BUREAU OF STANDARDS JAMAICA

45th ANNUAL REPORT 2015-16

EMBARKING ON A JOURNEY TO IMPROVED SERVICE DELIVERY

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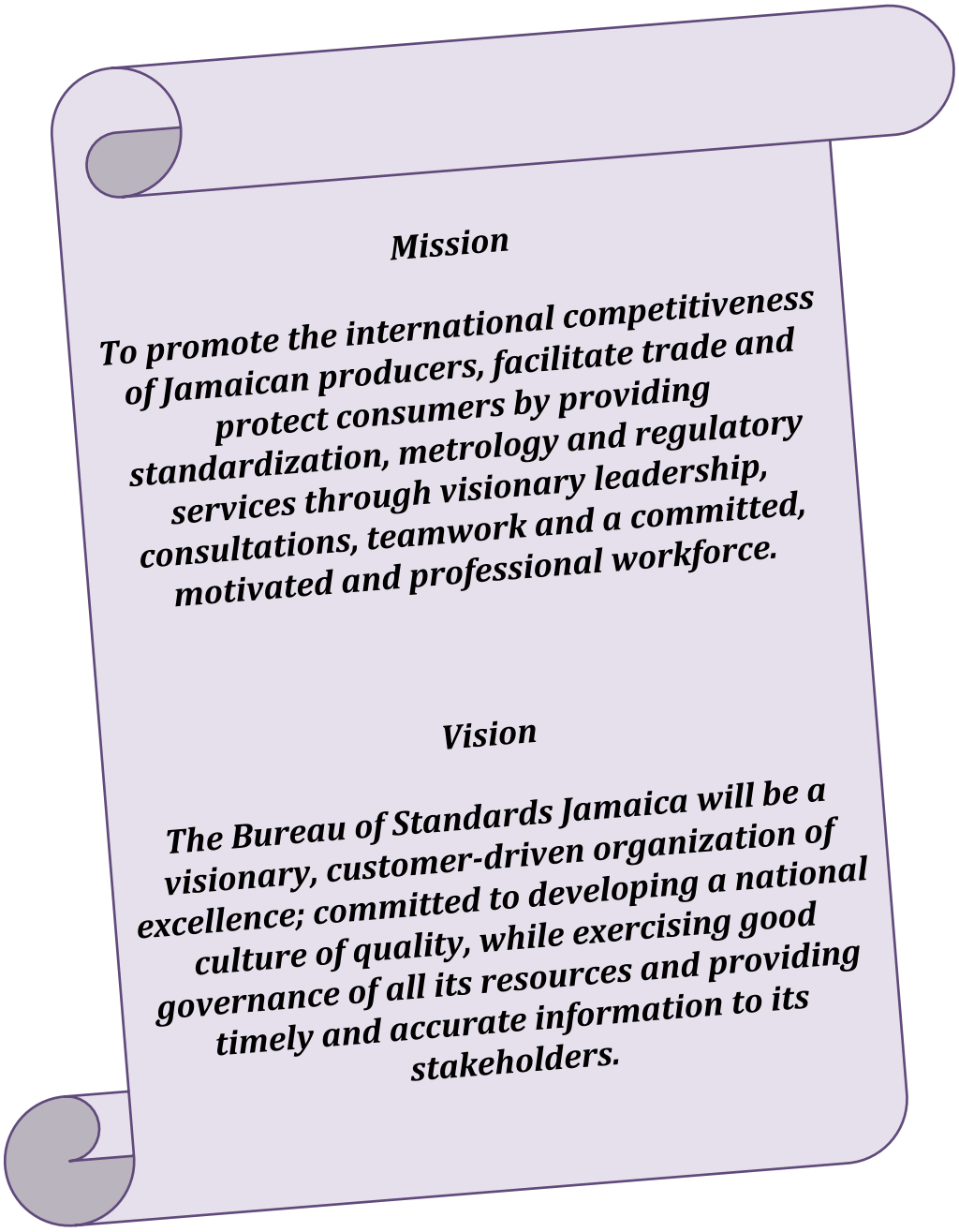

Core Values

Integrity/Trust ♦ Professionalism ♦ Responsiveness/Accessibility ♦ Responsibility/Accountability ♦ Customer-focused

