

# 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

### (h) *Investment in subsidiary*

The investment in subsidiary is accounted for by the cost method whereby the investment is initially recorded at cost and income from the investment is recognised only to the extent that it represents distributions from accumulated profits arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of the investment and are recognised as a reduction of the cost of the investment. The investment in subsidiary is subsequently measured at cost less impairment.

### (i) *Property and equipment*

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Credit Union and the cost of the item can be measured reliably. All other repairs and maintenance are included in the non-consolidated statement of income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and these are included in the non-consolidated statement of income. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Items of property and equipment are depreciated from the date they are available for use. Depreciation is recognised in the non-consolidated statement of income on the straight-line basis, at rates designed to write off the cost of the assets over the periods of their estimated useful lives. Land is not depreciated.

The following annual rates apply:

Buildings	2.00% - 4.00%
Motor vehicles	20.00%
Furniture and equipment	10.00% - 33.33%
Leasehold improvements	10.00% - 33.33%

### (j) *Reimbursable shares*

Reimbursable shares represent amounts due to the estates of deceased members.

### (k) *Deposits*

Members' deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Members' deposits are subsequently measured at amortized cost using the effective interest rate method.