

# 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)

### 25. Fair Value

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is best evidenced by a quoted market price, if one exists.

Financial assets and liabilities are carried at amounts, which approximate to their fair value at the statement of financial position date. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

For financial assets and financial liabilities that are liquid or have short term maturity, it is assumed that the carrying amounts approximate their fair value. These include cash resources, other assets and other liabilities. The fair value of debt securities is based on quoted prices where available, or otherwise based on an appropriate yield curve with the same remaining term to maturity. The fair value of loans and advances largely approximates carrying value as the Credit Union's portfolio comprises mainly variable rate loans. The fair value of deposits takes account of certain fixed rate deposits which have been discounted at current interest rates.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are shown in the table below:

	<u>2017</u>		<u>2016</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<b>Assets</b>				
Cash resources	\$ 94,019,618	94,019,618	102,162,229	102,162,229
Financial investments				
– Held-to-maturity	28,536,207	28,536,207	29,074,183	29,074,183
– Available-for-sale	2,542,159	2,542,159	2,279,438	2,279,438
Loans and advances	900,439,540	903,648,271	817,838,770	821,034,899
Due from related companies	20,438,323	20,438,323	17,307,614	17,307,614
Other assets	<u>5,544,754</u>	<u>5,544,754</u>	<u>5,112,570</u>	<u>5,112,570</u>
	<u>\$ 1,051,520,601</u>	<u>1,054,729,332</u>	<u>973,774,804</u>	<u>976,970,933</u>
<b>Liabilities</b>				
Deposits	\$ 956,135,197	1,026,432,170	862,899,691	932,725,605
Loans payable	5,317,376	5,317,376	22,283,315	22,283,315
Reimbursable shares	7,875,475	7,875,475	7,165,090	7,165,090
Other liabilities	<u>8,381,530</u>	<u>8,381,530</u>	<u>8,558,025</u>	<u>8,558,025</u>
	<u>\$ 977,709,578</u>	<u>1,048,006,551</u>	<u>900,906,121</u>	<u>970,732,035</u>