CAVE
SHEPHERD
& CO

Cave Shepherd & Co. Limited

2024 Annual Report and
Audited Financial Statements

CAVE
SHEPHERD
& CO

shaping tomorrow together

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Notice of the Annual General Meeting

Notice is hereby given that the **FIFTY-FOURTH ANNUAL GENERAL MEETING** of the Shareholders of CAVE SHEPHERD & CO. LIMITED will be held at the **Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael, Barbados** on **Thursday, April 24th, 2025, at 5.30 p.m. The Agenda is as follows:**

1. To receive and consider the Audited Consolidated Financial Statements for the year ended December 31st, 2024, together with the Reports of the Directors and Auditors thereon.

2. To elect Directors:

    (i) the following Directors retire by rotation in accordance with paragraphs 3.9 and 3.10 of the revised and restated by-laws and being eligible, offer themselves for re-election for the term stated:

Mr. Edward J. L. Ince	3 Years
Mr. Richard G. Simpson	3 Years

    (ii) the following Director, having attained the age of 72, retires in accordance with paragraph 3.10 of the revised and restated by-laws and being eligible, offers himself for re-election for the term stated:

Sir Geoffrey Cave, K.A.	1 Year

    (iii) the following Director having consented in writing to act as a Director was elected by the Board on January 2nd, 2025, in accordance with paragraph 3.13 of the revised and restated by-laws to fill the vacancy of Prof. The Most Hon. V. Eudine Barriteau. It is recommended that he be elected to membership of the Board in accordance with paragraph 3.6 (a) of the revised and re-stated by-laws for the term stated:

Mr. Rawdon J. H. Adams	1 Year

    (iv) the following Director having consented in writing to act as a Director was elected by the Board on March 3rd, 2025 in accordance with paragraph 3.13 of the revised and re-stated by-laws to fill the vacancy of Mr. Lyden J. Ramdhanny in light of his unfortunate passing. It is recommended that she be elected to membership of the Board in accordance with paragraph 3.6 (a) of the revised and re-stated by-laws for the term stated:

Ms. Kira L. Thompson-Aird	3 Years

3. To appoint Auditors for the ensuing year and for Directors to fix their remuneration.

4. To discuss any other business of the Company which may properly be considered at the Annual General Meeting.

By order of the Board of Directors

Hanna M. Chrysostom.

Hanna M. Chrysostom
Group Corporate Secretary

PROXIES:
Shareholders who are unable to attend the Meeting in person may complete and return the enclosed form of proxy at least 48 hours before the appointed time of the Meeting, or adjourned Meeting, to any of the addresses noted below;

DELIVERY OF PROXIES:
- *Mail: Group Corporate Secretary, Cave Shepherd & Co. Limited, One + Haggatt Hall, Haggatt Hall, St. Michael, Barbados, BB11059*
- *Email: corporatesecretary@caveshepherd.com*

Corporate Information

BOARD OF DIRECTORS
Sir Geoffrey Cave, *Chairman*
Prof. The Most Honourable V. Eudine Barriteau[1]
Mrs. Maureen D. Davis
Mr. Robert M. Harvey-Read
Mr. Edward J. L. Ince
Mr. Adrian H. Padmore
Mr. Lyden J. Ramdhanny[2]
Mr. Richard G. Simpson
Mr. Roger M. Cave, *Chief Executive Officer*

GROUP CORPORATE SECRETARY
Ms. Hanna M. Chrysostom

REGISTERED OFFICE
One + Haggatt Hall
Haggatt Hall
St. Michael
Barbados, BB11059
Telephone: +1 246 539 3000
Email: info@caveshepherd.com

CORPORATE OFFICE
One + Haggatt Hall
Haggatt Hall
St. Michael, Barbados, BB11059
Telephone: +1 246 539 3000
Email: info@caveshepherd.com
www.caveshepherd.com

AUDIT COMMITTEE
Mr. Lyden J. Ramdhanny, *Chairman*
Mr. Robert M. Harvey-Read
Mr. Adrian H. Padmore

CORPORATE GOVERNANCE & NOMINATION COMMITTEE
Mr. Adrian H. Padmore, *Chairman*
Prof. The Most Honourable V. Eudine Barriteau
Mr. Lyden J. Ramdhanny

REGISTRAR & TRANSFER AGENT
Barbados Central Securities Depository Inc.
8th Avenue
Belleville, St. Michael
Barbados, BB11114
Telephone: +1 246 436 9871
Email: info@bse.com.bb
www.bse.com.bb

ATTORNEY-AT-LAW
Fraser Law
Upstairs "Ingleside"
Crn. 7th Avenue
Belleville & Pine Road
St. Michael, Barbados

EXTERNAL AUDITORS
Ernst & Young Ltd
One Welches
Welches
St. Thomas
Barbados, BB22025

PRINCIPAL BANKERS
RBC Royal Bank (Barbados) Limited
Broad Street, Bridgetown
Barbados

CIBC Caribbean Bank (Barbados) Limited
Michael Mansoor Building
Warrens, St. Michael
Barbados

NOTES:
[1]*Resigned effective January 1st, 2025*
[2]*Deceased on February 18th, 2025*

Subsidiary Companies

NAME	CAPITAL	PRINCIPAL COUNTRY OF OPERATION
Cave Shepherd Inc.	Equity $100,000 - 100% owned Loan Capital - Nil	United States
Cave Shepherd (Cayman) Ltd.	Equity $20,000 - 100% owned Loan Capital - Nil	Cayman
Cave Shepherd SRL	Equity $5,050,000 - 100% owned Loan Capital - Nil	Barbados
Cave Shepherd Card (Holdings) Inc.	Equity $15,000,000 - 100% owned Loan Capital - Nil	Barbados
Cave Shepherd Card (Barbados) Inc.	Equity $15,000,000 - 100% owned Loan Capital - Nil	Barbados
Cave Shepherd Captive Insurance Inc.	Equity $1,000,000 - 100% owned Loan Capital - Nil	Barbados
Fortress Fund Managers Limited	Equity $9,352,500 - 75.18% owned Loan Capital - Nil	Barbados
Fortress Insurance Company Limited	Equity $3,000,000 - 75.18% owned Loan Capital - Nil	Barbados
Fortress Staff Share Scheme Inc.	Equity $1,000 - 75.18% owned Loan Capital - Nil	Barbados
Fortress Advisory & Investment Services Ltd.	Equity $2,000 - 75.18% owned Loan Capital - $400,000	Barbados
DGM Holdings Inc.	Equity $81,200 - 72.7% owned Loan Capital - Nil	St. Lucia
DGM Trust Corporation	Equity $16,000,100 - 72.7% owned Loan Capital - Nil	Barbados
DGM Directors Inc.	Equity $1 - 72.7% owned Loan Capital - Nil	Barbados
DGM Management Services Limited	Equity $30,000 - 72.7% owned Loan Capital - Nil	Barbados
DGM Captive Management Inc.	Equity $51,000 - 72.7% owned Loan Capital - Nil	Barbados
DGM Management Services Limited	Equity $6,000 - 72.7% owned Loan Capital - Nil	St. Lucia
DGM Captive Management (Alberta) Limited	Equity $15,000 - 72.7% owned Loan Capital - Nil	Canada

Associate Companies

	OWNERSHIP	JURISDICTION
Bridgetown Cruise Terminals Inc.	20%	Barbados
G.C.S. Limited	40%	Barbados
G.C.S. (Grenada) Ltd.	40%	Grenada
G.C.S. (St. Lucia) Ltd.	40%	St. Lucia
Ganzee (Antigua) Ltd.	40%	Antigua
CSGK Finance (Holdings) Limited	50%	Barbados
SigniaGlobe Financial Group Inc.	50%	Barbados
CS&C Joint Venture	20%	Barbados
The Sunset Joint Venture	16%	Barbados
Contonou Shores Ltd.	35%	Bahamas
Canouan CS&F Investments Limited	35%	St. Lucia
Pick UP Taxi Inc.	24.5%	Barbados

Our Financial Services businesses continue to be the main drivers of the Group's earnings.

Who we are

CAVE SHEPHERD & CO

shaping tomorrow together

Credit Card and Digital Payment Solutions

100% OWNERSHIP

Captive Insurance, Trust and Corporate Services for Global Businesses

72.7% OWNERSHIP

Mutual Funds, Pension and Investment Products

75.18% OWNERSHIP

A Wide Range of Banking and Investment Services

50% OWNERSHIP

Destination Retail

40% OWNERSHIP

Directors' Report

"The solid profitability attained once again in 2024 reflects strong performances from all of the operating companies in the Group."

Cave Shepherd & Co. Limited (the "Company") earned a profit attributable to shareholders of $15.1 million for the year ended December 31st, 2024. This figure was down from $15.8 million in the prior year, for a total decrease of $749 thousand (4.7%). It should be noted however, that prior year included the one-off pick-up of $2.5 million relating to the Company's share of the surplus on the wind-up of the Company's Defined Benefit Pension Plan.

The profit for this year equates to earnings per share (EPS) of $0.81, compared to EPS of $0.86 in 2023.

The solid profitability attained once again in 2024 reflects strong performances from all of the operating companies in the Cave Shepherd Group (the "Group") – Fortress Fund Managers, Payce Digital, SigniaGlobe Financial, DGM Financial, Ganzee Island Stores and Pick Up Taxi Inc.

In 2024, the Barbadian economy recorded another year of strong economic growth, with GDP up 4% over 2023. The Group's businesses all performed well despite overall net profits after tax having been impacted by an increase in the corporate tax rate to 9%, which collectively resulted in higher corporation taxes of almost $800 thousand over the prior year.

Our financial services businesses continue to be the main drivers of the Group's earnings. The strong national indicators - higher foreign exchange reserves, lower unemployment, reduced inflation and declining debt-to-GDP ratios - have all supported improved investor confidence in the Barbadian economy. This enhanced confidence has flowed through into the solid results from our financial services businesses.

CAVE SHEPHERD CARD (BARBADOS) INC. - PAYCE DIGITAL

Payce Digital had another solid year in 2024 with net income after tax of $6.6 million, up 8.2% over 2023. The key portfolio metrics continued to show higher spending by the growing number of cardholders. This resulted in higher overall card balances which drove higher interest revenues that flowed through to the bottom line. Throughout this growth, overall delinquency remained very low and within historical benchmarks.

On the operational front, changes were made with regards to a new design of the credit card, as well as significant process changes also being made to the issuance of these cards, both of which were very well received by customers. These enhancements have resulted in improved security features and faster turnaround times for the issuance of new cards and the replacement of existing cards.

During the year, several new initiatives were undertaken to significantly enhance a number of the key structural components for the business. These changes included the sourcing of new financing to facilitate the future growth of the credit card portfolio, the incorporation and operationalization of a new captive insurance company to support the creditor life program and the implementation of a new digital onboarding Know Your Customer ("KYC") solution to enhance the customer experience.

A major technology project is planned for 2025 which will significantly enhance Payce Digital's infrastructure to better support and foster business growth in the years ahead. Plans continue to be refined for the expansion of the business, both locally and regionally, as digital payments and mobile wallets increasingly become the new and preferred method of transacting business. Payce Digital has been one of the leaders in the digital space locally, with its focus on solutions for the underbanked public, however, meaningful progress on the expansion of digital payments nationally continues to be constrained by the lack of necessary regulations to allow additional providers on to the Automated Clearing House network of the local banking systems.

Overall, we remain very optimistic about the potential growth and profitability of this business in the years ahead.

FORTRESS FUND MANAGERS LIMITED

Fortress Fund Managers had a solid performance in 2024, with pre-tax profits up 7% to $7.5 million, and after-tax profits up 1% to $6.9 million over 2023, following the higher corporation tax rates introduced in 2024.

The investment results for the various mutual funds had a mixed year depending on the time periods being considered as the mutual funds' financial year-ends are September 30th. As at September 30th 2024, the mutual funds recorded one of their best years since inception - especially in the US$ equity mutual funds which recorded exceptional double-digit returns. Financial markets do not move in straight lines and the last quarter of the year proved to be very challenging for non-US financial equity markets, both in terms of prices and currencies, which resulted in disappointing calendar year returns for Fortress' equities and bonds mutual funds. This is nothing unusual and is to be expected for long-term value investors like Fortress. These periods often offer better buying opportunities for those investors who seek to add new investments to their current portfolio by capitalising on those times when the Funds are "on sale".

The local and regional capital markets continue to struggle in terms of lack-luster performances from most of the leading listed shares, while new listings are few and far between. Liquidity continues to be a significant challenge on regional exchanges, and with no real change to the foreign exchange policies for investment overseas, the ability to sensibly invest the trapped savings for regional investors is an ongoing challenge and concern. This challenge is vividly noted in Fortress' pension funds, which require greater exposure and proper diversification across global financial markets.

"Fortress Fund Managers had a solid performance in 2024, with pre-tax profits up 7% to $7.5 million..."

Despite these challenges, Fortress continues to grow and there are several planned changes in terms of new technologies. New team members were welcomed during the year, which only bodes well for the business and the investors in the future.

SIGNIAGLOBE FINANCIAL GROUP INC.

SigniaGlobe Financial Group also had a strong year in 2024, with pre-tax earnings up 1% over the prior year to $9.3 million, while after-tax earnings dipped by 4.3% to $7.2 million. Shareholders' equity is now up to $67 million, with a strong demand for loans continuing in 2024 as the Barbados economy recorded solid economic growth once again in 2024.

The level of deposits in commercial banks has grown to over $14 billion and has resulted in lower lending rates to borrowers, which is a challenge for 3rd party lenders like SigniaGlobe. On the other side of the balance sheet, raising deposits is becoming increasingly competitive as the Government needs to borrow locally through bonds and treasury bills to fund its deficit.

The SigniaGlobe business has benefited from lower delinquency levels as the strong economy led to lower unemployment rates. Growth in the construction and tourism sectors has also led to improved confidence by customers, in terms of borrowing and advancing their businesses.

The prospects going forward are encouraging as SigniaGlobe advances its digital transformation strategy, with the adoption of new technologies and procedures to improve on experiences for both borrowers and depositors.

Mr. Jack Ramsey retired as the chairman of SigniaGlobe's Credit Committee after serving the company with distinction for many years in this key role. We thank Jack for his outstanding service and wish him many more years of health and happiness.

DGM FINANCIAL GROUP INC.

DGM Financial Group had a solid year in 2024, with strong revenue growth despite a small decline in net profit after tax of 7%, due to higher expenses. DGM Captive Management (Alberta) Limited, the new subsidiary of DGM, became operational during the year - onboarding a few clients by the end of the year though it recorded a small loss. It is expected that this new company will continue to steadily grow and become a profitable company in 2025.

DGM Financial Group continues to attract new clients across all of its key service lines and is strengthening its team in preparation for another solid year and beyond.

G.C.S. LIMITED - GANZEE

Ganzee had a very strong year with revenues up 15% over 2023. The overall net profit after tax was down 8%, to $3.1 million, due to increased expenses related to the five new stores in St. Lucia which did not open until the end of the year, higher corporation taxes and a contribution made to hurricane relief efforts in Grenada of EC$100 thousand. Adjusting for these items, after tax profits would have been up over 30% to more than $4 million.

Looking forward to 2025, the St. Lucia stores are now fully operational, though they are not yet at budgeted levels. The stores in Barbados and Grenada continue to do well, with same-store sales up on 2024.

Ganzee remains actively focused on pursuing new opportunities for growth and expansion in the region. Looking ahead, the prospects for the business are strong as the tourism industry continues to improve with both long-stay and cruise ship passengers showing increased numbers in Barbados and across the region.

PICK UP TAXI INC. - PICKUP

Pick Up experienced a remarkable year in 2024, with continued growth in both the number of taxis utilizing the app and the number of rides being taken by locals and visitors alike. The Cricket World Cup games that were played in Barbados in June, including the final, produced a solid boost in rides in a traditionally slow period.

Technical upgrades were made to the functionality of the Pick Up app, with additional menu options for differently abled persons to enable wheel-chair accessible rides. This was made possible through a partnership with the Barbados Council for the Disabled and Blessed Rentals Inc. Plans are well advanced for the expansion of the business into one of the neighbouring Caribbean islands.

Pick Up achieved solid growth in profitability in 2024 over 2023, albeit from a very small base. Early indications so far for 2025 are quite encouraging.

PROPERTY JOINT VENTURES

The Company's property investments held through the CS&C and The Sunset Joint Ventures performed much better in 2024 than in 2023. There were recoveries in rents, which had been discounted due to Covid, and the re-valuation losses on the Broad Street property were significantly lower than in 2023. The Company's combined share of the net profits was $876 thousand, compared to $169 thousand in 2023.

The redevelopment projects for both Pierhead and the new Hyatt Hotel on Bay Street have finally commenced and it is hoped that, on completion, the desperately needed revitalisation of Bridgetown will finally begin to take shape.

INVESTMENT PORTFOLIO

The Company's excess cash balances are invested in diversified global portfolios that are comprised of equities, bonds and money market funds. The net returns in 2024 were $482 thousand, compared to $639 thousand in 2023, and the decline was largely due to increases in US interest rates and declines in equity prices and international currencies in the last quarter of the year. There may be a period of higher interest rates for longer than was expected last year, following the declines in the levels of inflation. Economic growth has remained strong in the US and the recent publications regarding the possibility of higher tariffs would suggest that higher inflation may be an issue going forward.

All of the Company's portfolios are highly liquid and can be easily accessed for new investment opportunities.

CAVE SHEPHERD COMMUNITY FUND - NEW CHARITABLE FUND

The Cave Shepherd Community Fund became operational towards the end of last year, providing a more focused and intentional framework to deliver on our philanthropic strategy. Plans for the Fund continue to be developed to enhance the Company's long serving tradition of giving back to our communities, as was demonstrated by the Fund's response to the devastation and destruction caused by Hurricane Beryl.

SHAREHOLDER RETURNS

The Company's share price on the Barbados Stock Exchange increased to $7.50 per share at the end of 2024, up from $6.50 at the end of 2023; another solid increase in value for all shareholders. In addition, the Company paid 36 cents in total dividends for the year, which was a marginal increase on the 34 cents paid in 2023. The total return for shareholders, including both dividends and the increase in the share price, equates to a 21% return. The Company did not repurchase any of its shares in 2024 and issued 103,334 new shares under the employee stock option, employee share purchase and shares in lieu of bonus schemes.

DIRECTORS

Early in 2025, changes were made in the composition of the Company's Board. Mr. Lyden J. Ramdhanny passed away in mid-February after battling an illness for a few years. We express our deepest condolences to the Ramdhanny family as Lyden will be sorely missed by all of us.

Prof. The Most Honourable V. Eudine Barriteau resigned effective the January 1st, 2025 as she will now pursue other ambitions as Barbados' candidate and an Expert Member to the United Nations

"The Company's share price on the Barbados Stock Exchange increased to $7.50 per share at the end of 2024, up from $6.50 at the end of 2023… "

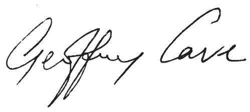
Committee on the Elimination of Discrimination against Women (CEDAW). We wish Eudine every success in her new position.

We are pleased that Mr. Rawdon J. H. Adams and Ms. Kira L. Thompson-Aird have agreed to serve on our Board and we look forward to their contributions in the years ahead.

LOOKING FORWARD

The prospects for the Group going forward are very encouraging as all of its existing businesses continue to produce steady levels of profitability, while investing in technological upgrades to improve operational efficiency, enhance cyber security, and most importantly, meet the evolving needs of our customers. The challenge remains to find meaningful growth in the Barbadian market for our existing portfolio of businesses, since they already hold significant market share. Our strategic focus, therefore, remains on regional expansion and geographical diversity and we have taken steps to make an active push in Guyana to identify new opportunities. In addition, there are three significant business opportunities under active consideration in Barbados and elsewhere in the region and we are hopeful that one or more of these will lead to an investment to help diversify our portfolio and grow the Company's earnings in the future.

In closing, we would like to thank our Group team members for their exceptional work in 2024 in delivering yet another solid year for the Company We thank you, our shareholders, for your continued loyalty and commitment, as well as our customers, clients and partners for their longstanding support for Cave Shepherd.



Sir Geoffrey Cave, K.A.
Chairman

Mr. Roger M. Cave
Chief Executive Officer

March 6th, 2025

in fond **memory**

Lyden J. Ramdhanny

Cave Shepherd mourns the passing of our long-standing and esteemed Director, Lyden J. Ramdhanny, a true gentleman and a special human being – gentle, kind, selfless. Lyden was a devoted leader and a loyal friend to Cave Shepherd for many decades, leaving a lasting impact on both the Company and its people.

