

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, continued

	2018			Total balance
	Level 1	Level 2	Level 3	
Investment securities				
Equity securities				
- Available for sale	\$ 1,470,000	-	-	1,470,000
- FVTPL	-	-	778,079	778,079
	<u>1,470,000</u>	<u>-</u>	<u>778,079</u>	<u>2,248,079</u>

The following table shows a reconciliation of all movements in the fair value of financial investments categorised within Level 1 between the beginning and end of the reporting period.

	2019	2018
Balance - beginning of year	\$ 1,470,000	1,775,000
Unrealised gain (loss)	<u>235,000</u>	<u>(305,000)</u>
Balance - end of year	\$ <u>1,705,000</u>	<u>1,470,000</u>

The following table shows a reconciliation of all movements in the fair value of financial investments categorised within Level 3 between the beginning and end of the reporting period.

	2019	2018
Balance - beginning of year	\$ 778,079	767,159
Purchases	<u>106,417</u>	<u>10,920</u>
Balance - end of year	\$ <u>884,496</u>	<u>778,079</u>

There were no transfers in or out of Level 3 during the year ended March 31, 2019 (2018 - \$NIL).

The financial investments classified as Level 3 securities are carried at cost as fair value cannot be reliably estimated. Therefore no significant unobservable inputs have been considered in determining its value. The application of sensitivity analysis is therefore not relevant.

26. Capital Management

The Credit Union's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of financial institutions where the Credit Union operates;
- To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns to its members and benefits to other stakeholders, and
- To maintain a strong capital base to support the development of its business.