

BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2015

(Expressed in Barbados dollars)

25. Fair Value

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is best evidenced by a quoted market price, if one exists.

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

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

For financial assets and financial liabilities that are liquid or have short term maturity, it is assumed that the carrying amounts approximate their fair value. These include cash resources, other assets and other liabilities. The fair value of debt securities is based on quoted prices where available, or otherwise based on an appropriate yield curve with the same remaining term to maturity. The fair value of loans and advances largely approximates carrying value as the Credit Union's portfolio comprises mainly variable rate loans. The fair value of deposits takes account of certain fixed rate deposits which have been discounted at current interest rates.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are shown in the table below:

		2015		2014	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets					
Cash resources	\$	93,772,722	93,772,722	109,228,502	109,228,502
Financial investments					
– Held-to-maturity		25,838,462	25,838,462	20,395,633	20,395,633
– Available-for-sale		1,887,522	1,887,522	1,954,348	1,954,348
Loans and advances		746,496,939	748,817,106	684,331,479	686,874,806
Due from related companies		17,425,274	17,425,274	17,107,462	17,107,462
Other assets		<u>3,937,049</u>	<u>3,937,049</u>	<u>3,124,648</u>	<u>3,124,648</u>
	\$	<u>889,357,968</u>	<u>891,678,135</u>	<u>836,142,072</u>	<u>838,685,399</u>
Liabilities					
Deposits	\$	775,116,285	854,933,669	721,766,830	793,136,109
Loans payable		33,445,132	33,445,132	43,688,473	43,688,473
Reimbursable shares		6,700,221	6,700,221	5,351,432	5,351,432
Other liabilities		<u>7,418,620</u>	<u>7,418,620</u>	<u>7,967,387</u>	<u>7,967,387</u>
	\$	<u>822,680,258</u>	<u>902,497,642</u>	<u>778,774,122</u>	<u>850,143,401</u>