Accountants &
business advisers

GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2025

GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT TO THE GOVERNMENT OF GRENADA
ON
GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Grenada Authority for the Regulation of Financial Institutions ('the Authority'), which comprise the statement of financial position at December 31, 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SME's).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Grenada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNMENT OF GRENADA
ON
GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS
(continued)**

Report on the Audit of the Financial Statements (continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

INDEPENDENT AUDITORS' REPORT TO THE GOVERNMENT OF GRENADA
ON
GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS
(continued)

Report on the Audit of the Financial Statements (continued)

- 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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Authority to cease to continue as a going concern.

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

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

GRENADA

June 5th, 2026

PKF

Accountants Business Advisers:

GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER, 2025

ASSETS	Notes	**2025**	2024
Non-Current Assets			
Plant and equipment	4	69,631	66,609
Loans and receivables financial assets	6(a)	2,189,363	2,092,906
		2,258,994	2,159,515
Current Assets			
Trade and other receivables	5	24,168	48,584
Loans and receivables financial assets	6(b)	11,270,469	9,000,982
Cash and cash equivalents	7	9,580,667	13,305,629
		20,875,304	22,355,195
TOTAL ASSETS		$23,134,298	$24,514,710
EQUITY AND LIABILITIES			
CONTRIBUTED CAPITAL	8	1,469,760	1,469,760
SPECIAL RESERVES	9	846,783	846,783
ACCUMULATED SURPLUS		3,360,632	4,786,024
TOTAL EQUITY		5,677,175	7,102,567
Non-Current Liabilities			
Statutory deposits	10	10,785,496	10,813,583
Other long-term deposits	11	5,500,000	5,500,000
		16,285,496	16,313,583
Current Liabilities			
Trade and other payables	12	1,171,627	1,098,560
TOTAL LIABILITIES		17,457,123	17,412,143
TOTAL EQUITY AND LIABILITIES		$23,134,298	$24,514,710

The accompanying notes form an integral part of these financial statements

:Director :Director

GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	**2025**	2024
INCOME			
Insurance companies			
- Levy		1,607,174	1,464,205
- Registration fees		782,500	781,735
International betting fees		94,087	94,087
Credit Union license fees		55,000	53,665
Money services		100,000	90,000
Virtual assets business		-	2,500
Pension plan fees		4,000	5,500
		2,642,761	2,491,692
Add: Other income	13	681,210	528,159
		3,323,971	3,019,851
Less: General and administration expenses	15	2,749,363	2,618,196
Excess of income over expenditure for the year		$574,608	$401,655

The accompanying notes form an integral part of these financial statements

GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Contributed Capital	Accumulated Surplus	Special Reserve	Total Equity
Balance at January 1st, 2024	1,469,760	4,384,369	846,783	6,700,912
Excess of income over expenditure for the year	-	401,655	-	401,655
Balance at December 31st, 2024	1,469,760	4,786,024	846,783	7,102,567
Transfer to consolidated fund (note)	-	(2,000,000)	-	(2,000,000)
Excess of income over expenditure for the year	-	574,608	-	574,608
Balance at December 31, 2025	$1,469,760	$3,360,632	$846,783	$5,677,175

Note: Pursuant to letter dated 8th July, 2025 from the Ministry of Finance in reference to the Public Finance Management Act No. 17 of 2015 – Section 78 (7).

