which is the Credit Union's functional and presentation currency. All financial information presented in Barbados dollars has been rounded to the nearest dollar.

(b) Revenue Recognition

Interest:

Interest income is recognised in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(b) Revenue Recognition (cont'd)

Dividend:

Dividend income is recorded by the Credit Union when the rights to receive income are established.

Rent:

Rental income is recognised in statement of comprehensive income on a straight-line basis Over the term of the lease.

(c) Foreign Currency

Transactions in foreign currencies are translated to Barbados dollars at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into Barbados dollars at the exchange rate ruling at that date and the resulting gain or loss is included in the statement of comprehensive income.

(d) Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses, except for the building which is stated at valuation less subsequent 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 Credit Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is recognised in the statement of comprehensive income on the straight-line and reducing balance bases at rates designed to write off the cost of the assets over the periods of their estimated useful lives. Land is not depreciated. No depreciation is charged on buildings in the year of valuation.

The following annual rates apply:

Computer equipment	-	10% to 20%
Other furniture and equipment	-	10%
Motor vehicle	-	20% (reducing balance method)
Building	-	2%
Leasehold improvements	-	10%

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

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(d) Property and Equipment (cont'd)

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 proceeds with carrying amount and these are included in the statement of comprehensive income.

(e) Defined Contribution Plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

(f) Taxation

Income Tax - The Credit Union is exempt from the payment of income tax under Section 9(1)(g) of the Income Tax Act, Cap. 73.

(g) Impairment of Non-Financial Assets

At each reporting date, the Credit Union reviews the carrying amounts of its property and equipment and other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Provisions

A provision is recognised if, as a result of a past event, the Credit Union has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected cash flows at a rate that reflects current market assessments and, where appropriate, the risks specific to the liability.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(i) Leases

Credit Union acting as a lessee:

At commencement or on modification of a contract that contains a lease component, the Credit Union allocates consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Credit Union recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Credit Union's incremental borrowing rate. Generally, the Credit Union uses its incremental borrowing rate as the discount rate.

The Credit Union determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Credit Union is reasonably certain to exercise, lease payments in an optional renewal period if the Credit Union is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Credit Union is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Credit Union's estimate of the amount expected to be payable under a residual value guarantee, if the Credit Union changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(i) Leases (cont'd)

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero. The Credit Union presents right-of-use assets and the lease liability as a separate component on the statement of financial position.

Short-term leases and leases of low-value assets

The Credit Union has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Credit Union recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right of Use Assets

IFRS 16 replaced leases guidance IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the previous standard – i.e. lessors continue to classify leases as finance or operating leases.

Definition of a lease:

Previously, the Credit Union determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Credit Union now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3(i).

As a lessee:

As a lessee, the Credit Union leases branches and office premises. The Credit Union previously classified these leases as operating leases under IAS 17 based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Credit Union. Under IFRS 16, the Credit Union recognises right-of-use assets and lease liabilities for leases of branches and office premises.

At commencement or on modification of a contract that contains a lease component, the Credit Union allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of branches and office premises the Credit Union has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(i) Leases (cont'd)

Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Credit Union's incremental borrowing rate at the date of initial application.

The Credit Union used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Credit Union:

- relied on its assessment of whether leases are onerous under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of initial application as an alternative to performing an impairment review;
- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low-value assets (i.e. IT equipment);
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

(j) Financial instruments

Non-derivative financial assets and liabilities:

The Credit Union initially recognises cash resources, financial investments, loans and advances, accounts receivable, other assets, deposits, regulatory capital shares and other liabilities on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date, which is the date that the Credit Union becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Non-derivative financial assets – Classification and subsequent measurement:

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

- Amortized cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through the profit or loss (FVTPL)

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Financial assets measured at amortized cost:

The Credit Union's non-derivative financial assets measured at amortized cost comprise cash and cash equivalents, term deposits, sovereign debt securities, loan and advances and accounts receivable. The Credit Union measures these assets at amortized cost as its business model is to hold them to collect contractual cash flows. Its contractual terms also give rise to the receipt of principal and interest on specified dates. These financial assets are not reclassified subsequent to their initial recognition unless the Credit Union changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of comprehensive income. Any gain or loss on derecognition is recognised in statement of comprehensive income.

Financial assets measured at FVOCI:

The Credit Union's non-derivative financial assets measured at FVOCI comprise equity securities. The Credit Union measures these assets at FVOCI as these equity investments are not held for trading and the Credit Union has irrevocably elected to present subsequent changes in the investments' fair value in OCI. These assets are measured at fair value. Dividends are recognised as income in statement of comprehensive income unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of comprehensive income.

Financial assets measured at FVTPL:

The Credit Union's non-derivative financial assets measured at FVTPL comprise equity securities which are held for trading. These assets are measured at fair value. Net gains and losses, including dividend income are recognised in the statement of comprehensive income.

Reclassifications:

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Credit Union changes its business model for managing financial assets.

Non-derivative financial liabilities – Classification and subsequent measurement

Financial liabilities are classified and measured at amortized cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of comprehensive income. These financial liabilities comprised deposits, regulatory capital and accounts payable and accrued expenses.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Business model assessment

The Credit Union makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Credit Union's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

In assessing whether the contractual cash flows are SPPI, the Credit Union considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Credit Union considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Credit Union's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Derecognition

Financial assets:

The Credit Union derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Credit Union neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVOCI is not recognised in the statement of comprehensive income on derecognition of such securities but transferred to undivided earnings.