Appointed to our Board in 2008, Lyden contributed with unwavering dedication. His friendship with Cave Shepherd dates back even further, and his insights, counsel, and guidance were invaluable in navigating numerous challenges.

We are forever grateful for Lyden's generosity of spirit and the wisdom he shared with us all. His unique blend of insight and humour made him not only a trusted advisor but also a cherished mentor. His presence will be deeply missed by all who had the privilege to work alongside him.

Our hearts go out to his family and friends, and we extend our deepest condolences during this difficult time.

May Lyden's legacy of integrity, leadership, and friendship continue to inspire us all.

Thank you & well wishes

At the end of 2024, we bid farewell to one of our longstanding and well-respected Directors, Prof. The Most Honourable V. Eudine Barriteau. She resigned after serving on the Board and the Corporate Governance & Nominations Committee of Cave Shepherd & Co. Limited for the past 16 years.

We extend our deepest gratitude for the invaluable contributions Eudine has made since her appointment in 2008. Her active participation on the Corporate Governance & Nominations Committee has been instrumental in steering Cave Shepherd through numerous challenges and achievements. Eudine's insights and leadership have significantly shaped our corporate governance practices, ensuring we uphold the highest standards of integrity and accountability.

Eudine will now pursue other ambitions as Barbados' candidate and an Expert Member to the United Nations Committee on the Elimination of Discrimination against Women (CEDAW). We are confident that her expertise and passion will continue to make a profound impact on a global scale. Her commitment to advancing women's rights and eliminating discrimination is truly commendable, and we are proud to have had the privilege of working with her.

On behalf of the entire Board, management and extended Cave Shepherd family, we thank Eudine for her exceptional service and unwavering commitment, and we wish her all the best as we look forward to following the positive changes that she will undoubtedly bring to her new role.

"On behalf of the entire Board, management and extended Cave Shepherd family, we thank Eudine for her exceptional service and unwavering commitment, and we wish her all the best..."

New Directors

NON-EXECUTIVE DIRECTOR

Mr. Rawdon J. H. Adams

BSc., MSc.
Born 1967

nationality **Barbadian**
date of first election **2025**

We are pleased to welcome **Mr. Rawdon J. H. Adams** as an Independent Director on the Board of Cave Shepherd & Co. Limited, effective January 2nd, 2025. Rawdon has also been nominated to serve on the Audit and Corporate Governance & Nominations Committees of the Company.

Given that our main business operations are primarily focused on financial services, we are fortunate to have Rawdon on board. His skills and expertise as a C-level financial services professional with extensive experience in investment, banking and digital payments, as well as his background as a financial industry regulator and national legislator, will be invaluable to the Group as we continue to take advantage of opportunities and grow in this space.

Mr. Adams is Managing Director of Caribbean Strategic Advisors Inc. and Principal Consultant at Adams Advisory Limited. Mr. Adams is the Deputy Chair of Barbados' National Insurance and Social Security Service; Chair of Sagicor Bank's Risk and Compliance Committee; past Chair of the CARICOM Development Fund's Finance and Investment Committee; and past member of the Finance Subcommittee of the Government of Barbados' Jobs & Investment Council.

He is a graduate of the London School of Economics & Political Science, UK and the University of South Carolina, USA where he obtained a MSc Political Sociology and BSc Economics, respectively.

We are pleased to welcome Mr. Rawdon J. H. Adams and Ms. Kira L. Thompson-Aird as Independent Directors on the Board.

NON-EXECUTIVE DIRECTOR

Ms. Kira L. Thompson-Aird

BA
Born 1974

nationality **Grenadian**
date of first election **2025**

We are also pleased to welcome **Ms. Kira L. Thompson-Aird** as an Independent Director on the Board of Cave Shepherd & Co. Limited, effective March 3rd, 2025. Kira has also been nominated to serve on the Corporate Governance & Nominations Committee of the Company.

In light of growing regulatory compliance demands in the financial services sector, where several of our Company's primary businesses operate, we are confident that Kira's expertise will enhance the Board's capacity to navigate these challenges effectively.

Kira is an experienced professional working across diverse sectors, including logistics, financial services, operations, retail, wholesale, distribution, and business development. She currently serves as a Director at Renwick, Thompson & Co. Ltd. in Grenada and previously worked with H.H.V. Whitchurch & Co. Ltd. in Dominica.

Kira has held leadership roles such as President of the Dominica Association of Industry & Commerce (DAIC) Board and Acting Chair of the CARICOM Development Fund (CDF) Board. She is also a member of the Executive Committee of the CARICOM Private Sector Organisation (CPSO), focusing on public-private partnerships and regional economic growth.

Her expertise in compliance and governance has led to significant contributions in national risk assessments, logistics, policy delivery, and public-private sector dialogue. Kira has also participated in key initiatives such as the Dominica Climate Resilience and Recovery Plan 2020-2030 and contributed to the CREAD MSME Business Management Guidebook.

Ms. Thompson-Aird is a Bachelor of Arts graduate from the Florida International University.

Payce DIGITAL

2023: **15.7**
2024: **16.9**

revenue
in millions

2023: **27.1**
2024: **31.0**

net book value
in millions

2023: **6.1**
2024: **6.6**

net income after tax
in millions

Alison Browne-Ellis
Chief Executive Officer
Cave Shepherd Card (Barbados) Inc.

100%
ownership

Cave Shepherd Card (Barbados) Inc. trading as Payce Digital delivered a strong financial performance in fiscal year 2024, showing an 8% portfolio growth and delinquency rates below 1%. This performance was driven by increased card usage and balance growth, while a significant uplift in digital payments, primarily for eBill Payments facilitated through the Payce Digital Mobile App, was recorded.

To enhance service quality in line with the core pillar of delivering extraordinary service, Payce Digital initiated a phased systems upgrade, starting with a new EMV Card Personalisation Services Solution. This upgrade led to a more efficient central card issuance process and a modernised credit card design, improving security. In 2024, Payce Digital also launched a digitised Know Your Customer (KYC) onboarding solution as part of its digital transformation strategy. Further system enhancements are planned for fiscal 2025 to align with industry standards and enhanced cyber risk security protocols, supported by the introduction of new innovative product features.

As part of its growth strategy, Payce Digital introduced the Cave Shepherd Captive Insurance business in September 2024 to support the Creditor Life Program made available to cardholders. This new venture is expected to significantly enhance the company's financial performance. Additionally, Payce Digital is in advanced discussions with non-traditional financing entities to secure additional funding to support the planned growth of the card portfolio. An exploratory market visit to Guyana was also conducted to assess potential expansion opportunities, with further efforts planned for the coming year.

Fortress
FUND MANAGERS

2023: **12.1**
2024: **12.6**

revenue
in millions

2023: **10.0**
2024: **11.0**

net book value
in millions

2023: **6.8**
2024: **6.9**

net income after tax
in millions

Peter Arender
Chief Executive Officer
& Chief Investment Officer
Fortress Fund Managers Limited

75.18%
ownership

Fortress Fund Managers had another positive year in 2024, achieving new highs in assets under management and net income. Total client assets reached $950 million in September, of which $430 million is managed on behalf of more than 80 group pension plans. Across its range of Barbados dollar and US dollar mutual funds, investment returns and new client subscriptions both contributed to growth in the business. Internally, new team members were welcomed and work on technology projects was understaken that in future will benefit the company's operations and enhance experience for investors.

The mission at Fortress is to "make financial security achievable and appealing for all by combining sensible long-term investments with exceptional customer service". This year, the most sensible investments were not the best performing, but they did register acceptable gains and importantly are still priced to do so in the future. Investor enthusiasm for artificial intelligence (AI) pushed up the prices of already expensive shares related to this area. Central banks around the world started easing interest rates, but inflation concerns remained front and centre for investors, as did U.S. trade policy and geopolitics following the November election. While it is expected that the next few years to be noisier than normal in the investment world, there are still excellent long-term prospects for the kinds of high-quality, well-valued securities where the Fortress funds invest globally.

In our home market of Barbados, the company faces the ever-present challenge of deploying new Barbados dollars in a small capital market with currency controls. To broaden our offering, over the past few years, we have worked to offer investors easy, accessible US dollar-denominated mutual funds, and these are becoming more and more widely used by clients with US dollars to invest.

2023: **6.0**
2024: **6.7**

revenue
in millions

2023: **5.1**
2024: **5.4**

net book value
in millions

2023: **1.6**
2024:**1.5**

net income after tax
in millions

Wayne Fields
President
DGM Financial Group

72.7%
ownership

DGM Financial Group performed well in 2024, ending the year with revenue up 12.4% and net profits 7% down on the prior year's results due to the new office in Alberta running at a small loss.

Revenue growth drove the strong results as the company successfully secured business from 18 new clients with revenue of an additional US$400 thousand for 2025. The captive management, corporate secretarial and directorship service lines drove the increased business.

DGM's office in Alberta has done well in 2024 as it ended the year with three clients but secured four additional clients which will generate an additional CDN$340 thousand in revenue in the coming year.

As a result of securing additional new work for 2025, DGM will be recruiting a senior individual in the captive management division.

The financial services market remains strong, and the company continues to dedicate time and resources to developing new business. DGM ended the year with a number of prospective new clients and is expecting these opportunities to materialise to drive growth in 2025.

SigniaGlobe FINANCIAL

2023: **28.2**
2024: **28.9**

revenue
in millions

2023: **60.8**
2024: **63.9**

net book value
in millions

2023: **7.3**
2024: **7.2**

net income after tax
in millions

Paul Ashby
Chief Executive Officer
Signia Globe Financial Group

50%
ownership

SigniaGlobe's 2024 financial performance reflects a 1.11% increase in profit before tax, at $9.35 million. However, taxation regime changes have resulted in a 3.60% decline in net profit figures, with a final return of $7.17 million during 2024. Profitability during the year was driven by a 5.38% rise in interest income earnings, combined with reductions in provisioning expenses that have arisen from continued credit quality improvements across the loan portfolio.

The consistency of the lending business lines has been evident throughout 2024. Loan activity has grown by 11.15%, with $110.51 million disbursed over the 12-month period. SigniaGlobe has specialised in vehicle financing for several years and, while other products are intermittently demanded, this remains the core driver of loan activity.

Despite the success achieved in lending, the expansion of non-interest income lines has remained a key directive for future profitability. Custodian services have continued to be a consistent supplier in this area, with $637K earned in 2024. Strategically, SigniaGlobe is seeking to establish a presence as a provider for similar niche financial market services that capitalize on the company's existing resources.

The company's growth in 2025 will be contingent on its ability to innovate on service delivery in all areas. The digital transformation project remains at the forefront and the company has taken a modular approach for the implementation of its various aspects. This is expected to continue throughout 2025 with the view of increasing the ease of doing business with SigniaGlobe and improving the company's efficiency.

2023: **17.4**
2024: **20.0**

revenue
in millions

2023: **6.4**
2024: **7.3**

net book value
in millions

2023: **3.4**
2024: **3.1**

net income after tax
in millions

Clifford Nolan
General Manager
G.C.S. Limited

40%
ownership

G.C.S Limited, trading as Ganzee and Caribbean Kidz, had another solid performance in 2024. Revenue increased by 15% but the overall net profit after tax was down by 8% due to increased expenses related to new operations in St. Lucia.

As part of its expansion focus, the Company purchased five stores at Pointe Seraphine and La Place Carenage in St. Lucia. However, due to prolonged negotiations and other challenges, operations did not commence in time for the start of the 2024/5 cruise season. The new stores opened in November 2024 but set up costs, including a "one-time" write-off of goodwill in the amount of $330 thousand, contributed to the drop in profits reported, when compared to prior year. The company's net profit was further impacted by the increase in the corporate tax rate to 9% in 2024.

In Barbados, "Love Local" was successfully launched. This program highlights twenty local suppliers, with their personal stories shared by video loop in several stores. In the video clips, these artisans share their passion for their creations and the role that Ganzee plays in their financial success. Local soap and sauce makers, potters and jewellers, authors and artists, all contribute to the company's success and to further strengthen its commitment to local product development, Ganzee hosted a beading workshop, in collaboration with the National Cultural Foundation, led by a master-beader from Zimbabwe.

As part of its expansion and diversification strategy, the company will be opening a Food and Beverage outlet in the departure lounge at Grantley Adams International Airport in summer 2025. Branded as "Harry's," it will offer passengers their "Last taste of Barbados."

The company now operates 18 stores across the Caribbean - ten in Barbados, five in St. Lucia and three in Grenada. With regional expansion comes wider responsibilities and the company was honoured to play its part by donating XCD$100 thousand in relief efforts in Grenada following the devastation caused by Hurricane Beryl across the Grenadines.

Looking ahead, Ganzee is well-positioned for another year of growth and will continue to explore expansion opportunities, both locally and regionally.

Corporate Social Responsibility

Cave Shepherd & Co. Limited proudly upheld its legacy of integrity and social responsibility by continuing to support over 50 charitable and non-governmental organisations in Barbados, ranging from care homes to educational, religious and outreach programs. Over $50,000 in donations are made under this initiative annually.

In 2024, we strengthened our commitment by establishing the Cave Shepherd Community Fund in partnership with the Barbados Community Foundation. With an initial contribution of $500,000, this fund marks a new chapter in our efforts to give back in a more structured and impactful way. Through this initiative, we aim to provide greater support, addressing critical needs within our communities and making a lasting difference.

CAVE SHEPHERD community fund

together we can do more

Throughout the year, we engaged in strategic planning to define the long-term goals, values, and operational aspects of the Cave Shepherd Community Fund, resulting in an agreed focus on three main pillars: community, empowerment and collaboration.

In addition to the initial contribution, the Company pledged to support the Cave Shepherd Community Fund with an annual contribution of approximately 1% of net income after tax, for the year ended December 31st, 2025. This ongoing commitment will allow the Company to sustain its philanthropic work over the long term.

Although not officially launched, the Cave Shepherd Community Fund responded to critical community needs during 2024.

Community

Making people's lives better by supporting social well-being, economic opportunities, safe and healthy communities, green spaces and environmental sustainability.

Collaboration

Creating a culture of giving and volunteerism through inclusion, transparency and collaboration, building a sense of connection and fulfillment, as we shape a better tomorrow - together.

Empowerment

Giving our youth and young adults the chance to thrive, overcome obstacles, reach their full potential and become valuable contributors in their communities and country.

Group initiatives relating to Hurricane Beryl crisis response included:

BARBADOS ROTARY FISHERFOLK APPEAL

$30,000

JULY 2024

In a display of community solidarity, the Cave Shepherd Community Fund proudly donated $30,000 to the Rotary Fisherfolk Donation Appeal, following the devastating impact of Hurricane Beryl on July 1st, 2024, on the fisherfolk and fishing industry in Barbados where an estimated 65% of the fishing fleet was damaged with significant loss of livelihood.

SHIPMENT OF CONTAINERS WITH A RANGE OF EMERGENCY SUPPLIES FOR CARRIACOU, GRENADA

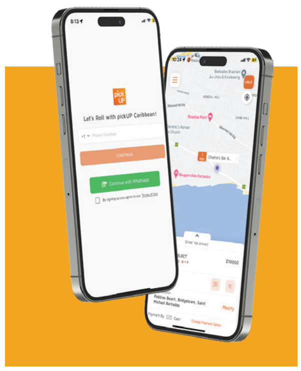
In partnership with the Barbados Private Sector Association, the Company donated a 20 ft container of bottled water sourced from Glacial Ice (Barbados) Ltd containing approximately 30 pallets of water.

DONATION CHANNELED VIA ROTARY GRENADA

Ganzee Grenada made a XCD100,000 donation to assist relief efforts in Carriacou chaneled via Rotary Grenada.

FREE TRANSPORTATION TO HURRICANE SHELTERS

Pick Up Barbados provided free rides to shelters for vulnerable community members leading up to Hurricane Beryl.



CSC CAVE SHEPHERD & CO

Ganzee

pickUP Barbados

We intend to officially launch the Cave Shepherd Community Fund in April and remain confident that, through a more intentional giving strategy and impactful collaborations, the Company will deliver on its purpose of shaping a brighter future in our communities.

Corporate Governance

The Board of Directors (the "Board") of Cave Shepherd & Co. Limited (the "Company") is committed to exercising strong corporate governance practices that enhance all stakeholders' value and promote the long-term growth and financial viability of the Company. The Company adheres to all legal and regulatory requirements, guidelines and recommendations applicable to it as outlined by the Barbados Stock Exchange and the Financial Services Commission.

BOARD OF DIRECTORS

The Board is comprised of knowledgeable and experienced Directors. The maximum number of Directors permitted by the Company's revised and re-stated by-laws is ten (10) with a minimum of three (3). During 2024, the Board consisted of nine (9) members; eight (8) of whom were non-executive (of which one (1) was independent) and one (1) was executive.

The following outlines the biographical details, experience and shareholdings of the Directors.

NON-EXECUTIVE CHAIRMAN

Sir Geoffrey Cave

K.A., C.B.E., B.C.H., Hon. LLD (UWI)
Born 1942

nationality **Barbadian**
date of first election **1970**
term of office **2025**

Sir Geoffrey Cave is currently Non-Executive Chairman of Cave Shepherd & Co. Limited. He was first elected Chairman of the Board of Directors in 1970 when it became a public company. Sir Geoffrey also serves as Chairman of subsidiary DGM Holdings Inc.

In November 2016, on Barbados' 50th Anniversary of Independence, he was awarded the honour of Knight of St. Andrew for his outstanding contribution to business. Sir Geoffrey served as an Independent Senator appointed by the Governor-General of Barbados during the period 2009 to 2013. In 2007, the University of the West Indies conferred on him an Honorary Degree of Doctor of Laws (LLD) and in the Queen's New Years' Honour's List in 2003, he was appointed Commander of the Most Excellent Order of the British Empire. His distinguished career in business in Barbados and the region was recognised in 2001 when he was awarded a Caribbean Master Entrepreneur Award. At the turn of the century, Sir Geoffrey was awarded the Barbados Centennial Honour.

Sir Geoffrey holds a B. Comm. from McGill University in Canada.

CHIEF EXECUTIVE OFFICER

Roger M. Cave

CA, CFA
Born 1966

nationality **Barbadian**
date of first election **1997**
term of office **2027**

Roger Cave joined the Board of Cave Shepherd & Co. Limited in 1997 and was appointed Chief Executive Officer effective June 1st, 2023. He is the Founder and Chairman of Fortress Fund Managers Limited ("Fortress"), a subsidiary of Cave Shepherd & Co. Limited, Chairman of Cave Shepherd Card (Barbados) Inc. trading as Payce Digital and a director of DGM Financial Group. He is also a Director on the Boards of subsidiaries Cave Shepherd Inc., Cave Shepherd (Cayman) Ltd., Cave Shepherd SRL, Cave Shepherd Captive Insurance Inc., Cave Shepherd Card (Holdings) Inc. and associates SigniaGlobe Financial Group Inc. and G.C.S. Limited.

Mr. Cave currently serves an independent director of the Barbados Private Sector Association and Executive Committee Member of the Caricom Private Sector Organisation.

Mr. Cave is a graduate of Bishop's University, Canada where he obtained a BBA. He is a CFA charter holder as well as a Chartered Accountant. He is a Fellow of the Institute of Chartered Accountants of Barbados (FCA).

NON-EXECUTIVE DIRECTOR

Prof. The Most Honourable V. Eudine Barriteau,

PhD, FB, GCM
Past Pro-Vice Chancellor & Principal,
University of the West Indies,
Cave Hill Campus
Born 1954

nationality **Grenadian**
date of first election **2008**
term of office **2026**

Prof. The Most Honourable V. Eudine Barriteau was elected to serve on the Board of Cave Shepherd & Co. Limited in 2008. She is a member of the Corporate Governance & Nomination Committee.

Prof. The Most Honourable V. Eudine Barriteau is an academic with numerous scholarly writings to her credit. She serves on a number of Boards and Committees regionally and internationally.

Prof. The Most Honourable V. Eudine Barriteau was the Pro-Vice Chancellor & Principal of the University of the West Indies (UWI), Cave Hill Campus until her retirement in August 2021. She previously held the positions of Pro-Vice Chancellor & Principal of UWI, Open Campus and Deputy Principal, Cave Hill Campus as well as Head of the Centre for Gender and Development Studies, University of the West Indies, a position she held for fifteen (15) years.