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ACRONYMS AND ABBREVIATIONS

BIPM	Bureau of International Weights & Measures
BMAJ	Block Makers Association of Association
BSJ	Bureau of Standards Jamaica
BU	Brunel University
CAC	Codex Alimentarius Commission
CARICOM	Caribbean Community
CARIMET	Caribbean Metrology Sub-group (of SIM)
CASCO	ISO Policy Committee on conformity assessment
CIPM	Committee of International Weights & Measures
COPANT	Pan-American Standards Commission
CROSQ	CARICOM Regional Organisation for Standards and Quality
DEVCO	ISO Policy Committee on developing countries matters
EC	European Community
FDA	Food and Drug Administration
FSMA	Food Safety Modernization Act
HACCP	Hazard Analysis Critical Control Point
ICC	International Code Council
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
INBAR	International Network for Bamboo and Rattan
ISO	International Organization for Standardization
JAPA	Jamaica Agro-Processors Association
JANAAC	Jamaica National Agency for Accreditation
JBDC	Jamaica Business Development Corporation
JBI	Jamaica Bauxite Institute
JEA	Jamaica Exporters Association
JMA	Jamaica Manufacturers' Association
MIIC	Ministry of Industry, Investment & Commerce
MOU	Memorandum of Understanding
MSME	Micro Small and Medium-sized Enterprise
NC	National Standards Bureau (Cuba)
NCBJ	National Certification Body of Jamaica
NCRA	National Compliance & Regulatory Authority
NCSL International	National Conference of Standards Laboratories International
NMIs	National Metrology Institutes
PBMA Act	Public Bodies Management and Accountability Act
PCA	Pesticides Control Authority
SIM	Inter-American Metrology System
SRC	Scientific Research Council
TBT	Technical Barriers to Trade
TC	Technical Committee
TIC	Technical Information Centre
SC	Subcommittee
UL	Underwriters Laboratories
UTech	University of Technology
UWI	University of the West Indies
WTO	World Trade Organization

EXECUTIVE SUMMARY

As the national standards body, during 2015-16, the BSJ continued to undertake trade facilitation, business development and consumer protection activities in connection with standardization, metrology and conformity assessment.

As at 4 January 2016, the BSJ commenced the transitioning of its role of regulator for locally manufactured and imported commodities for which there are compulsory standards as well as legal metrology activities to the National Compliance & Regulatory Authority (NCRA). The NCRA was established in July 2015 and operates independently from the BSJ in the execution of its technical activities which includes registering processed food establishments, inspecting goods at the ports of entry and in the domestic market for compliance and legal metrology activities. The BSJ provides the NCRA with corporate services such as human resource management and development, facilities management, financial management and IT support.

During the 2015-16 financial year, the BSJ continued to implement initiatives to ensure health, safety and fair trade; facilitate trade and business development; enhance organizational efficiency and effectiveness; promote and demonstrate the value of standardization, metrology, conformity assessment and quality; and promote energy efficiency and responsible environmental practices.

Achievements during the reporting period included the commencement of three projects: *Strategic Public Sector Transformation Project* (funded by World Bank loan of US$4.78M), and the *Capacity Building in Jamaican Micro, Small and Medium-sized Enterprises (MSMEs) in the Agro-Processing Sector to satisfy international Food Safety Requirements* and the *Capacity Building for Market Access Project* (grant-funded by CARIFORUM/EU through the Caribbean Development Bank). Grant funding for the CDB-funded projects totaled US$336,565.42 with the BSJ contributing US$69,608 to the Capacity Building for Market Access Project.

The anticipated outcomes from these projects are institutional strengthening and an enhancement of the organization's role in the areas of trade facilitation, industrial growth and the protection of the health and safety of the Jamaican people. The *Capacity Building in Jamaican Micro, Small and Medium-sized Enterprises (MSMEs) in the Agro-Processing Sector to satisfy international Food Safety Requirements* was concluded in October.

The organization took a significant step in demonstrating its commitment to excellence in service provision with the attainment of certification to ISO 9001:2008. The BSJ was certified by BSI (UK Certification Body) for the provision of services in relation to facilitating the development of standards for commodities, services, practices and processes; performing conformity assessment activities and promoting research and education in standardization.

Significant milestones in the organization's efforts to attain accreditation of critical food tests were achieved with the accreditation of 15 tests conducted by the Microbiology Laboratory and one test (can seam analysis) conducted by the Packaging Laboratory. The accreditation of these tests brought the total number of accredited food tests to 25 – the other 9 tests are conducted by the Chemistry Laboratory.

Efforts to facilitate trade and business development continued with the publication of 43 standards (35 products and 8 services); the signing of a Memorandum of Understanding (MOU) with JAMPRO to support its Enterprise Development for Export Growth Programme (April); the renewal of a Memorandum of Understanding with the Jamaica Manufacturers' Association to support the continued implementation of the BSJ/Business Partnership Programme.