The Credit Union enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

In certain transactions, the Credit Union retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria.

Financial liabilities

The Credit Union derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Credit Union also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of comprehensive income.

Modifications of Financial Assets and Liabilities

Financial assets:

If the terms of a financial asset are modified, then the Credit Union evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Modifications of Financial Assets and Liabilities (cont'd)

Financial assets: (cont'd)

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Credit Union plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Credit Union first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in the statement of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Credit Union currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Expected Credit Losses and Impairment

The Credit Union recognises loss allowance for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- loan commitments issued

No impairment loss is recognised on equity investments

The credit union measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

The Credit Union considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Credit Union does not apply the low credit risk exemption to any other financial instruments.

AFFINITYPLUS CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2025
(Expressed in Barbados dollars)

3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Expand Credit Losses and Impairment (cont'd)

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Credit Union expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Credit Union if the commitment is drawn down and the cash flows that the Credit Union expects to receive.

Restructured Financial Assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL measured as follows:

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flows from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

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3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Credit-impaired financial assets:

At each reporting date, the Credit Union assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Credit Union considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

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3. Material Accounting Policies (cont'd)

(j) Financial instruments (cont'd)

Restructured Financial Assets (cont'd)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally as a provision;
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of statement of comprehensive income and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Credit Union's procedures for recovery of amounts due.

(k) Fair Value

Determination of fair value and fair value hierarchy

The Credit Union uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Credit Union is the current bid price. These instruments are included in Level 1.

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3. Material Accounting Policies (cont'd)

(k) Fair Value (cont'd)

Determination of fair value and fair value hierarchy (cont'd)

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2. The valuation technique used was the median value generated from a number of generally accepted valuation models including; Dividend Discount model, Discounted Cash flow Model, Multiple of Book Value, Multiple of Earnings, Multiple of EBITDA, Multiple of Revenues.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(l) Cash Resources

Cash resources include notes, coins, stamps held on hand, balances held with banks and highly liquid financial assets with original maturities of less than three months.

(m) Deposits

Deposits are the Credit Union's sources of debt funding and are initially measured at fair value plus transaction costs and subsequently at their amortized cost using the effective interest method.

(n) Comprehensive Income

Comprehensive income includes all changes in equity during the reporting period from transactions and events other than those arising from investments by and distributions to the shareholders. Other Comprehensive Income comprises revenues, expenses, gains and losses that are recognised in Comprehensive Income but excluded from Net Income. Other Comprehensive Income during 2024 - 2025 comprises revaluation reserve and unrealized loss on investments (2023 - 2024 comprised unrealized gain on investments).

(o) New standards, interpretations and amendments to extensive standards mandatory for the first time for the financial year

A number of new standards, amendments to standards and interpretations became effective during the current period but these did not have a material effect on the Credit Union's financial statements.

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3. Material Accounting Policies (cont'd)

(p) Standards in issue but not yet effective

New standards, interpretations and amendments to extensive standards that are not yet effective and have not been early adopted by the Credit Union are as follows:

- Amendments to IFRS 7 & 9 – Classification and measurement of financial instruments- effective January 1, 2026.
- New standard IFRS 18 – Presentation and disclosure in financial statements – effective January 1, 2027
- New standard IFRS 19 – Subsidiaries without public accountability – effective January 1, 2027

The Credit Union has not yet assessed the impact of the adoption of these standards on its financial statements.

4. Financial Risk Management

The Credit Union has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks
- operational risks

This note presents information about the Credit Union's exposure to each of the above risks, the Credit Union's objectives, policies and processes for measuring and managing risk, and the Credit Union's management of capital.

Financial assets of the Credit Union include cash resources, accounts receivable, investments, loans and mortgages and interest receivable. Financial liabilities include deposits, regulatory capital and accounts payable and accrued expenses.

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4. Financial Risk Management

(a) Credit Risk

Credit risk is the risk of financial loss to the Credit Union if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Credit Union's cash resources, loans and advances to customers and investment securities.

(i) *Cash resources*

The Credit Union deposits its funds with registered Banks which are subject to regulations.

(ii) *Loans and mortgages*

Credit risk on loans to members is managed using the Total Debt servicing ratio as well as detailed background checks on members in the approval process and stringent debt collection procedures. Three officers are assigned with the task of monitoring the delinquency portfolio on a daily basis. Management has documented a process to be followed for the collection of outstanding debt. The Credit Committee is responsible for advising the Board on Policy based on market trends. The Board and management revise policy periodically to reduce overall credit risk.

In measuring the credit risk of loans and mortgages, the Credit Union considers the probability of default, by the client and the likely recovery ratio on the defaulted obligations (the 'loss given default'). The Credit Union assesses individual customers' default probability using internal delinquency reports showing loan in arrears and ECL models developed by independent service providers to determine the ECL allowance.

(iii) *Financial Investments*

The Credit Union limits its exposure to credit risk by investing only in entities with high credit ratings and Government Securities. The Credit Union has a documented policy that guides the management of the credit risk on investment. The Credit Union exposure and the credit rating of its debtors are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved entities.

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4. Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

Expected credit loss (ECL) allowance

Set out below is an analysis of the gross and net loans and advances to members.

