

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)

23. Commitments and Contingencies, continued

(ii) Loan facilities

Loan facilities committed but not recognised in the non-consolidated financial statements as at March 31, 2019 are as follows:

- (a) an approved line of credit facility of \$7,800,000 (2018 - \$7,800,000) with a bank. This facility is secured by a first legal mortgage over the property at Belmont Road. At March 31, 2019 this facility was undisbursed.
- (b) an approved line of credit facility of \$350,000 (2018 - \$125,000) with a bank for the purpose of securing the corporate credits used by the Credit Union during the normal course of business. This facility is secured by an equivalent value of FVOCI (2018: held to maturity) investments. The commitment due on this facility at year end was \$62,616 (2018 - \$30,492).

(iii) Legal proceedings

At March 31, 2019, there were certain legal proceedings against the Credit Union. In view of the inherent difficulty of predicting the outcome of such matters, the Credit Union cannot state what the eventual outcome of such matters will be; however, based on current knowledge, the Credit Union does not believe that liabilities, if any, arising from pending litigation will have a material adverse effect on its financial position or results of operations.

(iv) Lease commitments

The Credit Union leases branch facilities under operating leases. Payments made under these leases are recognised in the non-consolidated statement of income on a straight-line basis over the term of the lease.

The future minimum rental payments related to these commitments are as follows:

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 668,341	733,471
Between one and five years	<u>2,916,396</u>	<u>2,929,980</u>
	<u>\$ 3,584,737</u>	<u>3,663,451</u>

During the year, \$760,567 (2018 - \$785,777) was recorded as an expense in the non-consolidated statement of income in respect of operating leases.