

# BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

(Expressed in Barbados dollars)

### 2. Accounting Policies, continued

#### b) *New standards, amendments and interpretations mandatory for the first time for the financial year, continued*

##### **IFRS 15 Revenue from Contracts with Customers**

On April 1, 2018, the Group adopted IFRS 15 Revenue from Contracts with Customers as issued in May 2014. IFRS 15 defines principles for recognising revenue and is applicable to all contracts with members. However, interest and fee income integral to financial instruments and leases continues to fall outside the scope of IFRS 15 and is regulated by the other applicable standards (e.g., IFRS 9 and IFRS 16 Leases).

Revenue under IFRS 15 must be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and corresponding cash flows with customers.

The adoption of IFRS 15 did not impact the timing or amount of fee and commission income from contracts with customers and the related assets and liabilities recognised by the Group.

#### (c) *New standards and interpretations in issue but not yet effective*

New standards, interpretations and amendments to extensive standards that are not yet effective and have not been early adopted by the Group are as follows:

- IFRS 16 *Leases* – effective January 1, 2019
- IFRIC 23 *Uncertainty over Income Tax Treatments* – effective January 1, 2019
- Annual improvements to IFRS Standards 2015 – 2017 Cycle various standards – effective January 1, 2019
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation – effective January 1, 2019
- Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement – effective January 1, 2019
- Amendments to IFRS 3 - Definition of a Business – effective January 1, 2020
- Amendments to References to Conceptual Framework in IFRS Standards – effective January 1, 2020
- Amendments to IAS 1 and IAS 8 - Definition of Material - effective January 1, 2020

None of these are expected to have a significant effect on the consolidated financial statements of the Group in the period of adoption, except IFRS 16, Leases which tentatively becomes mandatory for the Group's 2020 consolidated financial statements. A description of this standard is provided below.

##### **IFRS 16 Leases**

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.