Loans and mortgages

2025

	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Current	176,786,077	-	-	176,786,077
Pass due < 30 days	91,135	-	-	91,135
Pass due 30 to 59 days	-	8,720,170	-	8,720,170
Pass due 60 to 89 days	-	1,771,247	-	1,771,247
Pass due > 89 days	-	-	6,073,111	6,073,011
Total Loans	176,877,212	10,491,417	6,073,111	193,441,740
Expected Credit Loss				
April 1, 2023	(229,301)	(256,718)	(2,051,574)	(2,537,593)
Transfer to Stage 1	(3,093)	-	-	(3,093)
Transfer to Stage 2	-	(29,472)	-	(29,472)
Transfer to Stage 3	-	-	(1,337,059)	(1,337,059)
Net remeasurement	(159,228)	78,877	(390,179)	(470,530)
Recoveries	-	-	-	-
Write offs	-	-	1,464,987	1,464,987
March 31, 2025	(391,622)	(207,313)	(2,313,825)	(2,912,760)
Net Loans	176,485,590	10,284,104	3,759,286	190,528,980

2024

	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Current	152,478,103	-	-	152,478,103
Pass due < 30 days	10,354,135	-	-	10,354,135
Pass due 30 to 59 days	-	5,607,806	-	5,607,806
Pass due 60 to 89 days	-	2,887,175	-	2,887,175
Pass due > 89 days	-	-	5,728,880	5,728,880
Total Loans	162,832,238	8,494,981	5,728,880	177,056,099
Expected Credit Loss				
April 1, 2023	(128,416)	(141,648)	(2,658,515)	(2,928,579)
Transfer to Stage 1	(10,340)	-	-	(10,340)
Transfer to Stage 2	-	(159,047)	-	(159,047)
Transfer to Stage 3	-	-	(1,232,563)	(1,232,563)
Net remeasurement	(90,545)	43,977	(56,209)	(102,777)
Recoveries	-	-	16,027	16,027
Write offs	-	-	1,879,686	1,879,686
March 31, 2024	(229,301)	(256,718)	(2,051,574)	(2,537,593)
Net Loans	162,602,937	8,238,263	3,667,306	174,518,506

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4. Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

Collateral

The Credit Union holds as collateral on loans, mortgages on property and land, bills of sale on vehicles, cash surrender values on life insurance policies, securities held with government or privately listed companies, cash, guarantors and mutual funds. Unsecured loans are granted based on credit risk up to \$40,000. The value of security of loans > 90 days is approximately \$5.6 million dollars.

Risk limit control and mitigation policies

The Credit Union manages limits and controls concentrations of credit risk wherever they are identified.

The Credit Union employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Credit Union implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Bills of sale over vehicles and equipment;
- Mortgages over residential and commercial properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as cash, debt securities and equities.
- Hypothecation of deposit balances

Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans. With respect to credit risk on commitments to extend credit, the Credit Union is potentially exposed to loss in an amount equal to the total unused commitments.

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4. Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Credit Union monitors the term to maturity of credit commitments because longer-term commitments generally have a greater credit risk than shorter-term commitments.

Credit risk

Exposure to credit risk

	<u>Notes</u>	<u>Carrying amount</u>	
		<u>2025</u>	<u>2024</u>
		\$	\$
Interest receivable	6	506,056	515,270
<i>Financial investments:</i>			
Amortized cost	8	21,685,699	23,394,393
FVOCI	8	5,524,815	5,847,952
FVTPL	8	22,120	22,120
Loans and mortgages	9	190,528,980	174,518,506
Cash resources	5	<u>33,456,179</u>	<u>18,653,953</u>
Total		<u>251,723,849</u>	<u>222,952,194</u>

(b) Liquidity risks

Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting obligations from its financial liabilities as they become due.

Liquidity risks arise from the mismatch in cash flows. The Board manages its liquidity risk by matching its cash inflows to its cash outflows. Short to medium term loans have been introduced to ensure that timing of cash inflows is matched to loan disbursements. The cash balances are monitored on a daily basis.

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4. Financial Risk Management (cont'd)

(b) Liquidity Risks (cont'd)

The maturity schedule of the undiscounted cash flows of deposits and loans is detailed below:

<u>March 31st, 2025</u>	Total	Less than 3 months	3 months to 1 year	1 year to 5 years	5 years and over
<i>Deposits by Type:</i>					
Term deposits & RRSP	\$ 45,947,066	\$ 45,061,877	\$ 31,426	\$ 245,318	\$ 608,445
Other Savings	18,838,661	16,111,339	35,003	569,897	2,122,422
Special Savings	9,721,017	9,116,281	22,763	214,647	367,326
Junior Savings	2,500,475	2,500,475	-	-	-
Membership Prime Deposit	101,391,603	85,200,562	451,686	5,375,186	10,364,169
Smart Builder	53,902,440	49,987,790	54,740	1,056,813	2,803,096
Total	232,301,261	207,978,324	595,618	7,461,861	16,265,458
<i>Loan by Type:</i>					
Personal Loans	\$ 68,843,203	\$ 151,679	\$ 839,612	\$ 16,409,148	\$ 51,442,764
Business Loans	867,374	54,411	-	93,229	719,734
Real Estate Loans	102,526,708	274,107	63,368	1,256,655	100,932,578
Revolving Loans	20,902,719	1,958,996	16,495,646	1,191,240	1,256,837
Reclassified Loans	301,736	139,454	5,160	157,122	-
Total	193,441,740	2,578,647	17,403,786	19,107,394	154,351,913
Liquidity Gap	38,859,521	205,399,677	(16,808,168)	(11,645,533)	(138,086,455)

