

BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

(Expressed in Barbados dollars)

6. Operating Expenses

	<u>2017</u>	<u>2016</u>
Anniversary expenses	\$ 353,288	329,846
Advertising	1,119,344	1,100,736
Affiliation	100,000	75,000
Audit fees	533,597	459,600
Bank charges	183,390	94,432
Committee travelling allowances	174,000	158,268
Development expenses	158,834	61,905
Direct cost of services	503,531	489,356
Educational grant and scholarship expenses	342,257	329,430
Elected Officials and Committee Training	399,942	407,944
Entertaining	88,393	83,554
Insurance	572,801	574,062
Janitorial services	415,582	355,343
Legacy Foundation – Donations	100,000	-
Legal and professional fees	766,453	827,573
Meetings and conferences	529,932	658,343
Membership security	2,739,311	2,530,109
Sundry expenses	135,677	83,257
National development expenses	60,000	82,812
Office stationery and supplies	1,094,422	1,078,650
Postage	202,728	94,987
Property taxes	230,139	251,076
Publicity and promotion	3,218,510	2,465,785
Regulatory licences	183,728	254,977
Rent	1,584,495	1,515,480
Repairs and maintenance	3,538,291	2,903,698
Security services	1,052,757	933,690
Social outreach expenses	159,700	127,746
Staff and members' training	1,062,545	636,042
Utilities	<u>1,385,466</u>	<u>1,232,455</u>
	<u>\$ 22,989,113</u>	<u>20,196,156</u>

7. Tax on Assets

Under the Tax on Asset Act, 2015, every credit union registered under Section 193 of the Co-operative Societies Act, Cap 378 with total gross assets of \$40 million or more, was required to pay within four (4) months after each assessment quarter, a levy of 0.20% per annum on the average domestic assets of the Credit Union. This Act came into effect on July 1, 2014 and expired on March 31, 2016, thus no tax on asset was incurred by the Barbados Public Workers Cooperative Credit Union during the year.

Capita Financial Services Inc., being a deposit-taking licensee, was also impacted by the Act. The Act stated that effective June 1, 2014, entities licensed under Section 22 of the Financial Institutions Act, Cap 324A with total gross assets of which is \$40 million or more and accepts deposits from third parties, shall pay by the 15th of the sixth (6th) month after each assessment quarter, a levy of 0.20% per annum on the average domestic assets of the deposit taking licensee. In the financial year 2017, the levy was increased to 0.35%.

Tax on assets expense incurred by the Group for 2017 amounted to \$728,304 (2016: \$2,326,813).