

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)

27. Fair Value, continued

	2018			Total balance
	Level 1	Level 2	Level 3	
Investment securities				
Equity securities				
- FVOCI	\$ 1,623,030	-	318,565	1,941,595
- FVTPL	-	-	778,079	778,079
	\$ <u>1,623,030</u>	<u>-</u>	<u>1,096,644</u>	<u>2,719,674</u>

The following table below shows a reconciliation of all movements in the fair value of financial investments categorised within Level 3 between the beginning and end of the reporting period.

	2019	2018
Balance - beginning of year	\$ 1,096,644	1,085,704
Purchases	<u>106,417</u>	<u>10,940</u>
Balance – end of year	\$ <u>1,203,061</u>	<u>1,096,644</u>

There were no transfers in or out of Level 3 during the year ended March 31, 2019 (2018: NIL).

The financial investments classified as Level 3 securities are carried at cost as fair value cannot be reliably estimated. Therefore no significant unobservable inputs have been considered in determining its value. The application of sensitivity analysis is therefore not relevant.

28. Capital Management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the consolidated statement of financial position, are:

- To comply with the capital requirements set by the regulators of financial institutions where the Group operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns to its shareholder and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on policies and guidelines regulated by both the Co-operative Societies Act and the Financial Institutions Act.

The Group's approach to managing capital did not change during the period.