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4. Financial Risk Management (cont'd)

(b) Liquidity Risks (cont'd)

The maturity schedule of the undiscounted cash flows of deposits and loans is detailed below:

<u>March 31st, 2024</u>	Total	Less than 3 months	3 months to 1 year	1 year to 5 years	5 years and over
<i>Deposits by Type:</i>					
Term deposits & RRSF	\$ 27,792,055	\$ 557,454	\$ 14,891,537	\$ 11,577,822	\$ 765,242
Other savings	15,071,961	13,685,742	30,033	361,275	994,911
Special Savings	9,212,170	8,612,520	32,231	226,918	340,501
Junior Savings	2,653,869	2,650,643	3,226	-	-
Membership Prime Deposit	96,521,024	81,517,203	474,891	5,233,055	9,295,875
Smart Builder	56,308,458	52,470,639	69,967	977,405	2,790,447
Total	207,559,537	159,494,201	15,501,885	18,376,475	14,186,976
<i>Loan by Type:</i>					
Personal Loans	\$ 58,152,634	\$ -	\$ 244,682	\$ 24,215,530	\$ 33,692,422
Business Loans	948,561	81,413	-	114,888	752,260
Real Estate Loans	98,124,221	3,439,775	144,643	2,378,806	92,160,997
Revolving Loans	18,998,820	3,229,699	11,637	11,408,783	4,348,701
Reclassified Loans	831,863	528,732	-	293,884	9,247
Total	177,056,099	7,279,619	400,962	38,411,891	130,963,627
Liquidity Gap	30,503,438	152,214,582	15,100,923	(20,035,416)	(116,776,651)

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4. Financial Risk Management (cont'd)

(c) Market Risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the Credit Union's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Credit Union may be exposed to market risk as changes in market interest rates affect its income. Periodically, the Board and management review and approve the rates set to ensure they are well priced to control these risks.

Interest Rate Risk

Profile:

At the reporting date the interest rate profile of the interest-bearing financial instruments was:

	<i>Carrying amount</i>	
	<u>2025</u>	<u>2024</u>
	\$	\$
<i>Fixed Rate Instruments</i>		
Fixed Financial Assets	79,657,237	69,803,544
Fixed Financial Liabilities	<u>(44,551,412)</u>	<u>(26,157,233)</u>
Net Fixed Rate Instruments	<u>35,105,825</u>	<u>43,646,311</u>
<i>Variable Rate Instruments</i>		
Financial Assets	123,429,426	117,118,093
Financial Liabilities	<u>(187,749,849)</u>	<u>(181,402,304)</u>
Net Variable Rate Instruments	<u>(64,320,423)</u>	<u>(64,284,211)</u>

(d) Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Credit Union's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Credit Union's operations.

The Credit Union's objective is to manage operational risk by developing and implementing controls within the operation that would mitigate this risk. That responsibility is assigned to the Board and Management. There is a policy manual for the staff and volunteers of the Credit Union. The policy manual addressed in detail every functional area of the Credit Union and provided for some of the more critical function; primarily Loans and Operations, procedures to carry out such functions.

Compliance with the Credit Union's policies is supported by a programme of periodic reviews undertaken by the Internal Auditor. The results of Internal Audit reviews are discussed with management, the Supervisory Committee and the Board of Directors.

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4. Financial Risk Management (cont'd)

(e) Capital Management

The Co-operative Societies (Amendment) Act 2008-39, stipulates that an amount equalling or greater than 10% of total assets must be held as capital. The Board of Directors continues to review the capital structure. The capital to assets ratio is now 9.63% (2024 – 9.10%). The Financial Services Commission issued a letter to the sector, indicating that they would give regulatory forbearance for a period of 5 years, ending 2024 to return the capital ratio to 10%. The Credit Union has not achieved the desired 10% but is making progress in doing so and no indication has been received from the Financial Services Commission that the period of forbearance has not been extended. Additionally, in 2020 the Financial Services Commission informed Credit Unions of its intention to transition to a risk-based approach for capital calculations. Using this more progressive approach, the Credit Union has met both the Tier1, 4% and the Tier 1 and 2, 8% benchmarks.

The Financial Services Commission (FSC) defines “capital” of a Credit Union as Qualifying Shares, Statutory and other Reserves.

The Credit Union objective, when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to its members and benefits for other stakeholders and to maintain a strong capital base to support the development of its business. (See note 15)

(f) Fair Value

Fair value represents the amounts at which a financial instrument could be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted marked price, if one exists.

Financial assets and liabilities are carried at amounts, which approximate to their fair value at the reporting date. Fair values estimates are made at a specific point in time based on market conditions and information about the financial instrument.

These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions can significantly affect the estimates.

The fair values of cash resources, accounts receivable, interest receivable, accounts payable, accrued expenses, deposits payable and regulatory capital are not materially different from their carrying amounts.