In 2013, Prof. The Most Honourable V. Eudine Barriteau was awarded a Gold Crown of Merit for her contribution to gender and development. In the 2019 list of National Honourees to mark the 53rd anniversary of Independence of Barbados, she was awarded Barbados' highest national honour, the Order of the Freedom of Barbados, for her outstanding contribution to tertiary education and pioneering leadership in the development of gender studies and the promotion of gender equality.

NON-EXECUTIVE DIRECTOR

Maureen D. Davis

Business Executive
Born 1964

nationality **Barbadian**
date of first election **2007**
term of office **2026**

Maureen Davis joined the Board of Cave Shepherd & Co. Limited in 2007. Mrs. Davis is a Retail Development Consultant and previously held the position of Chief Development Officer of Duty Free Caribbean (Holdings) Ltd., from that company's formation in 2000 to 2021. Her management experience in the regional duty-free sector spans over 35 years and extends across the Caribbean region.

Mrs. Davis also serves on the Board of the Tourism Development Corporation, the Cave Hill School of Business and is a Council Member of the Barbados Museum and Historical Society.

NON-EXECUTIVE DIRECTOR

Robert M. Harvey-Read

B. Comm
Business Executive
Born 1964

nationality **Barbadian**
date of first election **2008**
term of office **2027**

Robert Harvey-Read was elected to the Board of Cave Shepherd & Co. Limited in 2008. He is a member of the Audit Committee.

Mr. Harvey-Read is a National Account Executive with Cost Segregation Services, LLC – a US firm. He has held several leadership and developmental roles both in business and non-profit organizations in Barbados, Grenada, and the US.

Mr. Harvey-Read holds a Bachelor of Business Management from Toronto Metropolitan University in Canada.

NON-EXECUTIVE DIRECTOR

Edward J. L. Ince

BSc
Business Executive
Born 1962

nationality **Barbadian**
date of first election **2012**
term of office **2025**

Edward Ince joined the Board of Cave Shepherd & Co. Limited in 2012.

Mr. Ince has extensive experience in creating and managing businesses throughout the Caribbean and Central America regions. He co-founded Prism Services, a payments and operations outsourcing company. He also serves on the Boards of Republic Bank Ltd. and Productive Business Solutions Ltd., a listed company on the Jamaica Stock Exchange.

Mr. Ince is a graduate of York University, Canada where he obtained a BSc. (Hons) in Computer Science.

INDEPENDENT DIRECTOR

Adrian H. Padmore

Business Executive
Born 1967

nationality **Barbadian**
date of first election **2016**
term of office **2026**

Adrian Padmore was elected to serve on the Board of Cave Shepherd & Co. Limited in 2016. He is the Chairman of the Corporate Governance & Nomination Committee and a member of the Audit Committee.

Mr. Padmore was the Managing Director of Bryden Stokes Limited and previously held the position of General Manager of the West India Biscuit Company Limited ("WIBISCO") from 2002 to 2017. His experience in the manufacturing, export, retail and the distribution sectors spans over 30 years. He was appointed Chairman of Export Barbados (BIDC) and the Barbados Institute of Management & Productivity (BIMAP) in April 2022. Additionally, he has worked extensively in Barbados, the Caribbean and USA markets.

Mr. Padmore is a graduate of Coventry University, UK where he obtained a HND in Mechanical Engineering.

NON-EXECUTIVE DIRECTOR

Lyden J. Ramdhanny

Business Executive,
L.L. Ramdhanny & Co.
Born 1952

nationality **Grenadian**
date of first election **2008**
term of office **2025**

Lyden Ramdhanny was appointed to the Board of Cave Shepherd & Co. Limited in 2008. He was the Chairman of the Audit Committee and a member of the Corporate Governance & Nomination Committee. Mr. Ramdhanny previously served as a Director on the Board of Duty Free Caribbean (Holdings) Ltd., then associate of the Company, for a period of 5 years from its inception in 2000.

Mr. Ramdhanny was a prominent businessman in Grenada having held numerous Private Enterprise and Public Service/Governmental posts.

NON-EXECUTIVE DIRECTOR

Richard G. Simpson

Business Executive
Born 1959

nationality **Barbadian**
date of first election **2007**
term of office **2025**

Richard Simpson was elected to serve on the Board of Cave Shepherd & Co. Limited in 2007. He joined Cave Shepherd & Co. Limited in 1983 and worked in several departments of retail operations, including Duty Free Caribbean (Holdings) Ltd. where he managed the Facilities function until his retirement at the end of the year 2020.

Directors' Shareholdings

Directors' shareholdings in Cave Shepherd & Co. Limited as at December 31st, 2024 and as at March 6th, 2025, are as follows:

	Shares as at December 31st, 2024		Shares as at March 6th, 2025	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
R. G. Cave	5,738,194	-	5,738,194	-
V. E. Barriteau	-	-	-	-
R. M. Cave	523,183	-	563,183	-
M. D. Davis	174,335	-	174,355	-
R. M. Harvey-Read	2,465	-	2,465	-
E. J. L. Ince	140,687	-	140,687	-
A. H. Padmore	-	-	-	-
L. J. Ramdhanny	-	-	-	
R. G. Simpson	58,816	-	58,816	-

Directors' interest in the Share Option Plan of Cave Shepherd & Co. Limited as at December 31st, 2024 is as follows:

Year	Granted	Vested	Exercised	Unvested	Expired	Total	Exercise Price
2024	40,000	26,667	-	13,333	-	40,000	$6.50
2023	40,000	26,667	-	-	-	40,000	$4.50
2022	20,000	20,000	(20,000)	-	-	-	$4.18
	100,000	**86,667**	**(20,000)**	**13,333**	-	**80,000**	

The market price of Cave Shepherd & Co. Limited shares at December 31st, 2024 was $7.50

Other Shareholdings

Substantial shareholdings other than Directors holding more than 5% of the issued shares:

	Shares as at December 31st, 2024
Aerie Limited	2,282,928
Landview Limited	2,213,517

Top 10 largest shareholdings:

	Shares as at December 31st, 2024
Beach Fronts Limited	5,738,194
Aerie Limited	2,282,928
Landview Limited	2,213,517
Island Securities Ltd	516,675
Rockcliff Investments Ltd	322,356
Landgrade Ltd	232,557
Saba Ltd	211,973
Maureen Davis	168,335
Peter Neville Boos	158,380
Kala Inc.	151,245

Board Operations

The Board's key responsibilities which it exercises through decision making and oversight are strategic planning, risk management, succession planning, shareholder communications and public disclosures, corporate governance, legal and regulatory compliance and performance evaluations. The position description for the Chairman is clearly defined.

The Board determines its own organisation. The Board has Audit and Corporate Governance & Nomination Committees to assist it in fulfilling its duties.

The Board had four (4) formal meetings. Generally, the Board manages an annual schedule of critical items designed to ensure that it fulfils its obligations. The Board reviewed and approved financial statements, interim and final dividend payments, the appointment of an independent director, reviewed the recommendations made under the 2023 Financial Services Commission Corporate Governance Guidelines and the progress of Cave Shepherd's strategy. The Board also considered different business opportunities, reviewed and managed Company risk and received reports on the work carried out by its Audit and Corporate Governance & Nomination Committees.

Directors' record of attendance at Board and Committee Meetings are reflected in the table below.

	Board Meetings	**Audit Committee Meetings**	**Corporate Governance Nomination Comittee Meetings**	**Total**
R. G. Cave	4/4			4/4
V. E. Barriteau	4/4		3/3	7/7
R. M. Cave	4/4			4/4
M. D. Davis	4/4			4/4
R. M. Harvey-Read	4/4	2/2		6/6
E. J. L. Ince	4/4			6/6
A. H. Padmore	4/4	2/2	3/3	9/9
L. J. Ramdhanny	4/4	2/2	3/3	9/9
R. G. Simpson	4/4			4/4

ONGOING DIRECTOR DEVELOPMENT

During 2024, ongoing Directors' education focused on anti-money laundering and terrorist financing methods, anti-fraud training, risk training and updates on several regulatory changes in Barbados, as well as accountability of the Board.

BOARD EVALUATIONS

In 2024, the Board undertook its annual performance evaluation. The Board delegated this function to the Corporate Governance & Nomination Committee with the assistance of the Group Corporate Secretary. The performance evaluation addressed the performance and effectiveness of the individual Directors and the Board's performance as a whole. The performance evaluation was conducted electronically and results of the survey were submitted by each Director on a confidential basis to the Group Corporate Secretary who compiled a report. The survey confirmed that the Board is operating effectively and the report was submitted to the Board for discussion.

Board Committees

There are two (2) committees of the Board – the Audit Committee and the Corporate Governance & Nomination Committee. These Committees play an integral part in the governance process of the Company in that they assist the Board with the proper discharge of its functions by providing an opportunity for more in-depth discussions. The Committees are required to regularly report to the Board on findings, assessments and proposed courses of action. The position descriptions for the Chairmen of the Committees are clearly defined.

THE AUDIT COMMITTEE

Members: Lyden J. Ramdhanny, Chairman
Robert M. Harvey-Read
Adrian H. Padmore

The majority of the members of the Audit Committee are non-executive directors who are financially literate with a sound understanding of the accounting principles and who possess the experience in analysing and evaluating financial statements. During the year the Audit Committee undertook training in audit committee effectiveness.

The Audit Committee assists the Board in overseeing the external audit process and managing all aspects of the relationship with the Internal and Exernal Auditors (the "Auditors"). It provides a direct channel of communication between the Auditors and the Board and assists the Board in ensuring that the audits are conducted in a thorough, objective and cost-effective manner. The Committee also reviews interim and audited financial statements and oversees the internal audit process, reviewing the internal auditor's assessment of the adequacy and effectiveness of the Company's internal controls, legal and regulatory compliance and risk management.

The Charter of the Audit Committee can be found on the Company's website at www.caveshepherd.com.

AUDIT COMMITTEE OPERATIONS

The principal business for 2024 included:

- Reviewing and approving the external audit plan and timetable and approving external audit fees;
- Reviewing and approving the internal audit plan and approving internal audit fees;
- Reviewing and recommending for approval to the Board interim and annual audited financial statements;
- Reviewing the internal audit reports.
- Reviewing and recommending for approval to the Board Company policies within its remit;
- Reviewing and recommending for approval the Audit Committee's Charter;
- Reviewing and recommending for approval to the Board the Chairman's Position Description; and
- Conducting its annual performance evaluation.

AUDIT AND AUDIT RELATED FEES

Audit Fees for the Cave Shepherd Group are as follows:

	2024 (000's)	2023 (000's)
Audit fees	$327	$307
Audit related fees	$195	$124
Tax fees	$22	$22
TOTAL	**$544**	**$453**

THE CORPORATE GOVERNANCE & NOMINATION COMMITTEE

Members: Adrian H. Padmore, Chairman
V. Eudine Barriteau
Lyden J. Ramdhanny

The Corporate Governance & Nomination Committee develops and recommends to the Board policies and procedures to establish and maintain good corporate governance practices and regulatory requirements. The Committee is also responsible for reviewing and advising the Board on the nomination and appointment of Directors and assists the Board in maintaining a culture of honesty, integrity, transparency and accountability.

The Corporate Governance & Nomination Committee's Charter can be found on the Company's website at www.caveshepherd.com.

CORPORATE GOVERNANCE & NOMINATION COMMITTEE OPERATIONS

The principal business for 2024 included:

- Reviewing and implementing the recommendations under the 2023 Financial Services Commission's Corporate Governance Guidelines
- Reviewing and recommending for approval to the Board various Company policies within its remit, Board and Corporate Governance & Nominations Committee Charters and the Chairmen Position Descriptions for the Board of Directors and the Corporate Governance & Nomination Committee;
- Reviewing compliance with legal and regulatory requirements;
- Overseeing and conducting the Board and Committee annual performance evaluations: and
- Conducting interviews with potential candidates for membership to the Board.

Executive Management & Corporate Secretary

The following sets forth the name and year of appointment of the current four (4) members of Executive Management and the Group Corporate Secretary, as well as a short description of their business experience, education and activities:

CHEIF EXECUTIVE OFFICER

Roger M. Cave

CA, CFA
Born 1966

Roger Cave joined the Board of Cave Shepherd & Co. Limited in 1997 and was appointed Chief Executive Officer effective June 1st, 2023. He is the Founder and Chairman of Fortress Fund Managers Limited ("Fortress"), a subsidiary of Cave Shepherd & Co. Limited, Chairman of Cave Shepherd Card (Barbados) Inc. trading as Payce Digital and a director of DGM Financial Group. He is also a Director on the Boards of subsidiaries Cave Shepherd Inc., Cave Shepherd (Cayman) Ltd., Cave Shepherd SRL, Cave Shepherd Captive Insurance Inc., Cave Shepherd Card (Holdings) Inc. and associates SigniaGlobe Financial Group Inc. and G.C.S. Limited.

Mr. Cave currently serves an independent director of the Barbados Private Sector Association and Executive Committee Member of the Caricom Private Sector Organisation.

Mr. Cave is a graduate of Bishop's University, Canada where he obtained a BBA. He is a CFA charter holder as well as a Chartered Accountant. He is a Fellow of the Institute of Chartered Accountants of Barbados (FCA).

Barbadian
nationality

2023
year of appointment

CHIEF FINANCIAL OFFICER

Ian P. Gibson

FCA, CPA-CGA
Born 1962

Ian Gibson is the Chief Financial Officer ("CFO") of Cave Shepherd & Co. Limited. He also serves as Director of the Board of subsidiaries Cave Shepherd Inc., Cave Shepherd (Cayman) Ltd., Cave Shepherd SRL, Cave Shepherd Captive Insurance Inc., Cave Shepherd Card (Barbados) Inc., Cave Shepherd Card (Holdings) Inc. and associates G.C.S. Limited and Bridgetown Cruise Terminal Inc. As CFO, he is responsible for the administrative, financial and risk management operations of the Company.

Mr. Gibson joined the Company in 1995 as Financial Controller. Prior to this, he was employed with a leading audit firm.

Mr. Gibson is a Fellow of the Institute of Chartered Accountants of Barbados (FCA) – Practising Member and a member of the Chartered Professional Accountants of Canada (CPA-CGA).

Barbadian
nationality

2000
year of appointment

GROUP CORPORATE SECRETARY/ LEGAL COUNSEL

Hanna M. Chrysostom

LLB, MBA
Born 1977

Hanna Chrysostom is the Group Corporate Secretary/Legal Counsel of Cave Shepherd & Co. Limited. She is responsible for ensuring the integrity of the Company's governance framework and as Legal Counsel she also offers legal and regulatory advice and conducts legal research for the Company.

Ms. Chrysostom has had a diverse legal career with over twenty (20) years of experience in corporate and commercial law and litigation. She has worked in private practice and as In-House Counsel for a major international telecommunications company.

Ms. Chrysostom holds a Masters of Business Administration from the University of Durham, UK.

Trinidadian
nationality

2013
year of appointment

CHIEF EXECUTIVE OFFICER, CAVE SHEPHERD CARD (BARBADOS) INC.

Alison Browne-Ellis

MBA
Born 1979

Alison Browne-Ellis joined Cave Shepherd & Co. Limited as its Director, Card Services in 2011 and in June 2021, she was appointed as Chief Executive Officer of Cave Shepherd Card (Barbados) Inc. trading as Payce Digital. Mrs. Browne-Ellis is a Director of subsidiary, Cave Shepherd Captive Insurance Inc. She is responsible for the day-to-day strategic management of the company.

Mrs. Browne-Ellis' background includes over twenty-four (24) years' experience in the financial services and credit card management industry.

Mrs. Browne-Ellis holds a Masters of Business Administration from the University of Surrey, UK and an Executive Diploma from the Ivey Business School, Western University, Canada.

Barbadian
nationality

2021
year of appointment

CHIEF EXECUTIVE OFFICER & CHIEF INVESTMENT OFFICER, FORTRESS FUND MANAGERS LIMITED

Peter Arender

CFA
Born 1970

Peter Arender is Chief Executive Officer & Chief Investment Officer of Fortress Fund Managers Limited. He has 30 years' experience in financial markets and joined Fortress in 2009. His focus has been on expanding Fortress' capabilities to manage global assets, and on developing and applying disciplined, long-term strategies to the portfolio management process. Prior to joining Fortress, he was Chief Investment Officer of a privately held offshore bank in Barbados, portfolio manager at Acker Finley Asset Management in Toronto, and a Vice President of Institutional Bond Sales at Toronto Dominion Securities.

Mr. Arender is a graduate of the University of Toronto. He is a CFA charter holder, a past member of the board of the CFA Society Barbados, and a past-president of the CFA Society Toronto.

Barbadian
nationality

2023
year of appointment

Executive Management's Shareholdings (all beneficial)

Executive Management's shareholdings as at December 31st, 2024 and as at March 6th, 2025 are as follows:

	Shares as at December 31st, 2024 No. of Shares held	Shares as at March 6th, 2025 No. of Shares held
R. M. Cave	523,183	563,183
I. P. Gibson	84,871	93,938
H. M. Chrysostom	37,050	41,584
A. E. Browne-Ellis	42,313	51,380
P. L. Arender	-	-

Management Proxy Circular

Management is required by the Companies Act Cap. 308 of the Laws of Barbados (the "Act") to send forms of proxy with the Notice convening the Meeting. By complying with the Act, Management is deemed to be soliciting proxies within the meaning of the Act.

This Management Proxy Circular accompanies the Notice of the Fifty-Fourth Annual General Meeting of Shareholders of Cave Shepherd & Co. Limited (the "Company") to be held at the **Lloyd Erskine Sandiford Centre** on **Thursday, April 24th, 2025, at 5:30 p.m.**

1. APPOINTMENT AND REVOCATION OF PROXY

A form of proxy is enclosed and, if it is not your intention to be present at the Meeting, you are asked to complete, sign, date and return the proxy. **Proxies to be exercised at the Meeting must be deposited no later than 4:00 p.m. on Tuesday, April 22nd, 2025.**

Any Shareholder having given a proxy has the right to revoke it by depositing an instrument in writing, executed by the Shareholder or his/her attorney authorised in writing, or if the Shareholder is a body corporate, partnership, estate, trust or association, by any officer or attorney thereof duly authorised at any time up to an including the last business day preceding the day of the meeting, or any adjournment thereof, with the Group Corporate Secretary of the Company at the addresses listed for delivery of proxy in the Notice of the Meeting.

The persons named in the enclosed form of proxy are Directors of the Company. If you wish to appoint some other person to represent you at the Meeting, you may do so by inserting the name of your appointee, who need not be a Shareholder, in the blank space provided on the proxy form.

2. RECORD DATE AND VOTING OF SHARES

The Directors of the Company have fixed **Monday, March 17th, 2025 as the Record Date for determining the Shareholders entitled to receive Notice of the Meeting** and have given notice thereof by advertisement as required by the Companies Act. Only the Shareholders of the Company at the close of business on that day will be entitled to receive Notice of the Meeting. Shareholders are voting on the following the:

1. Adoption of the Audited Consolidated Financial Statements for the year ended December 31st, 2024.
2. Election of Directors; and
3. Appointment of Auditors for the ensuing year and for Directors to fix their remuneration.

Only Shareholders of the Company on the Record Date will be entitled to vote at the Meeting. On a show of hands, each Shareholder shall have one vote. On a poll, each Shareholder is entitled to one vote for each share held. As at the date hereof there are 18,640,680 common shares without par value of the Company issued and outstanding.

ITEM 1 – PRESENTATION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT

The Audited Consolidated Financial Statements of the Company for the year ended December 31st, 2024 and the Auditors' Report thereon can be found on the Company's website www.caveshepherd.com.

ITEM 2 – ELECTION OF DIRECTORS

The maximum number of Directors permitted by the revised by-laws of the Company is ten (10) and the minimum is three (3). The Board of Directors presently consists of nine (9) Members. The number of Directors to be elected at the Meeting is five (5).