The accompanying notes form an integral part of these financial statements

GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of income over expenditure for the year	574,608	401,655
Adjustments for:		
Depreciation	22,350	18,372
Operating surplus before working capital changes	596,958	420,027
Decrease/(increase) in trade and other receivables	24,411	(8,832)
Increase in trade and other payables	73,070	210,266
(Decrease)/increase in statutory deposits	(28,087)	785,000
Increase in other long-term deposits	-	150,000
Net cash provided by operating activities	666,352	1,556,461
INVESTING ACTIVITIES		
Purchase of plant and equipment	(25,371)	(22,025)
(Increase)/decrease in loans and receivables financial assets	(2,365,943)	1,655,844
Net cash (used in)/provided by investing activities	(2,391,314)	1,633,819
FINANCING ACTIVITIES		
Transfer to consolidated fund	(2,000,000)	-
Net cash used in financing activities	(2,000,000)	-
Net (decrease)/increase in cash and cash equivalents	(3,724,962)	3,190,280
Cash and cash equivalents - at beginning of the year	13,305,629	10,115,349
- at end of the year	$9,580,667	$13,305,629

The accompanying notes form an integral part of these financial statements

GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. CORPORATE INFORMATION

Grenada Authority for the Regulation of Financial Institutions (the "Authority") was established as a Statutory Body on February 1, 2007 under Act No. 5 of 2006 of the Laws of Grenada. This Act was repealed and replaced with Act No.1 of 2008.

The function of the Authority is to administer and regulate the non-banking financial institutions in Grenada. At year end the Authority employed eighteen (18) persons (2024 - 18).

The principal place of business is Queen's Park, St. George.

2. SUMMARY OF ACCOUNTING POLICIES

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

a) *Basis of preparation*

These financial statements have been prepared in compliance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and under the historical cost convention. The financial statements are expressed in Eastern Caribbean Currency Dollars.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b) *Plant and equipment*

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Plant and equipment

Depreciation on assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Furniture, fittings and equipment	- 10 years
Computer equipment	- 3 years

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.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at statement of financial position 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 carrying amount. These are included in the statement of comprehensive income.

c) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and short-term deposits.

d) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less if not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e) Foreign currencies

Foreign currency transactions during the year have been effected at the rates of exchange ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies are translated to E.C. dollars at the rates of exchange ruling at the end of the financial period. Differences arising from fluctuations in exchange rates are included in income for the period.

f) Revenue recognition

Income comprises the fair value of the consideration received for services provided in the ordinary course of the Authority's activities.

Revenue is recognised as follows:

Fees

Incorporation fees, licences and annual registration fees are recognised on a cash basis.

Interest

Interest income is recognised on an accrual basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Authority's reported assets, liabilities, revenues and expenses. There are no such items that may have a material impact on the financial statements.

GRENADA AUTHORITY FOR THE REGULATION OF FINANCIAL INSTITUTIONS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(continued)

4. PLANT AND EQUIPMENT

	Furniture and Equipment	Computer Equipment	Total
Balance at January 1, 2024			
Cost	161,025	195,217	356,242
Accumulated depreciation	(121,350)	(171,936)	(293,286)
NET BOOK VALUE	**$39,675**	**$23,281**	**$62,956**
For the year ended December 31, 2024			
Opening book value	39,675	23,281	62,956
Additions for the year	6,332	15,693	22,025
Depreciation charge for the year	(7,946)	(10,426)	(18,372)
NET BOOK VALUE	**$38,061**	**$28,548**	**$66,609**
Balance at December 31, 2024			
Cost	167,357	210,910	378,267
Accumulated depreciation	(129,296)	(182,362)	(311,658)
NET BOOK VALUE	**$38,061**	**$28,548**	**$66,609**
For the year ended December 31, 2025			
Opening book value	38,061	28,548	66,609
Additions for the year	7,510	17,861	25,371
Depreciation charge for the year	(8,522)	(13,827)	(22,349)
NET BOOK VALUE	**$37,049**	**$32,582**	**$69,631**
Balance at December 31, 2025			
Cost	174,867	228,771	403,638
Accumulated depreciation	(137,818)	(196,189)	(334,007)
NET BOOK VALUE	**$37,049**	**$32,582**	**$69,361**

5. TRADE AND OTHER RECEIVABLES

	2025	2024
Trade receivables	-	23,584
Security deposits	24,168	25,000
	$24,168	$48,584