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4. Financial Risk Management (cont'd)

(f) Fair Value (cont'd)

The estimated fair values of the financial assets and liabilities, together with their carrying amounts shown in the statement of financial position are as follows:

	<u>2025</u>		<u>2024</u>	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
	\$	\$	\$	\$
Cash resources	33,456,179	33,456,179	18,653,953	18,653,953
Accounts receivable	859,374	859,374	2,446,440	2,446,440
Interest receivable	506,056	506,056	515,270	515,270
<i>Financial investments (note 8)</i>				
Amortized cost	21,685,699	N/A	23,394,393	N/A
FVOCI	5,524,815	5,524,815	5,847,952	5,847,952
FVTPL	22,120	22,120	22,120	22,120
Loans and mortgages (net)	190,528,980	190,528,980	174,518,506	174,518,506
Deposits of members	(232,301,261)	(232,301,261)	(207,559,537)	(207,559,537)
Regulatory capital	(3,218,000)	(3,218,000)	(3,013,450)	(3,013,450)
Accounts payable	(2,431,276)	(2,431,276)	(3,100,568)	(3,100,568)

(g) Loans and Mortgages Receivable

The nature of the Credit Union is such that loans can only be made to members of the Credit Union or similar societies. As a result of this, a market rate for these loans is not readily determinable and hence it is impracticable to estimate the fair value of these loans.

Investments

The Investment Portfolio comprises of assets stated at amortized cost and fair value.

(h) Real Property Management

The Co-operative Societies (Amendment) Act 2007-39, sec. 196A states that a Credit Union may not acquire or hold real property where the market value of the property to be acquired would cause the aggregate value of the property to exceed 6% of the stated assets of the Credit Union. At March 31st, 2025, the Credit Union held 1.46% (2024 – 1.51%) in real property.

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5. Cash Resources

This balance consists of:

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash equivalents	268,122	267,095
Cash on hand	794,870	629,006
Cash at bank	<u>32,393,187</u>	<u>17,757,852</u>
	<u>33,456,179</u>	<u>18,653,953</u>

6. Interest Receivable

	<u>2025</u>	<u>2024</u>
	\$	\$
Loan interest receivable	<u>506,056</u>	<u>515,270</u>

This interest relates to interest accrued on loans and mortgages in good standing at March 31, for the respective years.

7. Expected Credit Losses

	<u>2025</u>	<u>2024</u>
	\$	\$
Loans and mortgages	1,464,987	1,504,727
Financial investments	(30,761)	(33,997)
Accounts receivable	<u>34,516</u>	<u>-</u>
	<u>1,468,742</u>	<u>1,470,730</u>

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8. Financial Investments

(a) Financial Investments Comprise

	<u>2025</u>	<u>2024</u>
	\$	\$
<i>Debt securities</i>		
Term deposits	9,376,802	9,598,444
Sovereign bonds	<u>12,459,585</u>	<u>13,977,398</u>
	21,836,387	23,575,842
Less expected credit allowance	<u>(150,688)</u>	<u>(181,449)</u>
	21,685,699	23,394,393
<i>Equity securities</i>		
FVOCI		
Corporate equity	5,524,815	5,847,952
FVTPL		
Corporate equity	<u>22,120</u>	<u>22,120</u>
Total financial investments	<u><u>27,232,634</u></u>	<u><u>29,264,465</u></u>
Expected Credit Allowance:		
Balance at beginning of year	181,449	215,446
Expected credit loss on investments	<u>(30,761)</u>	<u>(33,997)</u>
Balance at end of year	<u><u>150,688</u></u>	<u><u>181,449</u></u>

AFFINITYPLUS CREDIT UNION LIMITED
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8. Financial Investments (cont'd)

(b) Investment of Funds

Section 34(A) (1) of the Co-Operatives Society Act Cap 378A sets out in detail the profile of institutions and securities in which the Credit Union can invest the funds of the Society including its reserves.

Section 34(A) (2) limits investments in equities of companies incorporated in Barbados or in a member state of the Caribbean community and listed on a stock exchange of these states. These companies must have paid dividends on its shares in the preceding five consecutive years. Alternatively, they can invest in securities issued by a credit union that is registered in a member state of the Caribbean community. Such investments shall not exceed 10% of the statutory reserve of the Credit Union.

The Financial Services Commission can also exercise discretion in allowing other investments except as defined in section 34(A) (2)

(c) Fair Value Hierarchy

<u>2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$
<i>Investment Securities</i>				
Equity securities:				
FVOCI - QUOTED	1,054,327	-	-	1,054,327
FVOCI-UNQUOTED	-	4,470,488	-	4,470,488
	<u>1,054,327</u>	<u>4,470,488</u>	<u>-</u>	<u>5,524,815</u>
Equity securities:				
FVTPL			22,120	22,120
<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$
<i>Investment Securities</i>				
Equity securities:				
FVOCI - QUOTED	995,483	-	-	995,483
FVOCI - UNQUOTED	-	4,852,469	-	4,852,469
	<u>995,483</u>	<u>4,852,469</u>	<u>-</u>	<u>5,847,952</u>
Equity securities:				
FVTPL	-	-	22,120	22,120

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8. Financial Investments (cont'd)

(c) Fair Value Hierarchy (cont'd)

The following table shows a reconciliation of all movements in the fair value of financial investments.