Other activities included the provision of nearly $1M in discounts on selected services to eligible Micro, Small and Medium-sized Enterprises (MSMEs). These initiatives were complemented with the provision of training solutions to external stakeholders in the areas of food safety, quality, risk, project and occupational health and safety management; and supply chain security and traceability.

The BSJ's management systems certification unit, the National Certification Body of Jamaica, was recognized to have attained full conformance to requirements of ISO/IEC TS 17021-3:2013*Conformity assessment -- Requirements for bodies providing audit and certification of management systems -- Part 3: Competence requirements for auditing and certification of quality management systems*. During the review period, one new client was certified to ISO 9001 and two other clients were re-certified to that standard. This brought the total number of certified clients to seven.

In furtherance of the NMI (National Metrology Institute) User Relations Project, separate 2-year collaborative agreements were signed with The Mico University College (June) and the University of Technology, Jamaica (July) regarding the incorporation of metrology in the science curriculum. Additionally, in October, a MOU was signed with the Development Bank of Jamaica (DBJ) towards the implementation of a project to attain accreditation of the BSJ's Training Unit to ISO/IEC 17024 and accreditation of its certificate programs to ASTM E2659-15. The total budget for the project is J$13M with the DBJ providing the BSJ with J$6M of this sum.

During the review period, the BSJ continued to implement the Bamboo Products Industry Project. Achievements under the project included the export of over 80,000 pounds of internationally certified organic bamboo charcoal to the USA and St Maarten, the local manufacture of an organic bamboo charcoal kiln, the commencement of the Peckham Bamboo Project in Northern Clarendon (officially launched in May) and the associated BSJ/UWI Bamboo Research Project and the establishment of the Bamboo Industry Association.

The accomplishments of the BSJ throughout the year would not have been possible without the invaluable support from our local and overseas partners, the external stakeholders who volunteered their time and expertise, the guidance of the Standards Council and the commitment and contribution of the management and staff. Moving forward, the BSJ is committed to building its standards, metrology and conformance infrastructure as it seeks to enhance its contribution to Jamaica's economic growth and development.

BSJ IN FIGURES

Portfolio of National Standards

(by technical sector at the end of 2015-16)

30%
Agriculture & Food Technology

4.4%
Information Technology

12.2%
Clothing, Textile and Leather Technology

4.2%
Mechanical Engineering

11.3%
Construction Materials and Building

2.7%
Metallurgy

8.4%
Packaging, Labelling & Distribution of Goods

1.9%
Tourism Services

6.3%
Management Systems (Quality, Environment, Society Security, Risk)

1.7%
Sports & Recreational Equipment

5.4%
Industrial & Chemical

1.1%
Generalities (Standardization, Metrology)

4.8%
Electrical Engineering

1%
Furniture & Bedding

4.6%
Healthcare & Cosmetics

BSJ IN FIGURES

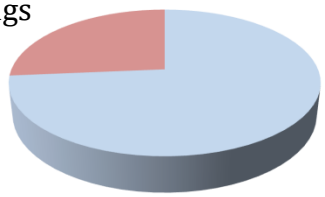
Technical Committees

140 volunteers

21 technical committees

7 sub-committees

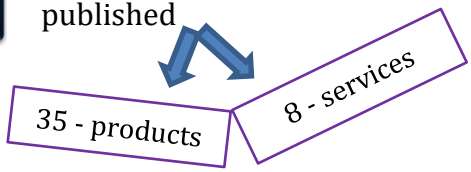
48 sub-committee meetings

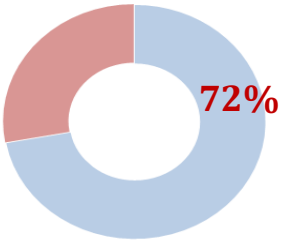


134 technical committee meetings

Published Standards

43 national standards published

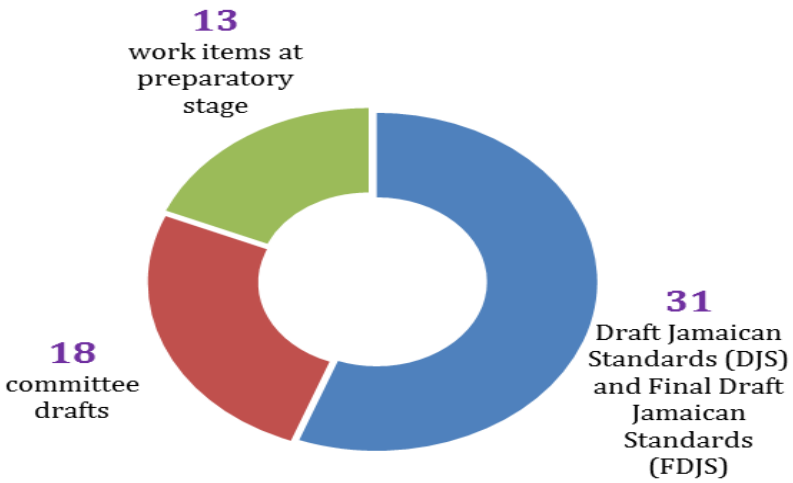




of published national standards of regional &international origin

Work in Progress

(remaining work items on the Standards Action Plan at the end of the year)