(i) the following Directors retire by rotation in accordance with paragraphs 3.9 and 3.10 of the revised and restated by-laws and being eligible, offer themselves for re-election for the term stated:

Mr. Edward J. L. Ince	3 Years
Mr. Richard G. Simpson	3 Years

(ii) the following Director, having attained the age of 72, retires in accordance with paragraph 3.10 of the revised and restated by-laws and being eligible, offers himself for re-election for the term stated:

Sir Geoffrey Cave, K.A.	1 Year

(iii) the following Director having consented in writing to act as a director was elected by the Board on January 2nd, 2025, in accordance with paragraph 3.13 of the revised and restated by-laws to fill the vacancy of Prof. The Most Honourable V. Eudine Barriteau. It is recommended that he be elected to membership of the Board in accordance with paragraph 3.6 (a) of the revised and re-stated by-laws for the term stated:

Mr. Rawdon J. H. Adams	1 Year

(iv) the following Director having consented in writing to act as a director was elected by the Board on March 3rd, 2025 in accordance with paragraph 3.13 of the revised and re-stated by-laws to fill the vacancy of Mr. Lyden J. Ramdhanny in light of his unfortunate passing. It is recommended that she be elected to membership of the Board in accordance with paragraph 3.6 (a) of the revised and re-stated by-laws for the term stated:

Ms. Kira L. Thompson-Aird	3 Years

With respect to Messrs. Richard G. Simpson and Edward J. L. Ince, the term of office for each person so elected will expire at the close of the third Annual General Meeting of the Shareholders of the Company following his election or until his successor is elected or appointed. Each of these nominees is now a Director of the Company and will retire at the close of the Fifty-Fourth Annual General Meeting in accordance with the provisions of the revised and restated by-laws of the Company, but being qualified, is eligible for re-election. Messrs. Richard G. Simpson and Edward J. L. Ince were elected as Directors at the Shareholders' Meeting held on May 11th, 2022. These nominees are being recommended in accordance with paragraphs 3.9 and 3.10 of the revised and restated by-laws.

Sir Geoffrey Cave is currently a Director of the Company and is being proposed for re-election as Director. The nominee, having attained the age of 72, is being recommended by the Board in accordance with paragraph 3.10 of the revised and restated by-laws.

The remaining nominees are being proposed to be appointed to fill the vacancies as a result of the resignation of Prof. The Most Honourable V. Eudine Barriteau and passing of Mr. Lyden J. Ramdhanny, respectively. Mr. Rawdon J. H. Adams and Ms. Kira L. Thompson-Aird are being proposed for election as Independent Directors and are being recommended by the Board in accordance with paragraph 3.6(a) of the revised by-laws.

Mr. Adams is Managing Director of Caribbean Strategic Advisors Inc. and Principal Consultant at Adams Advisory Limited. He is a C-level financial services professional with extensive first-hand expertise in investment, banking and digital payments and is also a past financial industry regulator and national legislator. Mr. Adams is the Deputy Chair of Barbados' National Insurance and Social Security Service; Chair of Sagicor Bank's Risk and Compliance Committee; past Chair of the CARICOM Development Fund's Finance and Investment Committee; and past member of the Finance Subcommittee of the Government of Barbados' Jobs & Investment Council.

He is a graduate of the London School of Economics & Political Science, UK and the University of South Carolina, USA where he obtained a MSc Political Sociology and BSc Economics, respectively.

Ms. Thompson-Aird is an experienced professional working across diverse sectors, including logistics, financial services, operations, retail, wholesale, distribution, and business development. She currently serves as a Director at Renwick, Thompson & Co. Ltd. in Grenada and previously worked with H.H.V. Whitchurch & Co. Ltd. in Dominica. Ms. Thompson-Aird has held leadership roles such as President of the Dominica Association of Industry & Commerce (DAIC) Board and Acting Chair of the CARICOM Development Fund (CDF) Board. She is also a member of the Executive Committee of the CARICOM Private Sector Organisation (CPSO), focusing on public-private partnerships and regional economic growth.

Her expertise in compliance and governance has led to significant contributions in national risk assessments, logistics, policy delivery, and public-private sector dialogue. Ms. Thompson-Aird has also participated in key initiatives such as the Dominica Climate Resilience and Recovery Plan 2020-2030 and contributed to the CREAD MSME Business Management Guidebook.

Ms. Thompson-Aird is a Bachelor of Arts graduate from the Florida International University.

The Management of the Company does not contemplate that any persons named above will, for any reason, become unable or be unwilling to serve as a director.

A simple majority of votes cast by Shareholders present and voting at the Meeting, whether by proxy or otherwise is required to elect the above-named Nominees.

The Directors recommend that Shareholders VOTE FOR the election of the above-named Nominees.

ITEM 3 - APPOINTMENT OF AUDITORS

Ernst & Young Ltd of One Welches, St. Thomas, Barbados are the incumbent Auditors of the Company. It is proposed to re-appoint, Ernst & Young Ltd as Auditors of the Company to hold office until the next Annual General Meeting of Shareholders.

A simple majority of votes cast by Shareholders present and voting at the Meeting, whether by proxy or otherwise is required to appoint the incumbent Auditors.

The Directors recommend that Shareholders VOTE FOR the re-appointment of Ernst & Young Ltd.

DISCRETIONARY AUTHORITY

The enclosed form of proxy confers discretionary authority upon the persons named with respect to amendments to or variations in matters identified in the Notice of Meeting, or other matters that may properly come before the Meeting.

Management knows of no matter to come before the Meeting other than the matters referred to in the Notice of Meeting enclosed herewith. However, if any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the shares represented by proxies in favour of management nominees will be voted on any such matter in accordance with the best judgement of the proxy nominee. Similar discretionary authority is conferred with respect to amendments to the matters identified in the Notice of the Meeting.

The contents of this Management Proxy Circular and the sending thereof to the Shareholders of the Company have been approved by the Directors of the Company.

A Director's statement was submitted pursuant to Section 71 (2) of the Companies Act.

No Auditors' statement is submitted pursuant to Section 163 (1) of the Act.

No Shareholders' proposal and/or statement is submitted pursuant to Sections 112 (a) and 113 (2) of the Act.

Dated March 6th, 2025

Hanna M. Chrysostom.

Hanna M. Chrysostom
Group Corporate Secretary

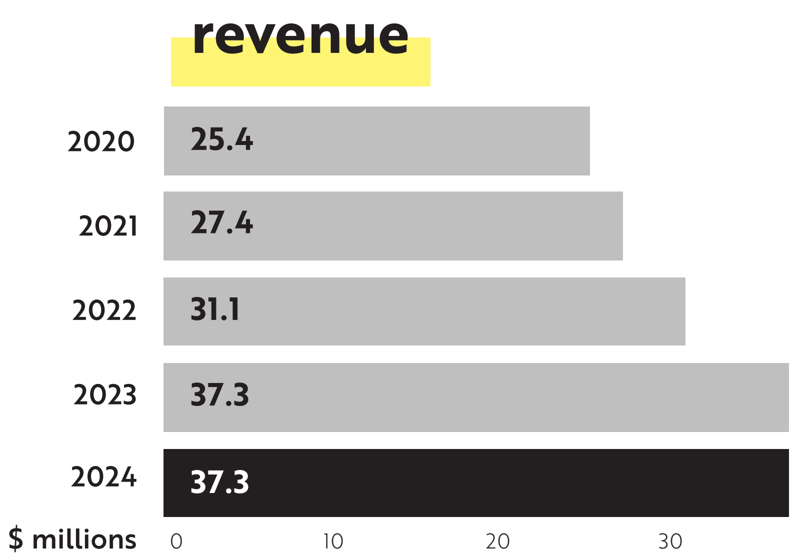
Financial Highlights

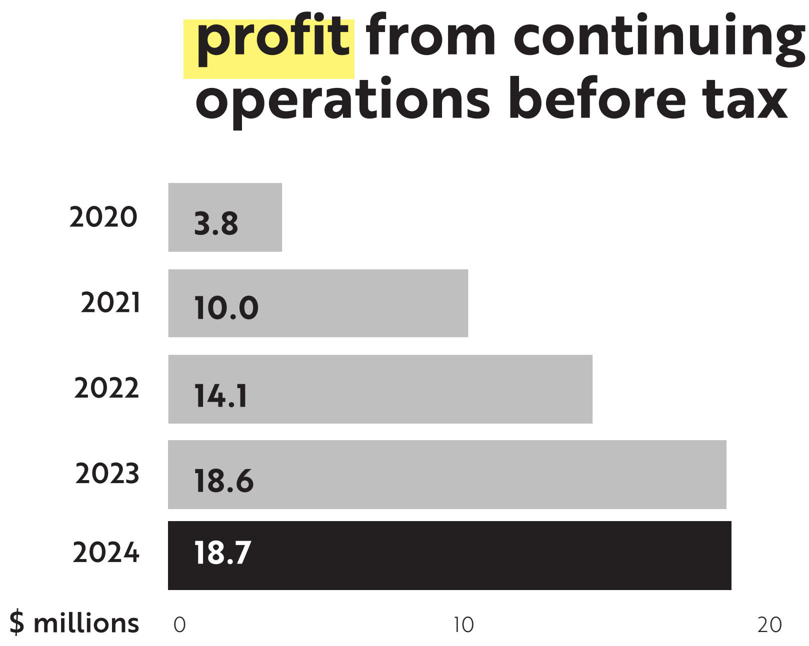
For the year ended December 31st, 2024

Expressed in Barbados dollars

	2024 $	2023 $
RESULTS FOR THE YEAR (in $ millions)		
Revenue from operations and other gains	37.27	37.27
Profit before taxation	18.71	18.62
Corporation tax	(1.40)	(0.61)
Net profit from continuing operations	17.31	18.01
Net profit attributable to equity holders of the Company	15.05	15.80
YEAR END POSITION (in $ millions)		
Working capital	82.26	81.14
Total assets	173.44	163.36
Total equity	106.45	98.10
PER SHARE OF CAPITAL STOCK (in dollars)		
Profit before taxation and non-controlling interests	1.01	1.01
Net profit attributable to equity holders of the Company	0.81	0.86
Dividends declared	0.36	0.34
Equity	5.75	5.33
Market price per share	7.50	6.50
FINANCIAL RATIOS (in percentages)		
Return on average equity – continuing operations	18.3%	20.0%
Return on average equity – equity holders	14.7%	17.0%

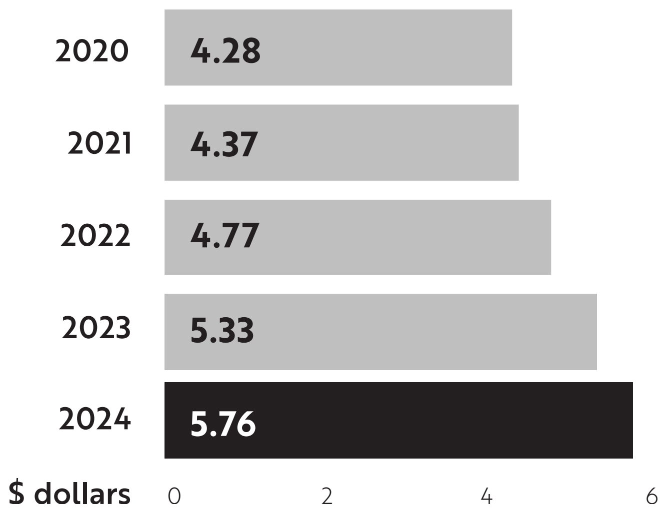
Financial Highlights



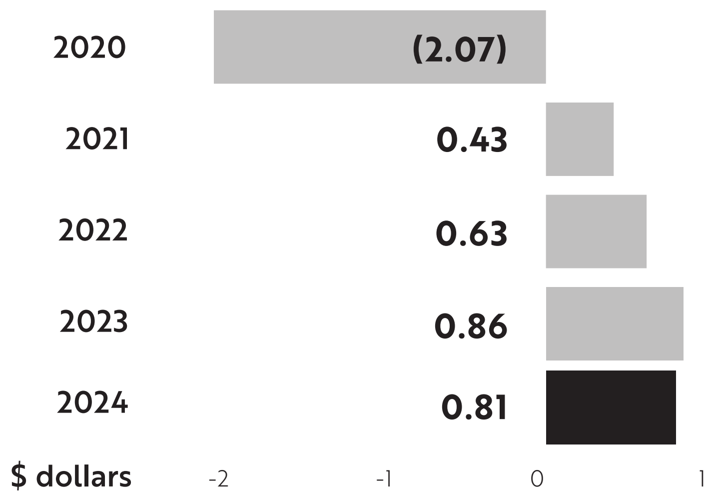


Financial Highlights

book value per share



earnings per share



Five Year Summary

Year End Position (in $ millions)	**2024**	**2023**	**2022**	**2021**	**2020**
Current Assets					
Cash, restricted cash and short term deposits	33.6	40.4	31.6	25.5	21.9
Financial Assets at Fair Value through Profit and Loss	16.3	9.3	9.1	24.2	29.7
Trade and Other Receivables and Prepayments	69.1	62.9	56.3	43.3	42.5
Other Current Assets	0.4	0.3	0.2	0.5	3.2
Total Current Assets	**119.4**	**112.9**	**97.2**	**93.5**	**99.1**
Less Current Liabilities	37.1	31.8	35.0	26.2	22.7
Working Capital	82.3	81.1	62.2	67.3	74.4
Investments and Other Assets	54.0	49.8	47.9	46.4	35.1
Discontinued Operations	0.0	0.7	0.8	0.3	0.8
	136.3	**131.6**	**110.8**	**114.5**	**109.9**
FINANCED BY:					
Long-term Borrowings	29.8	33.5	22.6	34.1	30.9
Total Equity	106.5	98.1	88.2	80.4	79.0
	136.3	**131.6**	**110.8**	**114.5**	**109.9**
No. of Shares Outstanding (in millions)	18.5	18.4	18.5	18.4	18.5
Share of Associates Revenue (in $ millions)	**23.6**	**22.0**	**20.5**	**16.4**	**14.6**
Results For The Year (in $ millions)					
Revenue from operations and other gains	37.3	37.3	31.1	27.4	25.4
Net operating profit including results of Associates	18.5	18.3	16.1	10.0	2.2
Profit before taxation from continuing operations	18.7	18.6	14.1	10.0	3.8
Net profit/(loss) from discontinued operations	0.0	0.0	0.0	0.4	(39.7)
Net comprehensive income/(loss) attributable to equity holders of the Company	15.1	15.8	11.7	8.0	(38.1)
Dividends Declared	6.7	6.2	5.0	3.3	1.8

Five Year Summary

Ratios	**2024**	**2023**	**2022**	**2021**	**2020**
Per Share Of Capital Stock (in dollars)					
Earnings/(Losses)	0.81	0.86	0.63	0.43	(2.07)
Dividends Declared	0.36	0.34	0.27	0.18	0.10
Net Book Value	5.75	5.33	4.77	4.37	4.28
Financial Ratios					
Current Ratio	3.21	3.56	2.78	3.57	4.28
Gearing Ratio	0.16	0.09	0.15	0.20	0.24
Returns/(Losses) (%)					
Total Revenue - equity holders	40%	42%	37%	29%	(150)%
On Average Equity - equity holders	15%	17%	14%	10%	(39)%

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Cave Shepherd & Co. Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement of income and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's* Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	**How our audit addressed the key audit matter**
Investments in associated companies	
Investments in associates represents approximately 27% of the assets on the consolidated statement of financial position. As detailed in Note 2 *Material Accounting Policy Information,* under the equity method of accounting for associates, these associates are initially stated at cost, and are adjusted thereafter for the Group's share of its associates' post-acquisition profits or losses which is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves which is recognised in other comprehensive income and accumulated in reserves.	We analyzed the Group's methodology and equity pick-up calculations of the underlying associates for the year ended 31 December 2024 which included the following audit procedures: • We evaluated the reasonableness of Management's assessment of control versus significant influence. • We issued instructions and performed independent reviews of the working papers of the non-EY auditors of the Group's material associates. • We tested the reasonableness of the year end equity pickup calculations in the consolidated accounts, including compliance with accounting policies consistent with Group reporting, where applicable. • We assessed Management's assumptions over the carrying values of the associates and related balances. • Additionally, we considered whether the Group's disclosures related to these investments were appropriately reflected in the notes to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Expected Credit Loss Allowance	
IFRS 9 requires the Group to record an allowance for expected credit losses (ECLs) for all loans and advances to customers and other financial assets not held at fair value through profit and loss, together with loan commitments and financial guarantee contracts. The estimation of ECLs is inherently uncertain and requires the application of judgment and use of subjective assumptions by management. Furthermore, models used to determine credit impairment are complex, and certain inputs used are not fully observable. Management compensates for any model and data deficiencies by applying judgmental overlays to ECL model outputs.	• We evaluated the updates to the modelling techniques and methodologies developed by the Group in order to estimate ECLs and assessed their compliance with the requirements of IFRS 9. • We tested the completeness and accuracy of input data to the models used to determine the ECLs. We assessed the reasonableness of the methodologies and assumptions applied in determining 12 month and lifetime probabilities of default (PD), loss given default (LGD), exposure at default (EAD) and staging. We assessed external source data and assumptions, particularly with respect to forward looking information (FLI). • We involved our EY valuation specialists to assess the appropriateness of the models and the assumptions used, including analyzing modelling accuracy and consistency of impairment parameters. They also assessed the reasonableness of the FLI. • We assessed the reasonableness of all qualitative adjustments or overlays derived outside of specific model output. • We assessed the adequacy of disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Other information included in the Group's 2024 Annual Report
Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)
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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CAVE SHEPHERD & CO. LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)
We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements
This report is made solely to the Company's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them 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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

The partner in charge of the audit resulting in this independent auditor's report is Ms. Tracy Marshall.

Ernst + Young Ltd

BARBADOS
12 March 2025

Consolidated Statement of Financial Position

As at December 31, 2024

Expressed in thousands of Barbados dollars

	2024	2023
	$	$
Current Assets		
Cash and short-term deposits (note 4)	**31,666**	34,828
Restricted cash (note 4)	**1,971**	5,613
Financial assets at fair value through profit and loss (note 5)	**16,343**	9,279
Trade and other receivables and prepayments (note 6)	**69,044**	62,865
Due by associates (note 7)	**377**	290
Due by affiliates (note 8)	**-**	6
	119,401	112,881
Current Liabilities		
Borrowings (note 20)	**14,756**	13,953
Trade and other payables (note 9)	**6,343**	6,547
Current portion of lease obligation liabilities (note 21)	**612**	374
Insurance contract liabilities (note 10)	**53**	-
Due to affiliates (note 8)	**281**	4,178
Current portion of unsecured fixed income notes payable (note 18)	**9,000**	2,000
Deferred income	**834**	786
Current income tax liability	**1,144**	242
Dividends payable (note 19)	**4,116**	3,666
	37,139	31,746
Working Capital	**82,262**	81,135
Investments in associates (note 11)	**46,551**	44,466
Non-current financial assets at fair value through profit and loss (note 5)	**1,993**	1,013
Property, plant and equipment (note 14)	**2,184**	2,327
Right-of-use assets (note 15)	**3,311**	1,963
Lease obligation liabilities (note 21)	**(2,916)**	(1,736)
Fixed income certificates payable (note 17)	**(12,870)**	(12,780)
Unsecured fixed income notes payable (note 18)	**(13,000)**	(19,000)
Redeemable preference shares (note 12)	**(1,063)**	-
Deferred tax liability (note 22)	**(1)**	(1)
	106,451	97,387
Discontinued operations (note 13)	**-**	708
Net Assets	**106,451**	98,095

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

Consolidated Statement of Financial Position

As at December 31, 2024

Expressed in thousands of Barbados dollars

	2024	2023
	$	$
Capital and Reserves attributable to the Equity holders of the Company		
Share capital (note 23)	**39,458**	39,086
Share option reserve (note 24)	**379**	391
Retained earnings (note 25)	**62,865**	54,537
	102,702	94,014
Non-controlling interests	**3,749**	4,081
Total Equity	**106,451**	98,095

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

Approved by the Board of Directors on March 6th 2025.