Level 1

	<u>2025</u>	<u>2024</u>
	\$	\$
Beginning Balance	995,483	991,343
Purchased	-	-
Sold	-	(22,667)
Unrealised gain	<u>58,844</u>	<u>26,807</u>
Ending Balance	<u>1,054,327</u>	<u>995,483</u>

Level 2

	<u>2025</u>	<u>2024</u>
	\$	\$
Beginning Balance	4,852,469	4,381,674
Purchased	-	300,000
Sold	-	-
Unrealised (loss)/gain	<u>(381,981)</u>	<u>170,795</u>
Ending Balance	<u>4,470,488</u>	<u>4,852,469</u>

Level 3

	<u>2025</u>	<u>2024</u>
	\$	\$
Beginning Balance	22,120	22,120
Write off	<u>-</u>	<u>-</u>
Ending Balance	<u>22,120</u>	<u>22,120</u>

9. Loans and Mortgages

Loans and mortgages comprise:
2025

	<u>Personal</u>	<u>Line of Credit</u>	<u>Business</u>	<u>Mortgage</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Total Loans	69,142,921	20,904,737	867,374	102,526,708	193,441,740
Expected Credit Loss	<u>(1,617,418)</u>	<u>(1,115,291)</u>	<u>(72,503)</u>	<u>(107,548)</u>	<u>(2,912,760)</u>
Net Loans	<u>67,525,503</u>	<u>19,789,446</u>	<u>794,871</u>	<u>102,419,160</u>	<u>190,528,980</u>

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9. Loans and Mortgages (cont'd)

2025

	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Personal	62,232,545	3,767,195	3,143,181	69,142,921
Line of Credit	18,153,297	1,613,201	1,138,239	20,904,737
Business	401,757	310,118	155,499	867,374
Mortgage	96,089,613	4,800,903	1,636,192	102,526,708
Total Loans	176,877,212	10,491,417	6,073,111	193,441,740
Expected Credit Loss	(391,622)	(207,313)	(2,313,825)	(2,912,760)
Net Loans	176,485,590	10,284,104	3,759,286	190,528,980

2024

	Personal	Line of Credit	Business	Mortgage	Total
	\$	\$	\$	\$	\$
Total Loans	58,481,315	19,220,705	948,560	98,405,519	177,056,099
Expected Credit Loss	(1,397,597)	(994,880)	(102,545)	(42,571)	(2,537,593)
Net Loans	57,083,718	18,225,825	846,015	98,362,948	174,518,506

2024

	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Personal	53,118,285	2,572,163	2,790,867	58,481,315
Line of Credit	17,285,829	1,134,751	800,125	19,220,705
Business	82,254	669,868	196,438	948,560
Mortgage	92,345,870	4,118,199	1,941,450	98,405,519
Total Loans	162,832,238	8,494,981	5,728,880	177,056,099
Expected Credit Loss	(229,301)	(256,718)	(2,051,574)	(2,537,593)
Net Loans	162,602,937	8,238,263	3,677,306	174,518,506

Loans are classified as personal, business, line of credit and other loans. Personal, business and line of credit loans bear interest at a rate of 4% to 18% per annum, unsecured loans and revolving line of credit at 5%-18% and other loans at 8% to 18% per annum on the reducing balance. All loans are repayable to the Credit Union in monthly blended principal and interest instalments over a maximum period of thirty five years.

AFFINITYPLUS CREDIT UNION LIMITED
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9. Loans and Mortgages (cont'd)

Mortgages usually bear a floating interest rate of 4.50% per annum on the reducing balance. As of March 2025 mortgages are being offered at a variable rate of 3.5% to 6.0% (2024 – 3.5% to 6.0%) per annum on the reducing balance. Mortgages are repayable to the Credit Union in monthly blended principal and interest instalments over a maximum period of thirty years.

Expected Credit Allowance:

	<u>2025</u>	<u>2024</u>
	\$	\$
Opening balance	(2,537,593)	(2,928,579)
Expected credit loss	(1,464,987)	(1,504,727)
Write offs	1,085,935	1,879,686
Recoveries	<u>3,885</u>	<u>16,027</u>
Ending balance	<u>(2,912,760)</u>	<u>(2,537,593)</u>

10. Accounts Receivable

	<u>2025</u>	<u>2024</u>
	\$	\$
Accounts receivable	574,832	2,153,872
Other receivable	270,897	270,896
Interest receivable – Investments	<u>13,645</u>	<u>21,672</u>
	<u>859,374</u>	<u>2,446,440</u>

Accounts receivable mainly represent amounts receivable from cash replenishment, surepay receivable and payroll holding.

Other Receivable represents security deposits related to the debit Master Card.

AFFINITYPLUS CREDIT UNION LIMITED
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11. Property and Equipment

2025

	Equipment and Computer Software	Motor Vehicle	Land and Buildings	Leasehold Improvement	Total	Right of Use Asset
<i>Cost/Valuation</i>	\$	\$	\$	\$	\$	\$
At beginning of year	8,144,874	280,739	3,500,000	1,100,044	13,025,657	911,399
Additions	896,877	-	-	50,630	947,507	232,059
Revaluation	-	-	300,000	-	300,000	-
Disposals	(832,727)	(76,894)	-	-	(909,621)	(102,460)
At end of year	8,209,024	203,845	3,800,000	1,150,674	13,363,543	1,040,998
<i>Accumulated Depreciation</i>						
At beginning of year	5,766,034	89,783	107,188	898,185	6,861,190	550,074
Charge for year	513,655	40,835	52,515	54,732	661,737	160,235
Disposals	(823,567)	(65,833)	(159,703)	-	(1,049,103)	(27,635)
At end of year	5,456,122	64,785	-	952,917	6,473,824	682,674
Net Book Value	2,752,902	139,060	3,800,000	197,757	6,889,719	358,324

