

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)

22. Other Reserves

| | <u>2016</u> | <u>2015</u> |
|--|---------------------|------------------|
| Fair value reserve | \$ 862,384 | 542,324 |
| Special funds | 1,008,479 | 678,261 |
| Donated equity | 26,909 | 26,909 |
| Defined benefit plan | (50,870) | 238,848 |
| Reserve for interest on non-performing loans | <u>2,565,380</u> | <u>1,286,413</u> |
| | <u>\$ 4,412,282</u> | <u>2,772,755</u> |

Fair value reserve

The fair value reserve represents the net effect of fair value gains or losses on available-for-sale investment securities held.

The movement on the fair value reserve for the year is as follows:

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------|-------------------|-----------------|
| Balance, beginning of year | \$ 542,324 | 632,668 |
| Unrealised fair value gains (losses) | <u>320,060</u> | <u>(90,344)</u> |
| Balance, end of year | <u>\$ 862,384</u> | <u>542,324</u> |

Special funds

The special reserve funds comprise the following:

- (i) **Social Outreach Fund**
The Social Outreach Fund was created to provide charitable donations to members in need of financial assistance.
- (ii) **Education Fund**
The Education Fund was established to provide grants and scholarships to members pursuing educational programmes.
- (iii) **Development Fund**
In June 2004, the general membership approved the establishment of the Development Fund to assist with the exploratory cost relating to projects of a developmental nature.
- (iv) **BCCUL Training/Education Fund**
The BCCUL Training/Education Fund was instituted in June 2002 to finance the education of credit union members and the general public in credit union philosophy and operations.
- (v) **BPWCCUL Foundation**
This fund was established in June 2009 to fund major philanthropic initiatives undertaken by the Credit Union.