Sir Geoffrey Cave
Director

Mr. Roger M. Cave
Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024
Expressed in thousands of Barbados dollars

	Attributable to equity holders of the Company			Non-controlling Interests	
	Share Capital $	Retained Earnings $	Share Option Reserve $	$	Total $
Balance as at December 31, 2022	38,909	45,059	558	3,696	**88,222**
Net profit and total comprehensive income for the year	-	15,801	-	2,190	**17,991**
Total comprehensive income for the year	-	15,801	-	2,190	**17,991**
	38,909	60,860	558	5,886	**106,213**
Dividends (34¢ per share)	-	(6,242)	-	-	**(6,242)**
Dividends paid and payable to non-controlling interests	-	-	-	(2,246)	**(2,246)**
Employee share options (note 24)	-	-	81	-	**81**
Expired share options	-	116	(116)	-	**-**
Exercised share options (note 23)	132	-	(132)	-	**-**
Reclassification	-	439	-	(439)	**-**
Issue of shares (note 23)	472	-	-	-	**472**
Sale of shares by non-controlling interest	-	-	-	880	**880**
Repurchase of shares (note 23)	(427)	(636)	-	-	**(1,063)**
Balance as at December 31, 2023	39,086	54,537	391	4,081	**98,095**
Net profit and total comprehensive income for the year	-	15,052	-	2,236	**17,288**
Total comprehensive income for the year	-	15,052	-	2,236	**17,288**
	39,086	69,589	391	6,317	**115,383**
Dividends (34¢ per share)	-	(6,682)	-	-	**(6,682)**
Dividends paid and payable to non-controlling interests	-	-	-	(2,698)	**(2,698)**
Employee share options (note 24)	-	-	141	-	**141**
Expired share options	-	88	(88)	-	**-**
Exercised share options (note 23)	65	-	(65)	-	**-**
Reclassification	-	(130)	-	130	-
Issue of shares (note 23)	307	-	-	-	**307**
Balance as at December 31, 2024	**39,458**	**62,865**	**379**	**3,749**	**106,451**

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

Consolidated Statement of Income

For the year ended December 31, 2024

Expressed in thousands of Barbados dollars

	2024	2023
	$	$
Revenue and other gains		
Revenue from operations (note 26)	**36,801**	34,740
Insurance service result (note 27)	**461**	-
Other gains (note 28)	**10**	2,531
	37,272	37,271
Expenses		
Employee benefits expense (note 30)	**10,997**	10,487
Depreciation (note 14)	**599**	717
Depreciation of right-of-use asset (note 15)	**664**	592
Other operating expenses	**10,144**	9,834
Credit loss expense	**369**	863
	22,773	22,493
Profit before undernoted items	**14,499**	14,778
Finance costs	**(1,821)**	(1,612)
Net operating profit	**12,678**	13,166
Share of results of associates (note 11)	**5,812**	5,098
Gains on financial assets (note 29)	**218**	352
Profit before taxation	**18,708**	18,616
Income tax expense (note 31)	**(1,402)**	(606)
Net profit from continuing operations	**17,306**	18,010
Discontinued operations		
Net loss from discontinued operations (note 13)	**(18)**	(19)
Net profit for the year	**17,288**	17,991
Attributable to:		
Equity holders of the Company	**15,052**	15,801
Non-controlling interests	**2,236**	2,190
	17,288	17,991

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

Consolidated Statement of Income

For the year ended December 31, 2024

Expressed in thousands of Barbados dollars

	2024	2023
	$	$
Earnings per share for profit attributable to the equity holders of the Company during the year		
- basic (note 32)	**$0.81**	$0.86
- diluted (note 32)	**$0.79**	$0.83
Earnings per share for continuing operations		
- basic (note 32)	**$0.81**	$0.86
- diluted (note 32)	**$0.79**	$0.83

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

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2024

Expressed in thousands of Barbados dollars

	2024	2023
	$	$
Net profit and total comprehensive income for the year	**17,288**	17,991
Attributable to:		
Equity holders of the Company	**15,052**	15,801
Non-controlling interests	**2,236**	2,190
Total comprehensive income for the year	**17,288**	17,991

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

Consolidated Statement of Cash Flows

For the year ended December 31, 2024
Expressed in thousands of Barbados dollars

	2024	2023
	$	$
Net cash generated from operations (note 33)	**2,665**	10,637
Cash flows from investing activities		
Purchase of property, plant and equipment (note 14)	**(501)**	(400)
Purchase of financial assets at fair value through profit and loss	**(7,900)**	(250)
Purchase of investment in associate (note 11)	**-**	(350)
Proceeds on disposal of property, plant and equipment	**63**	115
Proceeds on disposal of discontinued operations (note 11)	**690**	-
Proceeds on disposal of financial assets at fair value through profit and loss	**80**	149
Proceeds on disposal of other investments	-	95
Dividends received (note 26)	**635**	364
Dividends received from associates (note 11)	**3,725**	2,754
Net cash (used in)/generated from investing activities	**(3,208)**	2,477
Cash flows from financing activities		
Proceeds from issue of shares (note 23)	**307**	472
Repurchase of shares (note 23)	**-**	(1,063)
Issue of non-controlling interest shares (note 12)	**-**	880
Restricted cash (note 4)	**3,642**	(3,824)
Proceeds from borrowings (note 20)	**803**	1,453
Proceeds for issue of preference shares	**1,063**	-
Proceeds from unsecured fixed income notes (note 18)	**3,000**	13,000
Payment of unsecured fixed income notes (note 18)	**(2,000)**	(9,000)
Payment of lease obligations (net)	**(594)**	(605)
Fixed income certificates payable (net)	**90**	160
Dividends paid to shareholders	**(6,664)**	(5,694)
Dividends paid to non-controlling interest (note 12)	**(2,266)**	(1,896)
Net cash used in financing activities	**(2,619)**	(6,117)
Net (decrease)/increase in cash and cash equivalents	**(3,162)**	6,997
Cash and cash equivalents net of borrowings – beginning of year	**34,828**	27,831
Cash and cash equivalents net of borrowings – end of year	**31,666**	34,828
Represented by:		
Cash at bank and in hand (note 4)	**21,823**	18,336
Short-term deposits (note 4)	**2,397**	3,478
Money market funds (note 4)	**7,446**	13,014
	31,666	34,828

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

Notes to the Consolidated Financial Statements

December 31, 2024
Expressed in thousands of Barbados dollars

1. **General Information**

The principal activities of Cave Shepherd & Co. Limited ('the Company') and its subsidiaries (together 'the Group') are provision of financial services, insurance retailing and holding of investments.

The Company is a limited liability company incorporated and domiciled under the Laws of Barbados. The address of its registered office is One + Haggatt Hall, Haggatt Hall, St. Michael, Barbados.

The Company is listed on the Barbados Stock Exchange.

In 2021, the lease arrangement between Bridgetown Cruise Terminals Inc. (BCTI) and Barbados Port Inc. (BPI) ceased and operations were transitioned to Barbados Port Inc. effective January 1, 2022. It was agreed that Barbados Port Inc. will purchase the Leasehold Improvements at BCTI for a purchase price of $3,500. In the prior year, the investment cost of $708 was classified as discontinued operations in the consolidated statement of financial position. During the year, the Company received a distribution of $690 bringing the investment to nil at December 31, 2024. The share of results in BCTI amounting to a loss of $18 (2023 – loss of $19) was classified as discontinued operations in the consolidated statement of income.

The income from continuing operations is mainly comprised of financial services. See segmented reported policy in Note 2(q).

2. **Material Accounting Policy Information**

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) **Basis of Preparation**

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit and loss as disclosed in Note 2(h).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2(k).

The Group has prepared the financial statements that it will continue to operate as a going concern.

2. **Material Accounting Policy Information**···*continued*

(a) **Basis of Preparation** ···*continued*

New standards and amendments adopted by the Group

The Group applied, for the first time, certain standards and amendments that became applicable for the 2024 financial year. However, there was no impact on the amounts reported and/or disclosures in the financial statements.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1 – Effective January 1, 2024

Key requirements

In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation to Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- Right to defer settlement

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that the requirements in paragraph 72B of IAS 1 apply only to liabilities arising from loan arrangements.

- Existence at the end of the reporting period

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

- Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance. However, in these circumstances an entity may need to disclose information about the timing of settlement to enable users to understand the impact on its financial position.

Notes to the Consolidated Financial Statements

December 31, 2024

Expressed in thousands of Barbados dollars

2. **Material Accounting Policy Information**···*continued*

(a) **Basis of Preparation** ···*continued*

New standards and amendments adopted by the Group ···*continued*

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1 – Effective January 1, 2024 ···*continued*

- Meaning of the term 'settlement'

The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception. In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'.

- Disclosures

IAS 1.76ZA has been added to require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities as well as any facts and circumstances that indicate the entity may have difficulty complying with the covenants.

Impact

The amendments had no material impact to the Group.

2. **Material Accounting Policy Information**···*continued*

(a) **Basis of Preparation** ···*continued*

New standards and amendments adopted by the Group ···*continued*

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 – Effective January 1, 2024

Key Requirements
In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
After the commencement date in a sale and leaseback transaction, the seller-lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable.

Impact
The amendments had no material impact to the Group.

2. **Material Accounting Policy Information**···*continued*

(a) **Basis of Preparation** ···*continued*

New standards and amendments adopted by the Group ···*continued*

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 **– Effective January 1, 2024**

Key Requirements

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

Impact

The amendments had no material impact to the Group.

2. **Material Accounting Policy Information**···*continued*

(a) **Basis of Preparation** ···*continued*

New standards, amendments and interpretations issued but not effective for the financial year beginning on or after January 1, 2024 and not early adopted

The following is a list of standards and interpretations issued that are not yet effective up to the date of the issuance of the Group's consolidated financial statements. The Group intends to adopt these standards, if applicable, when they become effective:-

- Lack of exchangeability – Amendments to IAS 21 (Effective January 1, 2025)
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (Effective January 1, 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (Effective January 1, 2026)
- Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 (Effective January 1, 2026)
- IFRS 18 – Presentation and Disclosure in Financial Statements (Effective January 1, 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (Effective January 1, 2027)

The Group is currently assessing the potential impact of these new standards and interpretations and will adopt them when they become effective.

2. **Material Accounting Policy Information**···*continued*

(b) **Changes in accounting policies and disclosures**

In these financial statements, the Group has applied IFRS 17 and IFRS 9 from the commencement of the operations as per Note 1. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

Under IFRS 17, the Group's insurance contracts issued are all eligible to be measured by applying the Premium Allocation Approach (PAA). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not- reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.

2. **Material Accounting Policy Information**···*continued*

(b) **Changes in accounting policies and disclosures**···*continued*

The Group expenses its insurance acquisition cash flows.

The Group's classification and measurement of insurance contracts is explained in Note 2 (e).

Presentation and disclosure

IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses

The Group provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the Standard

(c) **Consolidation**

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

2. **Material Accounting Policy Information**···*continued*

(c) **Consolidation**···*continued*

Subsidiaries···*continued*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and Non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Notes to the Consolidated Financial Statements

December 31, 2024
Expressed in thousands of Barbados dollars

2. **Material Accounting Policy Information**···*continued*

(c) **Consolidation**···*continued*

Subsidiaries···*continued*

These consolidated financial statements include the financial statements of the Company and its subsidiary companies:

	Country of incorporation and place of business	Nature of business	Ordinary shares held (%)	Ordinary shares held by non-controlling interests (%)
Cave Shepherd Inc.	Florida	Holding company	100	-
Cave Shepherd (Cayman) Ltd.	Cayman	Holding company	100	-
Cave Shepherd SRL	Barbados	Holding company	100	-
Cave Shepherd Card (Holdings) Inc.	Barbados	Holding company	100	-
Cave Shepherd Card (Barbados) Inc.	Barbados	Financial services company	100	-
Cave Shepherd Captive Insurance Inc.	Barbados	Insurance company	100	-
Fortress Fund Managers Limited	Barbados	Financial services company	75.2	24.8
Fortress Insurance Company Ltd.	Barbados	Financial services company	75.2	24.8
Fortress Staff Share Scheme Inc.	Barbados	Financial services company	75.2	24.8
Fortress Advisory & Investment Services Limited.	Barbados	Financial services company	75.2	24.8

Cave Shepherd Captive Insurance Inc. ("CSCII") was incorporated under the Laws of Barbados on January 17, 2024 and commenced operations on September 1, 2024.

Expressed in thousands of Barbados dollars

2. **Material Accounting Policy Information**···*continued*

(c) **Consolidation**···*continued*

Subsidiaries···*continued*

These consolidated financial statements include the financial statements of the Company and its subsidiary companies:

	Country of incorporation and place of business	Nature of business	Ordinary shares held (%)	Ordinary shares held by non-controlling interests (%)
DGM Holdings Inc.	St. Lucia	Holding company	72.7	27.3
DGM Trust Corporation	Barbados	Services company	72.7	27.3
DGM Directors Inc.	Barbados	Services company	72.7	27.3
DGM Management Services Limited	Barbados	Services company	72.7	27.3
DGM Captive Management Inc.	Barbados	Services company	72.7	27.3
DGM International Consulting Inc.	St. Lucia	Service company	72.7	27.3
DGM Captive Management (Alberta) Limited	Canada	Services company	72.7	27.3

The above entities are all considered part of the DGM Financial Group.

Expressed in thousands of Barbados dollars

2. **Material Accounting Policy Information**···*continued*

(c) **Consolidation**···*continued*

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income, and its share of post-acquisition movements in reserves is recognised in other comprehensive income and accumulated in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The associates and interest therein are set out below:

Bridgetown Cruise Terminals Inc.	20%
G.C.S. Limited	40%
G.C.S. (Grenada) Ltd.	40%
G.C.S. (St. Lucia) Ltd.	40%
Ganzee (Antigua) Ltd.	40%
CSGK Finance (Holdings) Limited	50%
SigniaGlobe Financial Group Inc.	50%
CS&C Joint Venture	20%
The Sunset Joint Venture	16%
Contonou Shores Ltd.	35%
Canouan CS&F Investments Limited	35%
Pick Up Taxi Inc.	24.5%

In the prior year, the Company acquired a 24.5% interest in Pick Up Taxi Inc. for a total consideration of $350.

2. **Material Accounting Policy Information**···*continued*

(c) **Consolidation**···*continued*

Associates···*continued*
In 2021, the lease arrangement between Bridgetown Cruise Terminals Inc. (BCTI) and Barbados Port Inc. (BPI) ceased and operations were transitioned to Barbados Port Inc. effective January 1, 2022. It was agreed that Barbados Port Inc. will purchase the Leasehold Improvements at BCTI for a purchase price of $3,500. In the prior year, the amount of $708 was classified as discontinued operations in the consolidated statement of financial position. During the year, the Company received a distribution of $690 bringing the investment to nil at December 31, 2024. The share of results in BCTI amounting to a loss of $18 (2023 – loss of $19) was classified as discontinued operations in the consolidated statement of income.

(d) **Revenue Recognition**
Revenue earned by the Group is recognised on the following basis:

- Interest income
  Interest income is recognised on the accrual basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument and continues unwinding the discount as interest income.

- Commission income
  Commission income on credit cards is recognised on an accrual basis upon generation of sales through merchants.

- Dividend income
  Dividend income is recognised when the right to receive payment is established.

- Management fee income
  Management fee income of Fortress Fund Managers Limited is recognised based on the actual net asset values of the Funds it manages. As Fortress Fund Managers Limited is the manager of all the Funds, a percentage of the management fees are refunded to avoid double charging on assets invested between the Funds. The refund is based on the net asset value of the investments calculated monthly and payable in arrears.

2. **Material Accounting Policy Information**···*continued*

(e) **Insurance contracts**

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues creditor life insurance to cardholders of Cave Shepherd Card (Barbados) Inc (CSCBI"). The Group agrees to pay CSCBI based on the events of Short-Term Disability, Long Term Disability, Limited Benefits and /or death of a cardholder.

The Group does not issue any contracts with direct participating features.

Separating components from insurance contracts

The Group assesses its non-life insurance to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

2. **Material Accounting Policy Information**···*continued*

(e) **Insurance contracts**···*continued*

Level of aggregation···*continued*

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Group adds new contracts in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

2. **Material Accounting Policy Information**···*continued*

(e) **Insurance contracts**···*continued*

Contract boundary···*continued*

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, Or

- Both of the following criteria are satisfied:

    - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio

    - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Measurement – Premium Allocation Approach

	IFRS 17 Options	*Adopted approach*
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for insurance assumed is one year or less and so qualifies automatically for PAA.

Insurance contracts – initial measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues, as the coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

2. **Material Accounting Policy Information**···*continued*

(e) **Insurance contracts**···*continued*

Insurance contracts – initial measurement···*continued*
For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Insurance acquisition cash flows
Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group chooses to expense insurance acquisition cash flows as they occur.

Insurance contracts – subsequent measurement
The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

2. **Material Accounting Policy Information***···continued*

(e) **Insurance contracts***···continued*

Insurance contracts – subsequent measurement*···continued*

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Presentation

The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, and portfolios of insurance contracts issued that are liabilities. Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.. The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

2. **Material Accounting Policy Information**···*continued*

(f) **Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. 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 the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is calculated on a straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold Improvements	10 years
Furniture and Equipment	3 to 5 years
Motor Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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 the carrying amount. These are included in the consolidated statement of income.

(g) **Trade Receivables**

Receivables from credit card holders are carried at anticipated realisable value. A provision for impairment of credit card receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated statement of income. The credit risk of the receivables portfolio is assumed by the Group. The discount fee on these receivables is included in the consolidated statement of income when earned. Refer to accounting policies of Financial Assets in note 2(h).

2. **Material Accounting Policy Information**···*continued*

(h) **Financial Instruments**

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2. **Material Accounting Policy Information**···*continued*

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

Financial assets···*continued*

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVPL)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, amounts due by and loans due by associates.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

2. **Material Accounting Policy Information**··· *continued*

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

Financial assets··· *continued*

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. **Material Accounting Policy Information**···*continued*

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

Financial assets···continued

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Overview of the ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. **Material Accounting Policy Information**···*continued*

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

Financial assets···*continued*

Based on the above process, the Group allocates its credit card receivables and other non-current financial assets into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When credit card receivables are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When credit card receivables have shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the credit card receivables has been reclassified from Stage 3.
- Stage 3: Credit card receivables considered credit-impaired. The Group records an allowance for the LTECLs.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted effective interest rate (EIR). ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

2. **Material Accounting Policy Information**···*continued*

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

Financial assets···continued

The calculation of ECLs

The Group calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, a best case, a worst case). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. Provisions for ECLs for undrawn loan commitments are also assessed. The calculation of ECLs (including the ECLs related to the undrawn element) of revolving facilities such as credit cards is explained below.

2. **Material Accounting Policy Information** *···continued*

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

Financial assets *···continued*

The mechanics of the ECL method are summarised below:

- Stage 1: - The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: - When a credit card receivables has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: - For credit card receivables considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: - POCI assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit- adjusted EIR.

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan.

Purchased or originated credit impaired (POCI) financial assets

For POCI financial assets, the Group only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

2. **Material Accounting Policy Information** *…continued*

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

Financial assets *…continued*

Credit card facilities

The Group's product offering includes a credit card facility, in which the Group has the right to cancel and/or reduce the facilities with one day's notice. The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and the Group's expectations, the period over which the Group calculates ECLs for these products, is five years. The treatment outlined does not limit the calculation to the one-day period outlined in the credit card receivables agreements, but to five years instead. The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade, but greater emphasis is also given to qualitative factors such as changes in usage.

The interest rate used to discount the ECLs for credit cards is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently charged no interest. The calculation of ECLs, including the estimation of the expected period of exposure and discount rate is made on a collective basis for retail products. The collective assessments are made separately for portfolios of facilities with similar credit risk characteristics.

Forward looking information

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as inflation, GDP growth and unemployment rates. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

2. **Material Accounting Policy Information**···*continued*

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to associates and affiliates and loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

2. **Material Accounting Policy Information**···*continued*

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

Financial liabilities···*continued*

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. **Material Accounting Policy Information**···*continued*

(i) **Fair value estimation**

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The fair value of the Group's financial assets and liabilities with non-related parties are not materially different to their carrying amounts. The fair value of the Group's financial assets and liabilities with related parties that are interest-free are not materially different to their carrying amounts given the short-term nature of these balances.

(j) **Current and Deferred Income Taxes**

The tax expense comprises current and deferred taxes. Tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which appropriate tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

2. **Material Accounting Policy Information**···*continued*

(j) **Current and Deferred Income Taxes**···*continued*

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(k) **Critical Accounting Estimates and Assumptions**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Estimated impairment of intangible assets and non-financial assets**
  The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policies stated in Notes 2(n) and 2(o). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

- **Income and deferred taxes**
  The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

2. **Material Accounting Policy Information**···*continued*

(k) **Critical Accounting Estimates and Assumptions**···*continued*

- **Income and deferred taxes**···*continued*
  In calculating the provision for deferred taxation, management uses judgement to determine the profitability the future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

- **Pension benefits**
  The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

  The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

  Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

- **Leases**
  In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

  Determining the lease term of contracts with renewal and termination options – Group as lessee

  The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

  The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., significant customisation to the leased asset).

