

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)

8. Taxation

The corporation tax charge for the year is as follows:

	<u>2017</u>	<u>2016</u>
Current tax expense	\$ 61,483	223,721
Under accrual of prior year taxes	(7,782)	76,944
Deferred tax charge	<u>31,310</u>	<u>(31,861)</u>
Tax expense	\$ <u>85,011</u>	<u>268,804</u>

The tax on the Group's income before taxation differs from the theoretical amount that would arise using the statutory rate of corporation tax as follows:

	<u>2017</u>	<u>2016</u>
Income before taxation	\$ <u>16,037,896</u>	<u>13,451,101</u>
Tax calculated at a rate of 25% (2016 - 25%)	4,009,474	3,362,775
Income not subject to tax	(4,059,769)	(3,338,558)
Effect of different tax rates	(17,018)	(9,496)
Expenses not deductible for tax	120,975	43,891
Movement on deferred tax asset not recognised	36,207	161,226
Prior year's under provision of taxes	(7,782)	58,156
Tax loss utilization	-	(9,579)
Other	<u>2,924</u>	<u>389</u>
Tax expense	\$ <u>85,011</u>	<u>268,804</u>

Deferred taxation

The movement of deferred tax liability is as follows:

	<u>2017</u>	<u>2016</u>
Beginning of the year	\$ 52,180	84,041
Deferred tax charge	<u>31,310</u>	<u>(31,861)</u>
End of year	\$ <u>83,490</u>	<u>52,180</u>

The deferred tax asset not recognised comprises tax losses and accelerated tax depreciation of the St. Lucia Branch and tax losses of BPW Financial Holdings Inc.