

# 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

### (e) Significant accounting judgments, estimates and assumptions, continued

#### **Pension obligations**

The cost of the defined benefit pension plan is determined using an actuarial valuation. Accounting for employee pension obligations requires the use of actuarial techniques to make a reliable estimate of the amount of benefit that employees have earned in return for their services in the current and prior period.

The actuarial assumptions are based on management's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Variations in these assumptions could cause material adjustments in future years, if it is determined that the actual experience differed from the estimate.

### (f) Foreign currency

The non-consolidated financial statements are presented in Barbados dollars which is the functional currency of the Credit Union. All financial information has been rounded to the nearest dollar.

Monetary assets and liabilities denominated in foreign currencies are translated into Barbados dollars at the rates of exchange ruling at the statement of financial position date. Transactions arising during the year denominated in foreign currencies are translated into Barbados dollars and recorded at the rates of exchange prevailing on the dates of the transactions. Differences arising from fluctuations in exchange rates are included in the non-consolidated statement of income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary items, such as equities classified as FVOCI (2018 - available for sale) investments, are recognised in other comprehensive income.

### (g) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value. Cash and cash equivalents also comprise cash balances which are payable on demand and deposits with maturities of three months or less from the date of acquisition. Bank overdrafts are disclosed as current liabilities.