2. **Material Accounting Policy Information**···*continued*

(k) **Critical Accounting Estimates and Assumptions**···*continued*

- **Leases**···*continued*
  The Group included the renewal period as part of the lease term for leases of buildings with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on operations if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain to be exercised.

  Leases - Estimating the incremental borrowing rate
  The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

- **Insurance contracts**
  The Group applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4.

2. **Material Accounting Policy Information**…continued

(k) **Critical Accounting Estimates and Assumptions**…*continued*

Insurance contracts…*continued*

Liability for incurred claims

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by claim years. The assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved. Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

- **Impairment of financial assets**

  The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

2. **Material Accounting Policy Information**···*continued*

(k) **Critical Accounting Estimates and Assumptions**···*continued*

- **Impairment of financial assets**···*continued*

  The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

  - The Group's internal credit grading model, which assigns PDs to the individual grades
  - The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
  - The segmentation of financial assets when their ECL is assessed on a collective basis
  - Development of ECL models, including the various formulas and the choice of inputs
  - Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
  - Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

- **Fair value of financial instruments that are not traded**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

2. **Material Accounting Policy Information**···*continued*

(l) **Foreign Currency Translation**

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Barbados dollars, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items are included in the consolidated statement of income.

Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date.
- Income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting differences are recognised in the consolidated statement of other comprehensive income.

2. **Material Accounting Policy Information**···*continued*

(m) **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the consolidated statement of financial position.

(n) **Intangible Assets**

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Management Contracts

Management contracts acquired in a business combination are recognised at their estimated fair values at the acquisition date. The management contracts have a finite useful life and are carried at estimated realisable value less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful lives of the management contracts which is 10 years.

(o) **Impairment of Non-Financial Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

2. **Material Accounting Policy Information**···*continued*

(p) **Employee Benefits**

Pension plan valuation

The Group operates a defined contribution pension plan for the employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. **Material Accounting Policy Information**···*continued*

(p) **Employee Benefits**···*continued*

Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's average share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of income, with a corresponding adjustment to equity. When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

The granting by the Group of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2. **Material Accounting Policy Information**···*continued*

(p) **Employee Benefits**···continued

Share-based payments...continued

The Fortress Group operates a staff share scheme which allows its employees to indirectly hold shares in that company. Employees can purchase shares in Fortress Staff Share Scheme Inc. at a discounted price to the calculated fair value of the shares. Employees can redeem shares previously purchased at the end of each financial year, at the fair value determined as at that date. As the shares are redeemable at the option of the employees they have been classified as financial liabilities and carried at fair value. As the fair value of the shares is determined on an annual basis, the difference is charged or credited to the consolidated statement of income with a corresponding adjustment to the financial liability.

(q) **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The Board allocates resources and assesses performance of the business from the perspective of mainly other services which include financial, rental of property, commissions on credit card operations and management fees earned. The Board assesses the performance of the operating segments based on a measure of operating results of the segments. Investment income and net finance income are not allocated to segments. Segment assets consist primarily of property, plant and equipment, trade and other receivables and prepayments, balances due by associates and operating cash and excludes financial investments and pension plan surplus. Segment liabilities comprise operating liabilities and balances due to associates and affiliates. Capital expenditure comprises additions to property, plant and equipment.

(r) **Provisions**

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. **Material Accounting Policy Information**···*continued*

(s) **Share Capital**

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(t) **Trade Payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

(u) **Borrowings**

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(v) **Dividend Distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared by the Company's directors.

2. **Material Accounting Policy Information**···*continued*

(w) **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The group leases various properties and are typically made for fixed periods of 3 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 3 years to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

2. **Material Accounting Policy Information**···*continued*

(w) **Leases**···*continued*

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments).

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included as a separate item on the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognised as expense on a straight-line basis over the lease term.

(x) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Expressed in thousands of Barbados dollars

3. **Financial Risk Management**

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, (which includes price risk, interest rate risk and currency risk), credit risk and liquidity risk in the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

(a) **Market risk**

(i) **Price risk**

The Group is exposed to market price risk arising primarily from changes in equity prices. To manage this risk the Group holds a diversified portfolio of investments in accordance with its investment policy.

Sensitivity

The effects of an across the board 10% change in equity prices of the Group's financial assets held for trading and at fair value through profit or loss are set out below:

	Carrying Value $	Effect of 10% change at December 31, 2024 $
Unlisted securities	**16,343**	**1,634**
	16,343	**1,634**

	Carrying Value $	Effect of 10% change at December 31, 2023 $
Unlisted securities	9,279	928
	9,279	928

3. **Financial Risk Management** ···*continued*

(a) **Market risk**...*continued*

(ii) **Interest rate risk**

The majority of the Group's interest-bearing financial assets and liabilities are short-term deposits, credit card receivables, loans due by associates, unsecured fixed income notes and fixed income certificates payable. Except for short-term deposits, interest is charged on these financial assets and liabilities at fixed rates. As a result, the Group is not subject to significant amounts of risk due to fluctuation in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The Group has a material interest-bearing asset in trade receivables which arises through its credit card operation. Interest is charged on all unpaid balances that are 30 days and older. Interest is charged at a fixed rate in line with industry standards. The nature of the credit card industry is such that interest rates show little variation and are stable in nature; as a result the Group is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The table below summaries the Group's exposure to interest rate risk. It includes the Group's financial assets and liabilities categorised by the earlier of contractual re-pricing or maturity dates.

Expressed in thousands of Barbados dollars

3. **Financial Risk Management** ···*continued*

(a) **Market risk**...*continued*

(ii) **Interest rate risk**···*continued*

At December 31, 2024	0-5 years $	Over 5 years $	Non-interest bearing $	Total $
Financial assets				
Cash and short-term deposits	9,843	-	21,823	31,666
Restricted cash	1,971	-	-	1,971
Financial assets held for trading and at fair value through profit and loss	-	-	16,343	16,343
Trade and other receivables	62,793	-	5,945	68,738
Due by associates	-	-	377	377
Non-current financial assets at fair value through profit and loss	250	1,743	-	1,993
Total financial assets	74,857	1,743	44,488	121,088
Financial liabilities				
Borrowings	14,756	-	-	14,756
Trade and other payables	-	-	6,343	6,343
Due to affiliates	-	-	281	281
Current portion of lease obligation liabilities	612	-	-	612
Insurance contract liabilities	-	-	53	53
Current portion of unsecured fixed income notes payable	9,000	-	-	9,000
Deferred income	-	-	834	834
Lease obligation liabilities	2,432	484	-	2,916
Fixed income certificates payable	12,870	-	-	12,870
Unsecured fixed income notes payable	13,000	-	-	13,000
Redeemable preference shares	1,063	-	-	1,063
Total financial liabilities	53,733	484	7,511	61,728
Total interest sensitivity gap	21,124	1,259	36,977	59,360

Notes to the Consolidated Financial Statements

December 31, 2024
Expressed in thousands of Barbados dollars

3. **Financial Risk Management** ···*continued*

(a) **Market risk**...*continued*

(ii) **Interest rate risk**···*continued*

At December 31, 2023	0-5 years $	Over 5 years $	Non-interest bearing $	Total $
Financial assets				
Cash and short-term deposits	16,492	–	18,336	**34,828**
Restricted cash	5,613	–	–	**5,613**
Financial assets held for trading and at fair value through profit and loss	–	–	9,279	**9,279**
Trade and other receivables	58,069	–	4,141	**62,210**
Due by associates	–	–	290	**290**
Due by affiliates	6	–	–	**6**
Non-current financial assets at fair value through profit and loss	–	1,013	–	**1,013**
Total financial assets	80,180	1,013	32,046	**113,239**
Financial liabilities				
Borrowings	13,953	–	–	**13,953**
Trade and other payables	–	–	6,547	**6,547**
Due to affiliates	–	–	4,178	**4,178**
Current portion of lease obligation liabilities	374	–	–	**374**
Current portion of unsecured fixed income notes payable	2,000	–	–	**2,000**
Deferred income	–	–	786	**786**
Lease obligation liabilities	995	741	–	**1,736**
Fixed income certificates payable	12,780	–	–	**12,780**
Unsecured fixed income notes payable	19,000	–	–	**19,000**
Total financial liabilities	49,102	741	11,511	**61,354**
Total interest sensitivity gap	31,078	272	20,535	**51,885**

3. **Financial Risk Management** ···*continued*

(a) **Market risk**...*continued*

(i) **Currency risk**

The Group holds financial assets denominated in currencies other than Barbados dollars, the functional currency of the Group. Consequently, except where assets and liabilities are denominated in currencies fixed to the Barbados dollar, the Group is potentially exposed to currency risk. The Group has no significant exposure to currency risk as the foreign currencies within the Group do not fluctuate noticeably against the Barbados dollar. The Group's policy is not to enter into any hedging transactions to mitigate currency risk.

Expressed in thousands of Barbados dollars

3. **Financial Risk Management** ···*continued*

(b) **Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment entered into with the Group.

The maximum exposure of the Group to credit risk is set out in the following table:

	2024	2023
	$	$
Cash and short-term deposits	**31,666**	34,828
Restricted cash	**1,971**	5,613
Trade and other receivables	**68,738**	62,210
Due by associates	**377**	290
Due by affiliates	**-**	6
Non-current financial assets at FVPL	**1,993**	1,013
	104,745	103,960

Significant amounts of cash at bank and short-term deposits are maintained with CIBC Caribbean Bank (Barbados) Limited and RBC Royal Bank (Barbados) Ltd.

All trade receivable customers are rated by credit management who assesses the credit quality of the customer, taking into account financial position, past experience and other factors. Individual risk limits are set based on internal or external information in accordance with limits set by the board. The utilisation of credit limits and payments on account are regularly monitored. Credit limits may be adjusted upwards if management is satisfied with account performance. Risk Management utilises sophisticated reporting to constantly monitor account performance minimising default loss. All impaired or possible doubtful amounts are provided for and no loss beyond these provisions is anticipated.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has delivered payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

Expressed in thousands of Barbados dollars

3. **Financial Risk Management** ···*continued*

(b) **Credit risk**···*continued*

The Group's exposure to individual counterparty credit risk on its significant amounts of cash and cash equivalents is set out below:

	2024	2023
	$	$
Cash and short-term deposits		
CIBC Caribbean Bank (Barbados) Limited (unrated)	**11,108**	10,087
RBC Royal Bank (Barbados) Limited (unrated)	**1,603**	1,883
Morgan Stanley Private Wealth Management (A-1 by Standard and Poor's)	**7,446**	17,260
Other banks (unrated)	**11,509**	5,598
	31,666	34,828

(c) **Credit risk – Loans and Receivables**

Credit risk - loans and receivables is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for customers, and by monitoring exposures in relation to such limits. Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of customers. Customer limits are established by the use of a credit risk classification system, which assigns each customer a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Definition of default and cure

Default

The definition of default for the purpose of determining expected credit losses is consistent with the regulatory definition of default which considers following indicators:

- a customer is highly vulnerable to non-payment, e.g. a bankruptcy petition has been filed;
- a customer has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner;
- a customer has failed to pay one or more of its financial obligations (rated or unrated) - if the credit card exposure is more or equal to 90 days past due it is automatically assessed as defaulted.

3. **Financial Risk Management** ···*continued*

(c) **Credit risk – Loans and Receivables**···*continued*

An assessment of significant increase in credit risk (SICR) incorporates all relevant, reasonable and supportable information that is available without undue cost or effort. The Company assesses when a significant increase in credit risk has occurred based on the following criteria:

- Qualitative indicators: the customer is on the Watchlist and/or there are some significant adverse changes in business, financial and/or economic conditions in which the customer resides or operates;
- Backstop criteria: a backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Although the Company uses past due status information as the only borrower specific quantitative information, it also considers other reasonable and supportable forward-looking information that is available without undue cost or effort to assess whether lifetime ECL should be recognized for loans that are not more than 30 days past due. Management believes that this approach meets the objective of recognizing lifetime ECL for all significant increases in credit risk. For example, the quality of credit card portfolio is highly dependent on unemployment rate, and because of some increases in unemployment rates due to specific reasons, the risk of default might be determined to have increased significantly, even if those customers are not past due at reporting date. The Company will analyse such events case by case, apply bottom-up approach and recognize loss allowance at the amount equal to lifetime ECL, while it will continue recognising a loss allowance at an amount equal to 12 months ECL for the credit cards recently originated as they would not have experienced a significant increase in credit risk since initial recognition. While expected to be rare, it is still possible that certain risks could arise which may not immediately be identifiable or quantifiable at the instrument level and the Company will need to apply overlays in these cases.

Cure

Based on Company management's decision, assets will not move directly from Stage 3 to Stage 1. Once an asset reaches Stage 3, the account is moved over to Internal Classifications until the full outstanding balance owing is repaid in full by the customer. Subsequent to full repayment, customers are required to honour a six-month waiting period prior to being considered for re-activation of an account. Ultimately, this re-activation process follows a full credit due diligence process, in line with the Credit Management Policy.

3. **Financial Risk Management** ···*continued*

(c) **Credit risk – Loans and Receivables**···*continued*

The Company's internal rating and PD estimation process

An Internal credit rating system was implemented based on the information currently available in the Company. This rating system seeks to assess the credit quality of the customer based on specific information available at the initial point of assessment and/or application.

The model proposed for this system was based on income, employment length and credit limits on the accounts. These parameters are assessed, and points are assigned according to income brackets, years employed and credit limits.

Impairment assessment

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Group's models.

3. **Financial Risk Management** ···*continued*

(c) **Credit risk – Loans and Receivables**···*continued*

Loss given default

For corporate and investment Grouping financial instruments, LGD values are assessed at least every three months and reviewed and approved by management. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Group segments its credit card receivables based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type) as well as borrower characteristics.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in payment status or other factors that are indicative of losses in the group. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

Expressed in thousands of Barbados dollars

3. **Financial Risk Management …continued**

(d) **Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close market positions.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amount, as the impact of discounting is not significant.

December 31, 2024	0-3 months	4 months – 5 years	Over 5 years	Total
	$	$	$	$
Borrowings	14,756	-	-	14,756
Trade and other payables	6,343	-	-	6,343
Due to affiliates	281	-	-	281
Lease obligation liabilities	-	3,581	629	4,210
Insurance contract liabilities	53	-	-	53
Deferred income	-	834	-	834
Current income tax liability	-	1,144	-	1,144
Fixed income certificates payable	-	13,546	-	13,546
Unsecured fixed income notes payable	4,034	19,536	-	23,570
Dividends payable	3,334	-	-	3,334
Dividends payable to non-controlling interest	782	-	-	782
Redeemable preference shares	-	1,063	-	1,063
	29,583	39,704	629	69,916

Expressed in thousands of Barbados dollars

3. **Financial Risk Management** ···*continued*

(d) **Liquidity risk** ···*continued*

December 31, 2023	**0-3 months**	**4 months – 5 years**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**
Borrowings	13,953	-	-	**13,953**
Trade and other payables	6,547	-	-	**6,547**
Due to affiliates	4,178	-	-	**4,178**
Lease obligation liabilities	-	1,736	963	**2,699**
Deferred income	-	786	-	**786**
Current income tax liability	-	242	-	**242**
Fixed income certificates payable	-	13,451	-	**13,451**
Unsecured fixed income notes payable	-	22,790	-	**22,790**
Dividends payable	3,316	-	-	**3,316**
Dividends payable to non-controlling interest	350	-	-	**350**
	28,344	39,005	963	**68,312**

Expressed in thousands of Barbados dollars

3. **Financial Risk Management** ···*continued*

(d) **Liquidity risk**···*continued*

Maturity profiles – Creditor Life Insurance

The following table summarizes the maturity profile of portfolios of insurance contracts issued that are liabilities of the Group based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Up to 1 year	1–5 years	>5 years	No maturity	Total
Creditor life insurance	30	—	—	—	30
TOTAL	**30**	**—**	**—**	**—**	**30**

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. The gearing ratios at December 31, 2024 and December 31, 2023 were 16.19% and 8.75% respectively.

Fair value estimation

This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset that are not based on observable market data (Level 3).

3. **Financial Risk Management** ···*continued*

(d) **Liquidity risk**···*continued*

Fair value estimation···*continued*

Fair values

Fair value information is based on information available to management as at the dates presented. The method and assumptions used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value are as follows:

(i) Short-term financial assets and liabilities

The carrying amounts of short-term financial assets and liabilities comprising the Group's cash and cash equivalents, trade and other receivables, short-term borrowings, due to/from related parties, trade and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

(ii) Long-term financial assets and liabilities

Management has determined that the fair value of all long-term financial instruments substantially equate to their carrying amounts, as these instruments bear rates which are reflective of current market rates.

Expressed in thousands of Barbados dollars

3. **Financial Risk Management** ···*continued*

(d) **Liquidity risk**···*continued*

Fair value estimation ···*continued*

The following table presents the Group's assets that are measured at fair value at December 31, 2024:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit and loss	-	15,084	1,259	16,343
Non-current financial assets at fair value through profit and loss	-	-	1,993	1,993
	-	15,084	3,252	19,346

The following table presents the Group's assets that are measured at fair value at December 31, 2023:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit and loss	-	8,020	1,259	9,279
Non-current financial assets at fair value through profit and loss	-	-	1,013	1,013
	-	8,020	2,272	10,292

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or industry group 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 Group is the current bid price.

The fair value of financial instruments that are not traded in an active market 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 fair value an instrument are observable, the instrument is included in Level 2.

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

There have been no transfers between Level 1 and Level 2 instruments during the year.

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3. **Financial Risk Management** ···*continued*

(d) **Liquidity risk**···*continued*

Fair value estimation ···*continued*
The following table presents the changes in Level 3 instruments for the year ended December 31, 2024. Level 3 instruments are primarily financial assets designated at fair value through profit and loss at inception and represents the Group's investments in unquoted equity securities and Government of Barbados bonds.

	2024	2023
	$	$
At the beginning of the year	**2,272**	2,207
Purchases	**1,000**	-
Disposal	-	(169)
Unrealised (losses)/gains on financial assets at FVPL	**(20)**	234
At the end of the year	**3,252**	2,272

During the year, the Group purchased Government of Barbados bonds for a total consideration of $1,000.

In the prior year, the Company disposed of its investment in M.D.E Open Architecture Ltd. for a total consideration of $95.

The Group's Fixed Income Certificates and Unsecured Fixed Income Notes were recently issued at current market rates. Therefore, the carrying value is the approximate market value.

3. **Financial Risk Management** ···*continued*

(e) **Insurance risk**

The Group principally issues creditor life insurance contracts.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

The Group's insurance contract liabilities related to the Creditor Life Insurance contract amounting to $53 as at 31 December 2024 is geographically concentrated in Barbados only.

3. **Financial Risk Management** ···*continued*

(e) **Insurance risk** ···*continued*

Sensitivities

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

	Change in assumptions	Impact on profit before tax	Impact on equity	Impact on equity net
Expected time to settlement	+ 10 %	$0	$0	$0
Expected loss ratio	+ 10 %	($2)	($2)	($2)
Expected time to settlement	- 10 %	$0	$0	$0
Expected loss ratio	- 10 %	$2	$2	$2

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

As required by IFRS 17, in setting claims provisions, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

Expressed in thousands of Barbados dollars

3. **Financial Risk Management** ···*continued*

(e) **Insurance risk** ···*continued*

Claims development table···*continued*

The Group has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

Gross undiscounted liabilities for incurred claims for 2024 – Creditor Life insurance:

	2024
	$
Claim year	
Gross estimates of the amount of the claims	
At end of claim year	**34**
Cumulative claims to date	**4**
Total gross liabilities for incurred claims	**30**

4. Cash and Short-Term Deposits and Restricted Cash

	2024	2023
	$	$
Cash at bank and in hand	**21,823**	18,336
Short-term deposits (a)	**2,397**	3,478
Money market funds (b)	**7,446**	13,014
	31,666	34,828
Restricted cash (c)	**1,971**	5,613
	33,637	40,441

Expressed in thousands of Barbados dollars

4. **Cash and Short-Term Deposits and Restricted Cash** *…continued*

(a) Short-term deposits comprise of deposits with financial institutions at a nil interest rate. Cash with a financial institution is in a US daily dollar account with an interest rate of 0.00% and is used to invest in equity securities in foreign stock exchanges.

(b) Money market funds are held with Morgan Stanley in a Treasury Liquidity Fund.

(c) Restricted cash mainly represents the collateral security requirements of Visa International and surplus payments due to members of the Cave Shepherd defined benefit pension plan on windup. The amount due to the defined benefit pension plan represents the amounts due to members from liquidation of the assets held by that plan (note 16).