6. LOANS AND RECEIVABLES

	2025	2024
(a) Long-term – two years		
Government of Grenada – Treasury bills	2,189,363	2,092,906
(b) Short-term – up to one year		
Grenada Co-operative League Limited	9,702	9,606
Ariza Credit Union - Fixed deposits	1,761,513	1,717,563
Grenada Co-operative Bank Limited - Term deposits	-	500,000
ACB Bank Grenada Limited - Term deposit	20,482	20,450
Government of St. Lucia – Treasury bills	3,621,302	2,596,654
Eastern Caribbean Home Mortgage Bank – Corporate paper	5,857,470	4,156,709
	11,270,469	9,000,982
	$13,459,832	$11,093,888

The above, except for the Grenada Co-operative League Limited deposit, are all held in escrow in lieu of statutory deposits.

7. CASH AND CASH EQUIVALENTS

	2025	2024
Government of Grenada – Treasury bills	3,359,092	4,816,231
Government of St. Lucia – Treasury bills	-	995,734
Government of St. Vincent and the Grenadines –Treasury bills	6,452,591	5,672,941
Current account	(263,720)	1,809,236
Cash on hand	32,410	11,259
Petty cash	294	228
	$9,580,667	$13,305,629

8. CONTRIBUTED CAPITAL

This amount represents the original net value of assets transferred by the Government of Grenada.

9. SPECIAL RESERVES

This amount represents refundable deposits made by Offshore Banks on registration with the Grenada International Financial Services Authority (GIFSA) which may no longer be payable.

10. STATUTORY DEPOSITS

These represent a part of the statutory deposits which insurance companies are required to maintain in accordance with Section 22 and 28 of the Insurance Act Cap 150 of the Continuous Revised Edition of the Laws of Grenada. The remainder of the deposits is held by the Accountant General's office or in investments as prescribed under Schedule II of the Insurance Act and pledged to the Supervisor of Insurance.

11. LONG-TERM DEPOSITS

This amount includes deposits made by long-term insurance businesses under Act No. 6 of 2013.

12. TRADE AND OTHER PAYABLES

Prepaid fees	104,500	107,084
Trade payables	129,052	132,720
Interest payable	648,280	568,684
Other payables	289,795	290,072
	$1,171,627	$1,098,560

13. OTHER INCOME

	2025	2024
Interest income	676,405	524,769
School savings union	3,955	2,915
Photocopies and stamps	50	50
Other income	800	425
	$681,210	$528,159

14. RELATED PARTY TRANSACTIONS

Key management

Key management comprises directors and senior management of the Authority. Compensation to these individuals was as follows:-

Directors' fees and expenses	61,028	71,601
Salaries and other short-term employee benefits	1,024,446	730,581
	$1,085,474	$802,182

15. GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Salaries	1,686,557	1,432,286
National Insurance Scheme contributions	66,121	55,714
Pension contributions	62,353	53,205
Training	2,877	13,550
Other staff cost	39,175	68,212
Uniforms	1,790	21,635
Depreciation	22,350	18,372
Directors' fees	49,250	44,115
Directors 'meeting expenses	11,778	26,986
Electricity	34,515	54,705
Audit fees	14,271	12,000
Legal and professional fees	31,595	44,457
Repairs and maintenance - computer equipment	18,000	18,000
Stationery, printing and office expenses	22,080	30,482
Telephone	27,533	27,418
Rent	368,293	357,622
Travel	43,779	56,637
Advertising and promotion	1,430	8,519
Insurance	2,765	2,039
Health insurance	8,861	7,975
Other fees and expenses	61,700	63,161
Interest - Bank charges	1,854	7,381
- Statutory deposits	82,222	76,593
Subscriptions and contributions	34,090	37,005
Workshops	27,641	43,339
Repairs and maintenance – general	893	2,755
Office relocation expense	18,000	9,033
Donations	7,590	25,000
TOTAL EXPENSES	$2,749,363	$2,618,196