

# 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)

## 22. Related Party Disclosures, continued

### Other transactions, continued

In November 2015, the Credit Union entered into a Deed of Sale and Administration agreement with Capita Financial Services Limited for the sale of a portfolio of Real Estate loans amounting to \$20 million over a two year period at a rate of \$10 million per year starting the fiscal year 2016-2017. The Credit Union has determined that substantially all the risks and rewards of the said loan portfolio have been transferred to Capita Financial Services Limited and consequently, the loans were eliminated from the Credit Union's statement of financial position. The balance as at March 31, 2017 was \$8,800,918 (2016 - \$9,717,158).

## 23. Commitments and Contingencies

### (i) Loan commitments

	<u>2017</u>	<u>2016</u>
Consumer loans approved and pending disbursement	\$ 16,336,526	18,408,702
Mortgage loans approved and pending disbursement	17,970,390	28,310,186
Available balances on line of credit accounts	<u>15,371,476</u>	<u>15,104,437</u>
	\$ <u>49,678,392</u>	<u>61,823,325</u>

### (ii) Loan facilities

Loan facilities committed but not recognised in the non-consolidated financial statements as at March 31, 2017 are as follows:

- (a) an approved line of credit facility of \$7,800,000 (2016 - \$10,000,000) with a bank. This facility is secured by a first legal mortgage over the property at Belmont Road. At March 31, 2017 this facility was undisbursed.
- (b) an approved line of credit facility of \$125,000 (2016 - \$125,000) with a bank for the purpose of securing the corporate credits used by the Credit Union during the normal course of business. This facility is secured by an equivalent value of held-to-maturity investments. The commitment due on this facility at year end was \$ 29,487 (2016 - \$28,732).

### (iii) Legal proceedings

At March 31, 2017, there were certain legal proceedings against the Credit Union. In view of the inherent difficulty of predicting the outcome of such matters, the Credit Union cannot state what the eventual outcome of such matters will be; however, based on current knowledge, the Credit Union does not believe that liabilities, if any, arising from pending litigation will have a material adverse effect on its financial position or results of operations.