

BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

(Expressed in Barbados dollars)

21. Statutory Reserves

	<u>2016</u>	<u>2015</u>
Statutory reserve (i)	\$ <u>97,657,847</u>	<u>89,803,786</u>
	\$ <u>97,657,847</u>	<u>89,803,786</u>

(i) Statutory reserve

The movement in this reserve during the year is as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 89,803,786	81,891,199
Transfers to reserve – statutory *	5,101,250	4,651,099
Transfer to reserve – statutory **	101,605	143,463
Transfers to reserve – voluntary	<u>2,620,906</u>	<u>3,093,680</u>
	97,627,547	89,779,441
Entrance fees	<u>30,300</u>	<u>24,345</u>
Balance, end of year	\$ <u>97,657,847</u>	<u>89,803,786</u>

* Section 197(2) of the Co-operative Societies (Amendment) Act 2007-39 requires for the Credit Union that an appropriation equivalent to the greater of one half of one per cent (0.5%) of total assets or twenty-five per cent (25%) of net surplus shall be credited to the reserve fund annually until capital equals ten per cent (10%) of total assets. The Registrar of Co-operatives may increase the appropriation amount to forty per cent (40%) of net surplus or one per cent (1%) of total assets in certain circumstances.

** Under the provisions of the Financial Institutions Act, a subsidiary is required to transfer a minimum of 15% of its after tax profits to a reserve fund until such fund equals the share capital. A transfer of \$101,605 was required during 2016 (2015 - \$143,463).