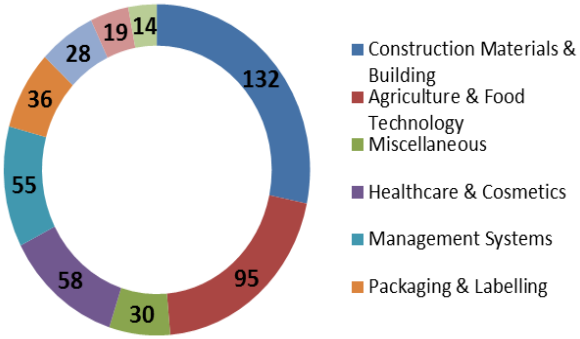
New Standards Projects

31 new projects (work items) registered during the year

BSJ IN FIGURES

Standards Sold & Used

467 standards sold generating revenue of **J$3.5M**



1,495 enquiries On standards and related technical matters

Regional & International Involvement

43 ISO international committees in which membership is held

98% voting submission rate on CARICOM and ISO standards

1,445 WTO notifications distributed

Monitoring & Inspection

100,762 products inspected

1,627 consignments inspected

7,087 weighing and measuring devices verified

865 certificates of conformity issued for processed foods tested and weighing and measuring devices verified

Certification

National Certification Body of Jamaica

8 companies certified by NCBJ to ISO 9001:2008

70 products certified - manufactured by **26** companies

5 manufacturing facilities certified

BSJ IN FIGURES

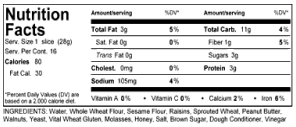
Metrology & Testing

27,672 laboratory tests conducted

9 laboratory inter-comparisons/proficiency testing exercises organized/facilitated

2,883 calibrations conducted

65 pieces of laboratory equipment commissioned



125 labels verified

21 computers purchased and deployed

Training & Development

69 training and development opportunities

210 staff

29 training courses delivered

497 external stakeholders

33 students engaged through summer employment

Financing

US$5.3M - value of overseas funding secured

J$6M - value of local funding secured

J$1.52M - value of discounts on laboratory services provided to MSMEs

1.0 CORPORATE PROFILE

1.1 Establishment of the BSJ

The Standards Act of 1969 established the BSJ as a statutory organization to promote and encourage the maintenance of standardization in relation to commodities, processes and practices. Over time, its role expanded to include the provision of services in relation to conformity assessment (certification, inspection, testing, and calibration) and metrology.

1.2 Mandate

By virtue of its legal mandate, the BSJ performs trade facilitation, business support and consumer protection roles in connection with standardization, metrology and conformity assessment (certification, testing, calibration, and inspection). The legal framework governing the operations of the BSJ is outlined below.

Figure 1: Legal Framework

- *Standards Act (1969) and attendant Regulations*
- *Processed Food Act (1959) and attendant Regulations*
- *Weights & Measures Act (1976) and attendant Regulations and Orders*
- *CARICOM Regional Organization for Standards and Quality Act (2005)*
- *Trade Orders promulgated pursuant to Trade Act (1955)*
- *Petroleum (Quality Control) Regulations (Amendment) Regulations (2013) promulgated pursuant to the Petroleum (Quality Control) Act (1990)*
- *Customs (Prohibition of Importation of Goods) Order (1991) and Customs (Prohibition of Importation of Goods) (Miscellaneous Goods) Order (2010) promulgated pursuant to the Customs Act (1941)*
- *Road Traffic (Protective Devices) Regulations (1999) promulgated pursuant to the Road Traffic Act (1938)*

