

# 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)

## 25. Fair Value

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is best evidenced by a quoted market price, if one exists.

Financial assets and liabilities are carried at amounts, which approximate to their fair value at the statement of financial position date. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

For financial assets and financial liabilities that are liquid or have short term maturity, it is assumed that the carrying amounts approximate their fair value. These include cash resources, due from related companies, other assets, other liabilities and reimbursable shares. The fair value of debt securities is based on quoted prices were available, or otherwise based on an appropriate yield curve with the same remaining term to maturity. The fair value of loans and advances largely approximates carrying value as the Credit Union's portfolio comprises mainly variable rate loans. The fair value of deposits takes account of certain fixed rate deposits which have been discounted at current interest rates.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the non-consolidated statement of financial position are shown in the table below:

		<u>2019</u>		<u>2018</u>	
		<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<b>Assets</b>					
Cash resources	\$	233,649,384	233,649,384	135,632,287	135,632,287
Financial investments					
– Amortized cost		19,568,155	19,568,155	25,993,354	25,993,354
– FVOCI		1,705,000	1,705,000	1,470,000	1,470,000
– FVTPL		884,496	884,496	778,079	778,079
Loans and advances		997,535,262	1,001,017,931	958,067,067	960,977,243
Due from related companies		19,313,205	19,313,205	18,632,116	18,632,116
Other assets		<u>9,279,763</u>	<u>9,279,763</u>	<u>8,794,808</u>	<u>8,794,808</u>
	\$	<u>1,281,935,265</u>	<u>1,285,417,934</u>	<u>1,149,367,711</u>	<u>1,152,277,887</u>
<b>Liabilities</b>					
Deposits	\$	1,175,003,744	1,267,764,071	1,055,847,259	1,134,921,320
Reimbursable shares		12,289,404	12,289,404	9,761,121	9,761,121
Other liabilities		<u>10,788,270</u>	<u>10,788,270</u>	<u>10,085,442</u>	<u>10,085,442</u>
	\$	<u>1,198,081,418</u>	<u>1,290,841,745</u>	<u>1,075,693,822</u>	<u>1,154,767,883</u>