

# 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)

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## 2. Accounting Policies, continued

### (d) Financial instruments, continued

#### **Non-derivative financial assets – Classification and subsequent measurement - Policy applicable before April 1, 2018, continued**

##### Financial assets measured at available for sale, continued

For available-for-sale financial investments, the Credit Union assesses at each statement of financial position date whether there is objective evidence that an investment is impaired.

Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the non-consolidated statement of income – is removed from other comprehensive income and recognised in the non-consolidated statement of income. Impairment losses on equity investments are not reversed through the non-consolidated statement of income; increases in their fair value after impairment are recognised directly in other comprehensive income.

##### Financial assets measured as loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment.

#### **Derecognition**

##### *Financial assets*

The Credit Union derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Credit Union neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

From April 1, 2018, any cumulative gain or loss recognized in OCI in respect of equity investment securities designated as FVOCI is not recognized in the non-consolidated statement of income on derecognition of such securities but transferred to retained earnings.

The Credit Union enters into transactions whereby it transfers assets recognised in its non-consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

In certain transactions, the Credit Union retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria.