

BARBADOS PUBLIC WORKERS' CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Non-consolidated Financial Statements

For the year ended March 31, 2019

(Expressed in Barbados dollars)

2. Accounting Policies, continued

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

None of these are expected to have a significant effect on the non-consolidated financial statements of the Credit Union in the period of adoption, except IFRS 16, Leases which tentatively becomes mandatory for the Credit Union's 2020 non-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.

(d) *Financial instruments*

Non-derivative financial assets and liabilities

The Credit Union initially recognises cash resources, financial investments, loans and advances, due from related companies, other assets, deposits, loans payable, reimbursable shares and other liabilities on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date, which is the date that the Credit Union becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Non-derivative financial assets – Classification and subsequent measurement - Policy applicable from April 1, 2018

The Credit Union classified its financial assets into one of the following categories:

- Amortized cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through the profit or loss (FVTPL)