

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)

9. Taxation

Taxation comprised the following:

	<u>2019</u>	<u>2018</u>
Current tax expense	\$ 65,768	108,136
Deferred tax (recovery) charge	<u>(93,814)</u>	<u>70,651</u>
Tax (recovery) expense	<u>\$ (28,046)</u>	<u>178,787</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>2019</u>	<u>2018</u>
Income before taxation	\$ 10,716,108	17,545,791
Tax calculated at a rate of 5.50% (2018 – 25.00%)	589,386	4,386,448
Income not subject to tax	(743,995)	(4,207,868)
Change in tax rate	(98,701)	-
Effect of different tax rates	8,751	(23,124)
Deferred tax asset not recognized	28,015	72,543
Expiration of unutilized tax losses	2,516	-
Items not deductible for tax purposes	185,917	-
Items deductible for tax purposes	-	(47,087)
Prior year's under provision of taxes	65	32
Other	<u>-</u>	<u>(2,157)</u>
Tax (recovery) expense	<u>\$ (28,046)</u>	<u>178,787</u>

Deferred taxation

The movement of deferred tax liability is as follows:

	<u>2019</u>	<u>2018</u>
Beginning of the year	\$ 154,141	83,490
Deferred tax charge	<u>(93,814)</u>	<u>70,651</u>
End of year	<u>\$ 60,327</u>	<u>154,141</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.