

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)

15. Pension Plan Asset, continued

Equity Fund:

This is a unit trust that invests mainly in Barbadian equities, Barbadian real estate, commercial mortgages, foreign equities and bonds. This Fund's objective is to provide long-term capital growth through investment in a diversified portfolio of equity securities and real estate.

The current instruction is to invest all new cash flows 50% in the Bonds Fund and 50% in the Equity Fund. At present, approximately 51% of the Plan's assets are invested in the Equity Fund and 49% are invested in the Bonds Fund.

- a) The amounts recognised in the consolidated statement of financial position are determined as follows:

	<u>2019</u>	<u>2018</u>
Present value of obligation to plan members	\$ (12,074,739)	(10,390,567)
Pension plan assets at fair value	<u>12,652,027</u>	<u>12,198,888</u>
Asset recognised in the consolidated statement of financial position	\$ <u>577,288</u>	<u>1,808,321</u>

- b) Movement in the amounts recognised in the consolidated statement of financial position is as follows:

	<u>2019</u>	<u>2018</u>
Asset, beginning of year	\$ 1,808,321	1,232,061
Contributions paid	782,916	693,929
Pension expense recognised in consolidated statement of income	(465,744)	(482,153)
Re-measurement recognised in other comprehensive income	<u>(1,548,205)</u>	<u>364,484</u>
Asset, end of year	\$ <u>577,288</u>	<u>1,808,321</u>

- c) Changes in the present value of the obligation for defined benefit pension plans were as follows:

	<u>2019</u>	<u>2018</u>
Obligation, beginning of year	\$ 10,390,567	9,407,862
Interest cost	842,320	777,197
Current service cost	560,818	536,927
Employees' contributions	197,840	147,347
Benefits paid	(454,327)	(62,059)
Actuarial losses arising from: Experience adjustments	<u>537,521</u>	<u>(416,707)</u>
Obligation, end of year	\$ <u>12,074,739</u>	<u>10,390,567</u>