2024

	Equipment and Computer Software	Motor Vehicle	Land and Buildings	Leasehold Improvement	Total	Right of Use Asset
<i>Cost/Valuation</i>	\$	\$	\$	\$	\$	\$
At beginning of year	7,552,791	160,464	3,500,000	997,475	12,210,730	911,399
Additions	592,083	199,029	-	102,569	893,681	-
Disposals	-	(78,754)	-	-	(78,754)	-
At end of year	8,144,874	280,739	3,500,000	1,100,044	13,025,657	911,399
<i>Accumulated Depreciation</i>						
At beginning of year	5,024,222	124,954	54,673	857,021	6,060,870	458,395
Charge for year	741,812	25,911	52,515	41,164	861,402	91,679
Disposals	-	(61,082)	-	-	(61,082)	-
At end of year	5,766,034	89,783	107,188	898,185	6,861,190	550,074
Net Book Value	2,378,840	190,956	3,392,812	201,859	6,164,467	361,325

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11. Property and Equipment (cont'd)

Valuation of Building

During the 2024-2025 financial year, the Board of Directors determined the value of the Credit Union's building was \$3,800,000 based on a valuation prepared by an independent, professional valuer. The accumulated depreciation of \$159,703 on the property at the valuation date was eliminated against the gross carrying amount of the property and the net amount was restated to the revalued amount of the property. The resulting increase in value of \$459,703 was recorded in other comprehensive income. The next valuation is scheduled for the 2027 - 2028 financial year.

12. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses comprise:

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest payable on deposits	611,689	326,903
Non-member deposits	-	100
Professional fees	42,530	60,894
Other payables	<u>1,777,057</u>	<u>2,712,671</u>
	<u>2,431,276</u>	<u>3,100,568</u>

Interest payables on deposits represent the accrued amounts that are outstanding but unpaid to members for their deposits and saving accounts.

Other payables represent staff payables (P.A.Y.E, N.I.S), member payroll payable, MasterCard settlement and miscellaneous trade payables.

13. Lease Liability

Maturity Analysis - Lease Liability

The Credit Union leases branch facilities under operating leases. Payments made under these leases are amortized over the term of the lease as a reduction to its lease liability for the principal portion and an interest expense for the associated finance cost. The future minimum rental payments related to these commitments are as follows:

AFFINITYPLUS CREDIT UNION LIMITED
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13. Lease Liability (cont'd)

	<u>2025</u>	<u>2024</u>
	\$	\$
Current	127,212	99,684
1 to 5 years	<u>295,947</u>	<u>328,258</u>
Total	<u>423,159</u>	<u>427,942</u>

During the year ended March 31st, 2025, \$24,461 (2024 - \$23,392) was recognised as interest expense on the lease liability in the statement of comprehensive income.

14. Deposits

Deposits comprise the following:

	<u>2025</u>	<u>2024</u>
	\$	\$
Term deposits	22,347,812	15,050,632
Other deposits	107,480,503	94,468,008
Prime deposits	101,391,603	96,521,024
Registered Retirement Savings Plan	<u>1,081,343</u>	<u>1,519,873</u>
	<u>232,301,261</u>	<u>207,559,537</u>

Term deposits are fixed-term interest-bearing deposits which attract a rate of interest of 2.25% to 3.0% (2024 - 1.75% to 2.45%).

Other deposits represent interest bearing deposits that may be withdrawn on demand. These deposits attract interest at a rate of 0.20% - 2.25% (2024 - 0.20% - 2.25%).

Prime Deposits, previously known as Members' Shares, is an interest-bearing deposit account which has attracted an average rate of 0.25% (2024 - 0.25%) during the financial year.

Registered Retirement Savings Plan is a retirement account registered with the Barbados Revenue Authority; withdrawals incur a withholding tax. This plan attracted an interest rate of 1.00% (2024 - 1.00%)

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15. Regulatory Capital

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at April 1 st	3,013,450	2,849,100
Contributions for the year	402,100	267,450
Redemptions for the year	<u>(197,550)</u>	<u>(103,100)</u>
Balance at March 31 st	<u><u>3,218,000</u></u>	<u><u>3,013,450</u></u>

In accordance with the requirements of IAS 32 and IFRIC 2, share capital is classified in the financial statements as a liability as their terms provide for withdrawal at the option of the members. The change in classification does not affect the rights and obligations of the members as set out in the Act or the Credit Union's by-laws.

Regulatory Capital represents the amount that has been paid up by members in respect of shares. Each regular member has twenty shares at a value of \$5.00 per share. Each junior member has ten shares at \$5.00 per share. There is no limit to the number of shares the Credit Union is authorized to issue.

These shares in the co-operative entitle each member to one vote in the conduct of the affairs of the co-operative at general meetings. Shares may only be withdrawn when the member wishes to end their membership with the Credit Union. No dividend has been declared for the year. A patronage refund of \$NIL (2024 - \$147,548) was declared for the current year.

16. Statutory Reserves

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at April 1 st	11,514,703	10,353,606
Transfer to statutory reserves	<u>1,301,113</u>	<u>1,161,097</u>
Balance at March 31 st	<u><u>12,815,816</u></u>	<u><u>11,514,703</u></u>

The statutory reserve is established pursuant to Section 197 (2) of the Co-operative Societies Act Cap 378A

The Credit Union is required under governing legislation to transfer an amount equivalent to the greater of one half of one percent (0.5%) of total assets or twenty-five percent (25%) of Net Income (before dividends) to the statutory reserve annually until the capital ratio equals ten percent (10%). At March 31st, 2025 capital ratio was 9.63% (2024 – 9.10%).

