

# BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Consolidated Financial Statements

For the year ended March 31, 2014

(Expressed in Barbados dollars)

## 2. Accounting Policies...(continued)

### 2.4 Changes in accounting policy and disclosures...(continued)

#### *New and amended standards and interpretations...(continued)*

##### (III) Post-employment defined benefit plans

As a result of IAS 19 (2011), the Credit Union has changed its accounting policy with respect to the basis for determining the income or expense related to its post-employment defined benefit plan.

Under IAS 19 (2011), the Credit Union determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Consequently, the net interest on the net defined benefit liability (asset) now comprises: interest cost on the defined benefit obligation, interest income on plan assets, and interest on the effect on the asset ceiling. Previously, the Credit Union determined interest income on plan assets based on their long-term rate of expected return.

As a result of IAS 19 (2011), the Credit Union has also changed its accounting policy with respect to remeasurements.

Under IAS 19 (2011), all remeasurements are recognised directly in other comprehensive income. Previously, actuarial gains and losses were recognised in the statement of income on a deferred basis using the corridor method. Any unrecognised amounts were adjusted against the net defined benefit pension asset or liability recognised in the statement of financial position.

The change in accounting policy with respect to IAS 19 (2011) has been applied retrospectively.

The following tables summarise the financial effects on the relevant line items as at April 1, 2012 and March 31, 2013 on implementation of the new accounting policy:

April 1, 2012

	<u>As previously reported</u>	<u>Adjustment</u>	<u>As restated</u>
<i>Statement of Financial Position</i>			
Pension plan asset	\$ 383,041	378,569	761,610
<i>Statement of Changes in Equity</i>			
Other reserves	\$ 1,254,701	378,569	1,633,270