

BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2017

(Expressed in Barbados dollars)

17. Loans Payable

Loans payable is comprised of the following:

	<u>2017</u>	<u>2016</u>
National Insurance Board (i)	\$ -	13,317,772
Housing Credit Fund (ii)	<u>5,317,376</u>	<u>8,965,543</u>
	<u>\$ 5,317,376</u>	<u>22,283,315</u>

- (i) The National Insurance Board (NIB) loans are repayable over an average period of twenty years and are secured by an equivalent value of first legal mortgages over residential properties funded by the loan proceeds. The interest rates on these loans ranged from 5.50% - 6.00% (2016 – 5.50% - 6.00%) at year end. During the year ended March 31, 2017, the Credit Union repaid the loans to The National Insurance Board in full.
- (ii) The Housing Credit Fund loans are repayable over twenty-five years and are secured by an equivalent value of first legal mortgages over residential properties. The interest rate on all loans at year end was 3.00% (2016 – 3.00%).

The Credit Union has not had any defaults of principal, interest or other breaches with respect to its loans payable during the years ended March 31, 2017 and 2016.

18. Other Liabilities

Other liabilities is comprised of the following:

	<u>2017</u>	<u>2016</u>
Accounts payable and accrued expenses	\$ 4,166,362	3,727,265
Amounts payable re Goodwill Credit Union (Note 27)	90,396	100,377
Fair value adjustment - staff loans (i)	3,208,731	3,196,129
Interest rebate payable	203,026	203,206
Unallocated receipts to members	<u>713,015</u>	<u>1,331,048</u>
	<u>\$ 8,381,530</u>	<u>8,558,025</u>

- (i) Fair value adjustment staff loans

The fair value adjustment - staff loans represents the deferred interest income on staff loans associated with the difference between the market value and the carrying value of the loans as a result of the interest rates on the staff loans being lower than the market interest rate. This balance is partially offset by the prepaid employee benefit recorded and included in other assets (Note 15). The deferred interest income will be recognised over the term of the staff loans.