AFFINITYPLUS CREDIT UNION LIMITED
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17. Other Reserves

Education Fund

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at April 1 st	20,700	20,700
Transfer to Education Fund	20,000	20,000
Disbursements	<u>(20,000)</u>	<u>(20,000)</u>
Balance at March 31 st	<u>20,700</u>	<u>20,700</u>

The Registrar of Co-operatives has advised that 3% of the net income capped at \$20,000 be transferred to an education reserve. This reserve is periodically paid to the Barbados Co-Operative Credit Union League.

Common Good Fund

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at April 1 st	104,502	88,956
Transfer to Common Good Fund	37,043	25,546
Disbursements	<u>(5,000)</u>	<u>(10,000)</u>
Balance at March 31 st	<u>136,545</u>	<u>104,502</u>

The Common Good Fund was established by the Credit Union and represents amounts allocated to facilitate donations to benevolent causes. The amount transferred is 1% of net income.

We Care Fund

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at April 1 st	125,854	89,995
Transfer to We Care Fund	129,652	89,410
Disbursements	<u>(84,821)</u>	<u>(53,551)</u>
Balance at March 31 st	<u>170,685</u>	<u>125,854</u>

The We Care Fund was established by the Credit Union and represents amounts allocated to facilitate assistance to members in need and worthy causes. The amount transferred is 3.5% (2024 - 3.5%) of net income and any additional amounts approved by the membership at the annual general meeting.

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18. Mutual Benefits Plan

This amount represents contributions to the Mutual Benefits Plan, which is administered by Co-operators General Insurance Company Limited. The plan provides loan protection to the Credit Union.

19. Major Operating Expenses

These comprise.

	<u>2025</u>	<u>2024</u>
<i>General and Administrative Expenses</i>	\$	\$
Audit fees	123,590	131,840
Stationery office supplies	74,015	86,601
Professional fees	94,331	190,615
Equipment maintenance	5,835	704
Motor vehicle expense	11,658	38,889
Supplies	32,086	27,690
Postage	12,495	15,411
Subscriptions	2,741	2,041
Motor vehicle insurance	<u>8,210</u>	<u>2,405</u>
	<u>364,961</u>	<u>496,196</u>
<i>Occupancy Costs</i>		
Utilities	174,227	174,818
Rental expense	49,578	191,539
Security	181,028	141,365
Property insurance	99,331	67,730
Maintenance	103,161	74,757
A/C equipment maintenance	65,381	22,242
Other property expenses	2,074	-
Land tax	<u>20,979</u>	<u>21,312</u>
	<u>695,758</u>	<u>693,763</u>

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19. Major Operating Expenses (cont'd)

Membership Protection and Governance Expenses

	<u>2025</u>	<u>2024</u>
	\$	\$
MBP premiums	447,711	407,965
League dues	75,000	75,000
Volunteer – Training and Development	113,110	78,538
Reimbursable expenses	124,900	114,600
Annual meeting	46,236	35,830
Committee meetings	61,028	54,060
Other meetings	12,973	23,732
Committee expenses	2,263	4,809
Committee activities	29,413	14,356
Fidelity insurance – Directors	9,625	8,625
Regulatory fees	136,562	109,703
Loan commission	2,000	4,050
National development fund	25,224	23,702
Archiving management	<u>31,448</u>	<u>20,736</u>
	<u>1,117,493</u>	<u>975,706</u>

During the year ended March 31st, 2025, \$49,578 (2024 - \$191,539) was recognised as rental expense in the statement of comprehensive income, which includes lease payments on short-term leases and other short-term rentals.

20. Interest and Dividend Income

Recognised in the statement of comprehensive income

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest on loans	9,540,013	8,141,274
Interest on mortgages	5,137,896	5,112,983
Interest income on investments	1,074,830	1,146,541
Interest on deposits	978	2,428
Dividend income	<u>120,487</u>	<u>63,955</u>
Interest and dividend income - gross	15,874,204	14,467,181
Interest expense on financial liabilities measured at amortized cost	<u>(1,625,451)</u>	<u>(985,035)</u>
Net interest, realised gain and dividend income recognised in statement of comprehensive income	<u>14,248,753</u>	<u>13,482,146</u>
Recognised directly in equity		
Net unrealized (loss)/gain on investments for the year	<u>(323,137)</u>	<u>197,602</u>

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21. Related Parties

(a) Identity of Related Parties

The Credit Union has a related party relationship with its directors, committee members and key management personnel.

(b) Related Party Balances

These represent loans outstanding, shares and deposits held by related parties as identified in (a) above.

	Loans <u>Balance</u>	<u>Deposits</u>	Qualifying <u>Shares</u>
	\$	\$	\$
As at March 31 st , 2025	2,879,332	1,252,777	2,200
As at March 31 st , 2024	2,825,331	1,134,246	1,900

(c) Key Management Personnel Compensation

	<u>2025</u>	<u>2024</u>
	\$	\$
Short-term employee benefits	1,350,980	1,211,787
National Insurance	78,631	77,446
Pensions	16,326	14,082
Health and Life Insurance	9,432	4,890

22. Commitments

Loan commitments

Loan commitments in respect of undisbursed loans as at March 31st, 2025, amounted to \$15,850,559 (2024 - \$16,709,302).

23. Contingencies

At March 31, 2025, there were certain legal proceedings initiated by the Credit Union, in the ordinary course of business and one against the Credit Union. In view of the inherent difficulty of predicting the outcome of such matters, the Credit Union cannot state what the eventual outcome of such matters will be; however, based on current knowledge, the Credit Union does not believe that liabilities, if any, arising from the pending litigation will have a material adverse effect on its financial position or results of operations.



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