5. **Financial Assets at Fair Value through Profit and Loss**

	2024	2023
	$	$
Listed securities	**-**	-
Unlisted securities		
• Mutual funds	**14,765**	7,701
• Other	**1,578**	1,578
	16,343	9,279
Non-current financial asset at fair value through profit and loss		
• Government of Barbados bond	**1,993**	1,013
	18,336	10,292

Included within financial assets at fair value through profit and loss of $16,343 (2023 - $9,279) is an amount of $14,765 (2023 - $7,701), which represents investments in mutual funds managed by a subsidiary.

Changes in fair values of financial assets at fair value through profit and loss are recorded in the consolidated statement of income (note 29).

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December 31, 2024

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6. **Trade and Other Receivables and Prepayments**

	2024	2023
	$	$
Credit card receivables	**70,432**	65,553
Less: provision for IFRS 9 impairment (Stage 1 & 2)	**(932)**	(1,108)
Less: provision for impairment (IFRS 9 - Stage 3)	**(6,707)**	(6,376)
Credit card receivables – net	**62,793**	58,069
Other receivables	**5,935**	4,131
Corporation tax recoverable	**10**	10
Prepayments	**306**	655
	69,044	62,865

Credit card receivables comprise local and international VISA Card purchases.

	2024				2023
	ECL staging				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**$**	$
Credit Card Receivables					
Performing balances	61,165	2,560	-	**63,725**	59,177
Non-performing balances	-	-	6,707	**6,707**	6,376
Gross carrying amount	61,165	2,560	6,707	**70,432**	65,553
Loss allowance	(556)	(376)	-	**(932)**	(1,108)
Loss allowance	-	-	(6,707)	**(6,707)**	(6,376)
Carrying amount	**60,609**	**2,184**	**-**	**62,793**	58,069

Notes to the Consolidated Financial Statements

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Expressed in thousands of Barbados dollars

6. **Trade and Other Receivables and Prepayments**···*continued*

IFRS 9 Carrying Values

	ECL staging			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit Card Receivables				
Gross carrying amount as at December 31, 2023	**56,857**	**2,320**	**6,376**	**65,553**
Transfers:				
Transfer from Stage 1 to Stage 2	(1,833)	1,833	-	-
Transfer from Stage 1 to Stage 3	(812)	-	812	-
Transfer from Stage 2 to Stage 1	1,410	(1,410)	-	-
Transfer from Stage 2 to Stage 3	-	(555)	555	-
Transfer from Stage 3 to Stage 2	-	56	(56)	-
Transfer from Stage 3 to Stage 1	665	-	(665)	-
New financial assets originated	1,584	115	22	**1,721**
Changes in principal and interest	3,294	201	(337)	**3,158**
Gross carrying amount as at December 31, 2024	**61,165**	**2,560**	**6,707**	**70,432**

Expressed in thousands of Barbados dollars

6. **Trade and Other Receivables and Prepayments**···*continued*

IFRS 9 Carrying Values

	ECL staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Credit Card Receivables				
Gross carrying amount as at December 31, 2022	**50,368**	**1,759**	**6,255**	**58,382**
Transfers:				
Transfer from Stage 1 to Stage 2	(1,605)	1,605	-	-
Transfer from Stage 1 to Stage 3	(791)	-	791	-
Transfer from Stage 2 to Stage 1	986	(986)	-	-
Transfer from Stage 2 to Stage 3	-	(440)	440	-
Transfer from Stage 3 to Stage 2	-	14	(14)	-
Transfer from Stage 3 to Stage 1	748	-	(748)	-
New financial assets originated	1,541	147	48	**1,736**
Changes in principal and interest	5,610	221	(396)	**5,435**
Gross carrying amount as at December 31, 2023	**56,857**	**2,320**	**6,376**	**65,553**

Expressed in thousands of Barbados dollars

6. **Trade and Other Receivables and Prepayments**···*continued*

Loss Allowances - 2024

	ECL staging			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit card receivables				
Loss allowance as at December 31, 2023	**676**	**432**	**6,376**	**7,484**
Transfers:				
Transfer from Stage 1 to Stage 2	(22)	22	-	-
Transfer from Stage 1 to Stage 3	(10)	-	10	-
Transfer from Stage 2 to Stage 1	263	(263)	-	-
Transfer from Stage 2 to Stage 3	-	(104)	104	-
Transfer from Stage 3 to Stage 2	-	56	(56)	-
Transfer from Stage 3 to Stage 1	665	-	(665)	-
New financial assets originated	14	17	22	**53**
Changes to inputs used in ECL calculation	(1,030)	216	916	**102**
Loss allowance as at December 31, 2024	**556**	**376**	**6,707**	**7,639**

Expressed in thousands of Barbados dollars

6. **Trade and Other Receivables and Prepayments**···*continued*

Loss Allowances - 2023

	ECL staging			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Credit card receivables				
Loss allowance as at December 31, 2022	**431**	**226**	**6,255**	**6,912**
Transfers:				
Transfer from Stage 1 to Stage 2	(14)	14	-	-
Transfer from Stage 1 to Stage 3	(7)	-	7	-
Transfer from Stage 2 to Stage 1	127	(127)	-	-
Transfer from Stage 2 to Stage 3	-	(57)	57	-
Transfer from Stage 3 to Stage 2	-	14	(14)	-
Transfer from Stage 3 to Stage 1	748	-	(748)	-
New financial assets originated	19	27	47	**93**
Changes to inputs used in ECL calculation	(628)	335	772	**479**
Loss allowance as at December 31, 2023	**676**	**432**	**6,376**	**7,484**

Expressed in thousands of Barbados dollars

6. **Trade and Other Receivables and Prepayments**···*continued*

As at December 31, 2024, trade receivables of $60,098 (2023 - $55,357) were fully performing.

Trade receivables arise through the issue of credit through the credit card operations. Credit is issued on a revolving basis and ageing of accounts is monitored with reference to the number of days the minimum payment is past due. As of December 31, 2024, trade receivables of $2,695 (2023 - $2,712) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2024	2023
	$	$
Up to 3 months	**2,566**	2,340
3 to 6 months	**104**	214
Over 6 months	**25**	158
	2,695	2,712

As at December 31, 2024, trade receivables of $6,707 (2023 - $6,376) were impaired and fully provided for. The ageing of these receivables is as follows:

	2024	2023
	$	$
Up to 3 months	**21**	6
3 to 6 months	**294**	411
Over 6 months	**6,392**	5,959
	6,707	6,376

Expressed in thousands of Barbados dollars

6. **Trade and Other Receivables and Prepayments**···*continued*

Movements on the Group Stage 3 provision for impairment of trade receivables are as follows:

	2024	2023
	$	$
Beginning of year	**6,376**	6,255
Provision for receivables impairment	**1,907**	1,936
Amounts recovered	**(1,492)**	(1,635)
Receivables written off during the year as uncollectible	**(84)**	(180)
End of year	**6,707**	6,376

The creation and release of provisions for impaired receivables have been included in the consolidated statement of income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables are neither past due nor impaired. The Group does not hold any collateral as security.

Expressed in thousands of Barbados dollars

7. **Due by Associates**

The amounts due by associates are interest free, unsecured and have no stated terms of repayment.

8. **Due by/to Affiliates**

The amounts due by/to affiliates are interest free, unsecured and have no stated terms of repayment.

The amounts due to affiliates comprise of the following:

	2024	2023
	$	$
Defined benefit pension plan (note 16)	**71**	3,729
Other	**210**	449
	281	4,178

The amount due to the defined benefit pension plan represents the amounts due to members from liquidation of the assets held by that plan (note 16).

9. **Trade and Other Payables**

	2024	2023
	$	$
Trade and other payables	**6,343**	6,547

During 2008, the Fortress Group established a staff share scheme for its employees. Included in trade and other payables is a balance of $1,265 (2023 - $1,579) which relates to 1,282,782 (2023- 1,621,272) non-voting redeemable shares in Fortress Staff Share Scheme issued to employees of that company.

December 31, 2024

Expressed in thousands of Barbados dollars

10. **Insurance contract liabilities**

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for creditor life insurance product line, is disclosed in the table below:

	Liabilities for remaining coverage		Liabilities for incurred claims		Total $
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract liabilities as at beginning of period	-	-	-	-	-
Insurance contract assets as at beginning of period	-	-	-	-	-
Net insurance contract assets as at beginning of period	-	-	-	-	-
Insurance revenue	545	-	-	-	545
Insurance service expenses	-	-	(50)	-	(50)
Incurred claims and other expenses	-	-	(10)	-	(10)
Changes to liabilities for incurred claims	-	-	(24)	-	(24)
Investment components	-	-	-	-	-
Insurance service result	**545**	**-**	**(84)**	**-**	**461**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	**545**	**-**	**(84)**	**-**	**461**

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Expressed in thousands of Barbados dollars

10. **Insurance contract liabilities**···*continued*

	Liabilities for remaining coverage		Liabilities for incurred claims		Total $
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Cash flows:					
Premiums received	(545)	-	-	-	(545)
Claims and other expenses paid	-	-	31	-	31
Total cash flows	-	-	-	-	-
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net insurance contract liabilities as at end of period	**-**	**-**	**(53)**	**-**	**(53)**

Expressed in thousands of Barbados dollars

11. Investments in Associates

Movement in investments in associates is as follows:

	2024	2023
	$	$
At the beginning of the year	**44,466**	41,772
Purchase of investment in associate	**-**	350
	44,466	42,122
Dividends received	**(3,727)**	(2,754)
Share of results, before tax	**6,443**	5,462
Share of tax	**(631)**	(364)
Share of results, net of tax	**5,812**	5,098
At the end of the year	**46,551**	44,466

The Group considers The Sunset Joint Venture as an associate as it has significant influence over this company through representation on its' Board of Directors.

In the prior year, the Group purchased 24.5% of Pick Up Taxi Inc. for a total consideration of $350.

The lease arrangement between Bridgetown Cruise Terminal Inc. (BCTI) and Barbados Port Inc. (BPI) expired on December 31, 2021 and the operations were transferred to Barbados Port Inc. effective January 1, 2022. The Group's investment was therefore classified as discontinued operations. During the year, the company received a distribution of $690 from BCTI bringing their investment to zero at 31st December 2024.

Expressed in thousands of Barbados dollars

11. **Investments in Associates**···*continued*

The Group's interests in its principal associates, all of which are unlisted, are as follows:

Name	Country of Incorporation	Assets	Liabilities	Revenues	Profit after tax	% interest held
2024						
G.C.S. Limited	Barbados	**3,686**	**770**	**8,015**	**1,243**	**40%**
CSGK Finance (Holdings) Limited	Barbados	**219,566**	**187,421**	**14,432**	**3,632**	**50%**
CS&C Joint Venture	Barbados	**8,050**	**2,165**	**788**	**585**	**20%**
The Sunset Joint Venture	Barbados	**3,032**	**422**	**316**	**291**	**16%**
Pick Up Taxi Inc.	Barbados	**474**	**56**	**28**	**61**	**24.5%**
Contonou Shores Ltd.	Bahamas	**2,402**	**-**	**-**	**-**	**35%**
Canouan CS&F Investments Limited	St. Lucia	**175**	**-**	**-**	**-**	**35%**
		237,385	**190,834**	**23,579**	**5,812**	

Name	Country of Incorporation	Assets	Liabilities	Revenues	Profit after tax	% interest held
2023						
G.C.S. Limited	Barbados	3,109	537	6,945	1,355	40%
CSGK Finance (Holdings) Limited	Barbados	198,871	168,496	14,097	3,630	50%
CS&C Joint Venture	Barbados	8,457	2,303	630	(66)	20%
The Sunset Joint Venture	Barbados	2,919	488	232	171	16%
Pick Up Taxi Inc.	Barbados	381	24	72	8	24.5%
Contonou Shores Ltd.	Bahamas	2,402	-	-	-	35%
Canouan CS&F Investments Limited	St. Lucia	175	-	-	-	35%
		216,314	171,848	21,976	5,098	

Expressed in thousands of Barbados dollars

11. **Investments in Associates**···*continued*

	2024	2023
	$	$
The amounts recognised in the statement of financial position are as follows:		
Associates	**46,551**	44,466
The amounts recognised in the statement of income are as follows:		
Associates	**5,812**	5,098

Name of entity	**Place of business/country of incorporation**	**% of ownership interest**	**Nature of relationship**	**Measurement method**
G.C.S. Limited	Barbados	40%	Note 1	Equity
CSGK Finance (Holdings) Limited	Barbados	50%	Note 2	Equity
CS & C Joint Venture	Barbados	20%	Note 3	Equity

Note 1: G.C.S. Limited retails destination apparel, souvenirs and gift items.

Note 2: CSGK Finance (Holdings) Limited is a financial services company which trades as SigniaGlobe Financial Group Inc.

Note 3: The CS & C Joint Venture is an investment property holding joint venture.

These associated companies are privately held companies and there is no quoted market price for their shares.

There are no contingent liabilities related to the Group's interest in the associates.

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11. **Investments in Associates** ···*continued*

The following tables illustrate the summarised financial information of the Group's associates:

Summarised Statement of Financial Position

Name	**G.C.S. Limited**	**CSGK Finance (Holdings) Limited**	**CS & C Joint Venture**	**Other**	**Total**
2024					
Current assets	8,254	424,142	1,749	2,250	436,395
Current liabilities	1,924	51,692	532	352	54,500
Non-current assets	961	14,996	38,501	26,001	80,459
Non-current liabilities	-	323,156	10,292	2,510	335,958
Net assets	7,291	64,290	29,426	25,389	126,396
Interest in associates before intangibles	2,916	31,947	5,885	5,346	46,094
Intangibles on investments in associates	-	198	-	259	457
Interest in associates	2,916	32,145	5,885	5,605	46,551

Expressed in thousands of Barbados dollars

11. **Investments in Associates** ···*continued*

Summarised Statement of Financial Position···*continued*

Name	**G.C.S. Limited**	**CSGK Finance (Holdings) Limited**	**CS & C Joint Venture**	**Other**	**Total**
2023					
Current assets	7,509	382,216	836	1,353	**391,914**
Current liabilities	1,342	30,304	157	179	**31,982**
Non-current assets	264	15,526	41,451	25,810	**83,051**
Non-current liabilities	-	306,688	11,359	2,967	**321,014**
Net assets	6,431	60,750	30,771	24,017	**121,969**
Interest in associates before intangibles	2,572	30,177	6,154	5,106	**44,009**
Intangibles on investments in associates	-	198	-	259	**457**
Interest in associates	2,572	30,375	6,154	5,365	**44,466**

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11. **Investments in Associates**···*continued*

Summarised Statement of Income

2024	**G.C.S. Limited**	**CSGK Finance (Holdings) Limited**	**CS & C Joint Venture**	**Other**	**Total**
Revenue	20,037	28,865	3,940	2,088	**54,930**
Post tax profit from continuing operations	3,108	7,261	2,923	2,070	**15,362**
Dividends received from associate	(900)	(1,859)	(854)	(114)	**(3,727)**

2023	**G.C.S. Limited**	**CSGK Finance (Holdings) Limited**	**CS & C Joint Venture**	**Other**	**Total**
Revenue	17,362	28,194	3,152	1,746	**50,454**
Post tax (loss)/profit from continuing operations	3,387	7,259	(329)	1,098	**11,415**
Dividends received from associate	(600)	(1,506)	(424)	(224)	**(2,754)**

Expressed in thousands of Barbados dollars

12. **Material partly-owned subsidiaries**

Financial information of the major subsidiaries, Fortress Fund Managers Limited and DGM Financial Group (note 2(b)) with material non-controlling interest is presented below:

Summarised Statement of Financial Position

	2024	2023
	$	$
Current		
Assets	**21,875**	18,592
Liabilities	**(6,835)**	(4,909)
Total current net assets	**15,040**	13,683
Non-current		
Assets	**3,656**	1,464
Liabilities	**(2,383)**	(18)
Total non-current net assets	**1,273**	1,446
Net Assets	**16,313**	15,129

Summarised Income Statement

	2024	2023
	$	$
Revenue	**19,290**	17,919
Profit before income tax	**9,123**	8,734
Income tax expense	**(786)**	(340)
Post tax profit from continuing operations	**8,337**	8,394
Net profit and total comprehensive income from continuing operations	**8,337**	8,394
Total comprehensive income allocated to non-controlling interests	**2,236**	2,190
Dividends paid to non-controlling interests	**2,266**	1,896
Dividends paid to preference shareholders	**-**	-

In the prior year, 23,536 non-controlling interest shares were issued for a total consideration of $880.

During the year, the Group, issued 106,288 non-voting, redeemable, non- cumulative preference shares for $1,063.

Expressed in thousands of Barbados dollars

12. **Material partly-owned subsidiaries** ···*continued*

Summarised financial information on subsidiaries with material non-controlling interests···*continued*

Summarised Cash Flows

	2024	2023
	$	$
Cash flows from operating activities		
Cash generated from operations	**9,151**	8,472
Interest received/(paid)	**216**	(18)
Corporation tax paid	**(271)**	(369)
Net cash generated from operating activities	**9,096**	8,085
Net cash (used in)/generated from investing activities	**(725)**	80
Net cash used in financing activities	**(4,872)**	(6,670)
Net increase in cash and cash equivalents	**3,499**	1,495
Cash and cash equivalents at the beginning of the year	**14,653**	13,158
Cash and cash equivalents at the end of the year	**18,152**	14,653

Expressed in thousands of Barbados dollars

13. **Discontinued Operations**

In 2021, the lease arrangement between Bridgetown Cruise Terminals Inc. (BCTI) and Barbados Port Inc. (BPI) ceased and operations were transitioned to Barbados Port Inc. effective January 1, 2022. It was agreed that Barbados Port Inc. will purchase the Leasehold Improvements at BCTI for a purchase price of $3,500. At December 31, 2022, BCTI was classified as discontinued operations and the results of this company are presented below:

	2024 $	2023 $
Share of results of associate - BCTI	**(18)**	(19)
Loss for the year from discontinued operations	**(18)**	(19)

The major classes of assets and liabilities in BCTI classified as discontinued operations are, as follows:

	2024 $	2023 $
Investments in Associates	**-**	708

Notes to the Consolidated Financial Statements

December 31, 2024
Expressed in thousands of Barbados dollars

14. **Property, Plant and Equipment**

	Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Total
Year ended December 31, 2023				
Opening net book value	934	276	1,513	2,723
Additions	207	193	-	400
Disposals	(4)	(75)	-	(79)
Depreciation charge	(446)	(88)	(183)	(717)
Closing net book value	691	306	1,330	2,327
At December 31, 2023				
Cost	6,191	851	1,812	8,854
Accumulated depreciation	(5,500)	(545)	(482)	(6,527)
Net book value	691	306	1,330	2,327
Year ended December 31, 2024				
Opening net book value	**691**	**306**	**1,330**	**2,327**
Additions	**421**	**80**	**-**	**501**
Disposals	-	**(17)**	**(28)**	**(45)**
Depreciation charge	**(326)**	**(96)**	**(177)**	**(599)**
Closing net book value	**786**	**273**	**1,125**	**2,184**
At December 31, 2024				
Cost	**6,430**	**616**	**1,770**	**8,816**
Accumulated depreciation	**(5,644)**	**(343)**	**(645)**	**(6,632)**
Net book value	**786**	**273**	**1,125**	**2,184**

Expressed in thousands of Barbados dollars

15. **Right-of-use Assets**

	Total
	$
Year ended December 31, 2023	
Opening net book value	2,555
Depreciation charge	(592)
Closing net book value	1,963
At December 31, 2023	
Cost	4,180
Accumulated depreciation	(2,217)
Net book value	1,963
Year ended December 31, 2024	
Opening net book value	**1,963**
Additions	**2,012**
Depreciation charge	**(664)**
Closing net book value	**3,311**
At December 31, 2024	
Cost	**5,289**
Accumulated depreciation	**(1,978)**
Net book value	**3,311**

Refer to note 21 for further disclosures on right-of-use assets.

16. **Pension Plan Surplus**

The Group has established a defined contribution plan and a defined benefit pension plan. The defined benefit pension plan is in the process of being wound up with the assets of the plan liquidated and held as restricted cash by the Company. The defined contribution pension plan was valued by independent actuaries every three years.

The benefits that members receive at retirement under the defined contribution plans depend on their account balances at retirement and the cost of purchasing an annuity. The last full actuarial valuation of the plan was performed as of January 1, 2023.

The parent company, Cave Shepherd & Co. Ltd. ("CSC") is responsible for the establishment of the plan and oversight of their administration. CSC's Board has delegated the responsibility of management and administration of the plans and the investment of the plan's assets to The Trustees of the plan. A separate trust fund has been established for the plan to receive and invest contributions and pay benefits due under each plan. Each year the Trustees review the level of funding such as asset-liability matching. All benefits are calculated and paid out in accordance with the rules of the pension plans. The plan assets include significant investments in quoted equity shares and bonds.

The Cave Shepherd defined benefit pension plan was closed to new entrants effective June 1, 2002. The Trustees of the plan and the Company decided to wind up the plan, effective May 31, 2023. The required statutory notification was given to the Financial Services Commission and the Plan's members and on November 29, 2023, approval was granted for the distribution of assets including the surplus, in accordance with the proposed scheme detailed in the wind-up Actuarial Valuation Report as at May 31, 2023 as allowed under the Occupational Pension Benefits Act, Cap 350B.

As most of the plan members are pensioners, their liabilities were settled during the prior year through the purchase of annuities with Guardian Life of the Caribbean Ltd. The active plan members were transferred to the Cave Shepherd defined contribution pension plan as at June 1, 2023. A valuation of the plan was carried out by the independent actuaries on a "discontinuance basis" as at May 31, 2023 with a surplus of $4,990 since its last valuation. A surplus sharing transaction was agreed upon the Plan's wind up with the surplus to be split equally between the members and the Company.

December 31, 2024
Expressed in thousands of Barbados dollars

16. **Pension Plan Surplus**···*continued*

The key results of the wind up valuation in the prior year are shown below:

	December 31, 2024 $	May 31, 2023 $
Market Value of assets	-	9,550
Net Yield for prior period	-	4.85%
Wind up Financial Position		
Wind up concern assets	-	9,550
Wind up liabilities	-	(4,560)
Wind up surplus	-	4,990
Funded Ratio (Assets as % of Liabilities)	-	209.42%

	December 31, 2024 $	May 31, 2023 $
Liabilities in respect of:		
Active members	-	4,244
Additional voluntary contributions (AVCs)	-	68
Deferred pensioners	-	248
Pensioners	-	-
Total Liability	-	4,560
Valuation of assets	-	9,550
Surplus	-	4,990

Expressed in thousands of Barbados dollars

16. **Pension Plan Surplus**···*continued*

	December 31, 2024 $	May 31, 2023 $
Surplus share (50:50 pro-rata basis):		
Members	-	2,495
Company (note 28)	-	2,495
	-	4,990

Due to the wind up of the defined benefit plan, all of its assets have been liquidated. The table below shows the distribution of the Plan's assets and settlement of liabilities as at December 31, 2024 which comprises of cash held by the Company and is included in restricted cash in the consolidated statement of financial position.

	2024 $	2023 $
Receivables (note 8)	71	3,729
Payables	(71)	(90)
	-	3,639
Liabilities in respect of:		
Active members	-	897
AVCs	-	-
Deferred pensioners	-	248
Other	71	-
	71	1,145
Members' surplus	-	2,495
	71	3,639

The actuarial assumptions in the wind up valuation disclosed that the liabilities provided represent the cost of securing active members' and deferred pensioners' current accrued pensions and existing pensioners' current monthly pensions with the selected insurance company at the wind-up date.

Expressed in thousands of Barbados dollars

17. Fixed Income Certificates Payable

The Fixed Income Certificates Payable will mature on June 30, 2026 bear interest at 3.50% and 3.75% (2023 – 3.50% and 3.75%) per annum and have the option of being renewed at the end of June 2025 for a further two years.

18. Unsecured Fixed Income Notes Payable

The Unsecured Fixed Income Notes payable are set out below:

	2024	2023
	$	$
Balance at beginning of year	**21,000**	17,000
Issued	**3,000**	13,000
Repaid	**(2,000)**	(9,000)
Balance at end of year	**22,000**	21,000

These Unsecured Fixed Income Notes are comprised as follows:

	2024	2023
	$	$
(a) $20 million Note facility		
• 1st tranche	-	-
• 2nd tranche	-	-
• 3rd tranche	-	-
• 4th tranche	-	2,000
	-	2,000
(b) $20 million Note facility	**6,000**	6,000
(c) $30 million Note facility		
• 1st tranche	**13,000**	13,000
• 2nd tranche	**3,000**	-
	16,000	13,000
Balance at end of year	**22,000**	21,000
Current portion	**(9,000)**	(2,000)
	13,000	19,000

Expressed in thousands of Barbados dollars

18. **Unsecured Fixed Income Notes Payable**···*continued*

(a) During 2018, the Company issued a new $20 million Note facility. In the prior year, tranche 3 was fully repaid. Tranche 4 was fully repaid on July 31, 2024.

(b) In 2021, the Company issued a new $20 million multi-year Note facility. These Unsecured Fixed Income Notes will mature in two to four years, bear interest at 3.25% to 3.75% per annum and have the option of being renewed for a further two years. In 2021, the Company issued the first tranche for $6,000 at interest rates of 3.25% and 3.75%.

(c) In 2023, Cave Shepherd Card (Barbados) Inc. ("CSCBI”) issued a $30 million multi-year Note facility. These Unsecured Fixed Income Notes will mature in two to four years, bear interest at 3.75% - 4.50% per annum and have the option of being renewed for a further two years. During the year, CSCBI issued the second tranche of $3,000 (2023 – first tranche of $13,000) at interest rates ranging from 4.25% to 4.50% (2023 – 3.75% to 4.50%).

19. **Dividends Payable**

The Dividends payable comprise the following:

	2024	2023
	$	$
Dividend payable to equity holders of the Company	**3,334**	3,316
Dividend payable to non-controlling interest	**782**	350
	4,116	3,666

20. **Borrowings**

On January 31, 2022, Cave Shepherd Card (Barbados) Inc. (CSCBI) signed a Facility Letter with RBC Royal Bank (Barbados) Limited to provide a $20 million Working Capital Line (WCL) for the financing of the credit card portfolio. The WCL bears interest at prime less 5.25% (currently 2.75%), is repayable on demand and may be drawn down and repaid by CSCBI at their discretion. The WCL is secured by demand debenture creating a fixed charge over the fixed and floating assets of CSCBI. As at the reporting date, CSCBI had drawn down $14,756 (2023 - $13,953) of this facility.

As at the reporting date, the Group has other overdraft facilities of $6 million (2023 - $6 million) of which $Nil (2023 - $Nil) were utilised.

Expressed in thousands of Barbados dollars

21. **Lease obligation liabilities**

The Group has lease contracts for various items of buildings in its operations. Leases of buildings generally have lease terms between 3 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are lease contracts that include extension and termination options and variable lease payments, which are further discussed in note 2.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2024	2023
	$	$
Balance at beginning of year	**1,963**	2,555
Additions	**2,012**	-
Depreciation expense	**(664)**	(592)
Balance at end of year	**3,311**	1,963

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024	2023
	$	$
Balance at beginning of year	**2,110**	2,715
Additions	**2,012**	-
Interest	**162**	124
Lease payments	**(756)**	(729)
Balance at end of year	**3,528**	2,110
Current	**612**	374
Non-current	**2,916**	1,736
	3,528	2,110

Expressed in thousands of Barbados dollars

22. **Deferred Tax Liability**

The deferred tax liability in the statement of financial position consists of the following:

	2024	2023
	$	$
Accelerated depreciation	**9**	4
Right-of-use assets and liabilities	**11**	3
Stock options	**(34)**	(35)
IFRS 9 Stage 1 & 2	**13**	27
Deferred tax liability	**(1)**	(1)

Deferred tax assets of $109 (2023 - $123) are not recognised for tax loss carry-forwards in some Group companies as the realisation of the related tax benefits through future taxable profits is not probable.

The Group has tax loss carry-forwards amounting to $15,244 (2023 - $12,059), which have expiry dates ranging between 2025 and 2031.

23. **Share Capital**

	2024		2023	
	No. of shares	**$**	No. of shares	$
Authorised				
The Company is authorised to issue an unlimited number of common shares of no-par value				
Issued				
Beginning of year	**18,422,829**	**39,086**	18,455,600	38,909
Issued	**17,704**	**119**	7,002	46
Exercised share options (note 24)	**85,630**	**253**	162,605	558
Repurchased during the year	**-**	**-**	(202,378)	(427)
End of year	**18,526,163**	**39,458**	18,422,829	39,086

The Company repurchased Nil (2023 – 202,378) shares for a total consideration of $Nil (2023 - $1,063) of which $Nil (2023 - $636) was eliminated against the retained earnings and $Nil (2023 - $427) against share capital.

The Company issued 5,667 (2023 – 7,002) shares for $43 (2023 - $46) to key employees as shares in lieu of bonus and 12,037 (2023 – Nil) shares were issued under the Employee Share Purchase Scheme for $76 (2023 - $Nil).

Expressed in thousands of Barbados dollars

24. Share Based Payment

During 2020 the shareholders approved a continuation of the Employee Share Option Plan (ESOP) for key management employees within the Group. The Plan covers the issue of up to a further 1,200,000 shares over five years. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. The options are exercisable in three equal tranches with the first tranche being immediately upon being granted, the second tranche after one year and the third tranche after two years from the date of grant. The options have a contractual option term of five years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Average exercise price per share option	**Options**	Average exercise price per share option	Options
Outstanding at beginning of year	**4.36**	**636,000**	4.38	745,000
Granted	**6.50**	**215,000**	4.50	230,000
Exercised	**4.49**	**(85,630)**	4.47	(162,605)
Forfeited	**4.50**	**(1,666)**	4.50	(26,666)
Expired	**4.57**	**(101,370)**	4.49	(149,729)
Outstanding at end of year	**5.01**	**662,334**	4.36	636,000
Exercisable at end of year	**4.83**	**590,667**	4.35	572,667

Of the 662,334 outstanding options (2023 – 636,000), 590,667 options (2023 – 572,667) were exercisable.

Expressed in thousands of Barbados dollars

24. **Share Based Payment**···*continued*

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

			Shares	
Grant-vest	**Expiry date**	**Exercise price**	**2024**	**2023**
2020-2020	2025	4.65	**-**	94,667
2020-2021	2025	4.65	**-**	47,333
2021-2021	2026	4.10	**81,333**	91,333
2021-2022	2026	4.10	**40,667**	45,667
2022-2022	2027	4.18	**91,333**	111,333
2022-2023	2027	4.18	**45,667**	55,667
2023-2023	2028	4.50	**125,555**	126,667
2023-2024	2028	4.50	**62,778**	63,333
2024-2024	2029	6.50	**143,334**	-
2024-2025	2029	6.50	**71,667**	-
			662,334	636,000

The weighted average fair value of options granted during 2024 was determined using the Binomial Pricing model was $0.80 (2023 - $0.35) per option. The significant inputs into the model were weighted average share price of $5.01 (2023 - $4.36) at the grant date, exercise price shown above, volatility 20%, dividend yield of 3% per annum, an expected option life of 4.5 years and an annual risk-free interest rate of 5.50% (2023 – 5.50%) per annum. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last five years.

During the year, 85,630 (2023 – 162,605) options granted between 2020 and 2024 were exercised and this resulted in these shares being issued with a value of $65 (2023 - $132) being transferred from share option reserve to share capital. During the year, 101,370 (2023 – 149,729) options granted between 2020 and 2024 (2019 and 2023) expired.

A total expense of $141 (2023 – $81) is recognised in the consolidated statement of income for share options granted during the year which is attributed to the remaining 1/3 of the 2023 and 2/3 of the 2024 options granted being vested at year end. All other option grants were fully vested and expensed by December 31, 2024.

Notes to the Consolidated Financial Statements

December 31, 2024

Expressed in thousands of Barbados dollars

25. Retained Earnings

	2024 $	2023 $
Parent company	**19,137**	15,980
Subsidiary companies	**16,710**	13,118
Associated companies	**27,018**	25,439
	62,865	54,537

26. Revenue from Operations

	2024 $	2023 $
Management fees	**19,012**	17,866
Finance income	**12,995**	12,455
Commissions	**1,613**	1,503
Interchange fees	**1,261**	1,269
Other	**1,036**	1,038
Dividend income	**635**	364
Rent	**249**	245
	36,801	34,740

27. Insurance service result

The breakdown of the insurance service result is presented below:

	2024 $	2023 $
Insurance revenue	**545**	-
Insurance service expenses:		
Insurance service expense	**(50)**	
Incurred claims and other expenses	**(10)**	-
Changes to liabilities for incurred claims	**(24)**	-
Other	**(84)**	-
	461	-

Expressed in thousands of Barbados dollars

28. Other Gains

	2024 $	2023 $
Gain on disposal of property, plant and equipment	**17**	36
Pension plan surplus gain (note 16)	**(7)**	2,495
	10	2,531

29. Gains on Financial Assets

	2024 $	2023 $
Realised loss on other investment	**-**	(74)
Realised gain on disposal of financial assets at fair value through profit and loss	**-**	7
Unrealised gain on financial assets at fair value through profit and loss	**218**	419
	218	352

30. Employee benefits expense

Employee benefits expense comprise:

	2024 $	2023 $
Salaries	**9,348**	8,813
National Insurance, group health and life	**491**	460
Medical	**286**	300
Pension – defined benefit plan expense	**-**	48
Pension – defined contribution plan costs	**294**	375
Employee share option expenses (note 24)	**141**	81
Other personnel expenses	**437**	410
	10,997	10,487

Expressed in thousands of Barbados dollars

31. **Income Tax Expense**

The income tax expense is comprised of the following:

	2024	2023
	$	$
Current tax on profits for the year	**1,402**	606

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

	2024	2023
	$	$
Profit before taxation	**18,708**	18,616
Corporation tax calculated at 9% (2023 – 5.5%)	**1,684**	1,024
Effect of lower tax rate	**(46)**	(221)
Movement in deferred tax asset not recognised	**290**	435
Tax effect of items not allowed in determining taxable profit	**(526)**	(632)
Tax charge	**1,402**	606

Notes to the Consolidated Financial Statements

December 31, 2024
Expressed in thousands of Barbados dollars

32. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Parent for the year by the weighted average number of common shares in issue during the year.

	2024	2023
	$	$
Net profit attributable to the equity holders of the parent	**15,052**	15,801
Weighted average number of ordinary shares issued	**18,501,206**	18,345,266
Basic earnings per share	**$0.81**	$0.86
Weighted average number of ordinary shares for diluted earnings per share	**19,163,540**	18,981,266
Diluted earnings per share	**$0.79**	$0.83

	2024	2023
	$	$
Net profit from continuing operations	**15,070**	15,820
Weighted average number of ordinary shares issued	**18,501,206**	18,345,266
Basic earnings per share	**$0.81**	$0.86
Weighted average number of ordinary shares for diluted earnings per share	**19,163,540**	18,981,266
Diluted earnings per share	**$0.79**	$0.83

Notes to the Consolidated Financial Statements

December 31, 2024
Expressed in thousands of Barbados dollars

33. **Net Cash Generated from Operations**

The reconciliation of profit before taxation to net cash generated from operations is as follows:

	2024	2023
	$	$
Cash flows from operating activities		
Profit before taxation from continuing operations	**18,708**	18,616
Loss before taxation from discontinued operations (note 13)	**(18)**	(19)
Net profit before taxation	**18,690**	18,597
Adjustments for:		
Depreciation (note 14)	**599**	717
Right-of-use depreciation (note 15)	**664**	592
Share of results of associates (note 11)	**(5,812)**	(5,098)
Share of results of associates – discontinued operations (note 13)	**18**	19
Realised and unrealised loss/(gain) on financial assets at fair value through profit and loss (note 29)	**(218)**	(352)
Gain on disposal of property, plant and equipment (note 28)	**(17)**	(36)
Pension plan surplus	**-**	48
Employee share option plan expense (note 24)	**141**	81
Dividend income (note 26)	**(635)**	(364)
Finance costs	**1,821**	1,612
Operating profit before working capital changes	**15,251**	15,816
Net change in non-cash working capital items related to operations:		
- Trade and other receivables and prepayments	**(6,179)**	(6,573)
- Due by associates	**(87)**	(90)
- Due by affiliates	**6**	35
- Trade and other payables	**(319)**	(416)
- Insurance contract liabilities	**53**	
- Deferred income	**48**	(9)
- Due to associates	**-**	-
- Due to affiliates	**(3,897)**	4,018
Cash generated from operations	**4,876**	12,781
Corporation taxes paid	**(500)**	(627)
Interest paid	**(1,711)**	(1,517)
Net cash generated from operations	**2,665**	10,637

Expressed in thousands of Barbados dollars

34. **Related Party Transactions**

The following transactions were carried out with associates in the normal course of business:

	2024	2023
	$	$
Rental income	**249**	245
Management fees	**10,519**	10,014

Key Management Compensation:

	2024	2023
	$	$
Salaries	**2,945**	2,689
NIS	**49**	48
Medical	**73**	69
Pension, group life	**112**	108
Share Option Plan	**79**	42

In addition to disclosures on related party balances in notes 7 and 8, the balance was due to a related party:

	2024	2023
	$	$
Directors and Key Management	**(5)**	(9)

	2024	2023
	$	$
Directors' fees	**184**	154

35. Assets under Management

The activities of Fortress Insurance Company Ltd., a subsidiary of Fortress Fund Managers Limited, require that it commonly acts as trustees and/or in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals and trusts. Those assets that are held in a fiduciary capacity, and income generated by them, are not included in these financial statements. The company recognizes certain fees and commissions earned from these activities which are included in statement of income.

The following table represents the assets and related liabilities held in fiduciary capacity.

	2024	2023
	$	$
Carrying amount of assets	**89,686**	86,530
Carrying amount of associated liabilities	**(89,686)**	(86,530)
Net position	**-**	-

36. Commitments

There are no significant capital expenditures contracted for at the statement of financial position date but not yet incurred. There are no other significant commitments at the reporting date.

37. Comparatives

Certain comparative figures have been presented on a basis consistent with the current year.

CAVE SHEPHERD & CO. LIMITED
Company No. 21716

PROXY FORM

FOR USE AT THE FIFTY-FOURTH ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD AT LLOYD ERSKINE SANDIFORD CENTRE ON THURSDAY, APRIL 24TH, 2025, AT 5.30 P.M.

The undersigned Shareholder(s) of Cave Shepherd & Co. Limited (the "Company") hereby appoint(s) **SIR GEOFFREY CAVE**, Chairman, or failing him, **MR. ROGER M. CAVE**, Chief Executive Officer and Director, or instead of either of them:

………

(PLEASE PRINT NAME OF PROXY ON THIS LINE ONLY IF YOU WISH TO APPOINT A PROXY OTHER THAN THE CHAIRMAN OR CHIEF EXECUTIVE OFFICER)

of ………

(PLEASE PRINT PROXY'S ADDRESS HERE)

As my/our proxy to participate, vote and otherwise act for and on behalf of the undersigned in respect of all matters that may properly come before the **FIFTY-FOURTH ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, APRIL 24th, 2025** and any adjournment thereof.

…………………………………………………	…………………………………………………
Name of Shareholder(s)	Signature of Shareholder (s)

…………………………………………………

Date (DD/MM/YYYY)

Notes

1. You have the right to appoint a person (who need not be a Shareholder) to represent you at the Meeting other than the management nominee. If you wish to designate as proxy a person other than the management nominee, you should strike out their names and insert in the space provided the name of the person you wish to designate as proxy.
2. When signing in a fiduciary or representative capacity, please provide full title as such. In the event of a Joint Shareholder, each should sign. A company should sign by an officer or attorney duly authorised in writing or under corporate seal.
3. If this form of proxy is not dated in the space provided, it is deemed to bear the date on which it was mailed to the Shareholder.
4. **To be valid, this proxy must be signed and deposited with the Group Corporate Secretary at Cave Shepherd & Co. Limited, One + Haggatt Hall, Haggatt Hall, St. Michael, Barbados BB11059 or emailed to corporatesecretary@caveshepherd.com, no later than 4.00 p.m. (Barbados time) on Tuesday, April 22nd, 2025 or if the Meeting is adjourned not less than 48 hours (excluding Sundays and Bank Holidays) before any adjourned Meeting.**

Please complete and return

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Cave Shepherd & Co. Limited
One + Haggatt Hall, Haggatt Hall, St. Michael, Barbados BB11059

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