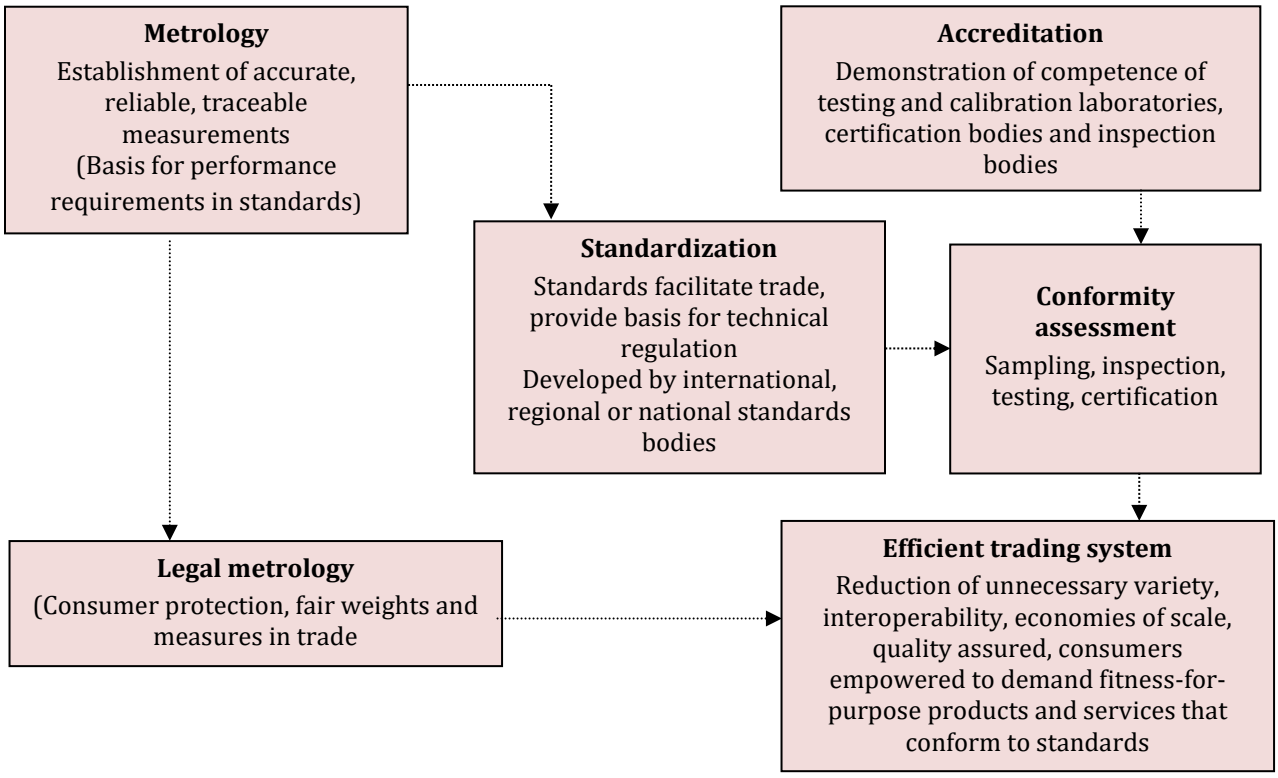
1.3 Main Activities

The BSJ serves to underpin the national trade infrastructure, which supports the key objectives of the Government in providing an environment that is both supportive of businesses and maintains Jamaica's trading reputation for quality goods and services, while also protecting the consumer.

Metrology is the ability to accurately determine length, mass, volume and temperature. Without reliable means of measurement there would be no technical standards. A national measurement or metrology system is therefore the first step in facilitating trade. **Standards** are used as the technical basis for trade in products and services, or as a means of facilitating compliance to technical regulations. **Conformity assessment** is the practice of determining whether a product, service or system meets the requirements of a particular standard.

Metrology, standardization, and conformity assessment are the pillars of knowledge for developing a technical infrastructure, and thereby enabling sustainable development and full participation in global trade. These are the building blocks for improved market access and the creation of an efficient trading system. It is in relation to metrology, standardization and conformity assessment that the BSJ provides its services to the nation and the region. Accreditation services are offered by the Jamaica National Agency for Accreditation (JANAAC). *Figure 2* demonstrates this principle.

Figure 2: How metrology, standardization and conformity assessment are interlinked
(Adopted from ISO Publication - Fast forward: National Standards Bodies in Developing Countries, 2nd Ed., 2013)



1.3.1 Products and Services

Standards Development - The BSJ facilitates the development of national, regional and international standards for products, processes, services and systems through a transparent, open and consensus-based process, involving interested stakeholders. In addition, the BSJ facilitates the adoption or adaptation of regional and international standards as well as those developed by other standards bodies.

Provision of Standards and related Technical Information

- **The Artnel Henry Standards and Technical Information Centre (TIC)** - The TIC is an on-site technical library which provides access to a comprehensive collection of books, periodicals and over 60,000 local and foreign standards. From the TIC, standards and related information products can be accessed and purchased.
- **World Trade Organization (WTO)/Technical Barriers to Trade (TBT) National Enquiry Point** - The BSJ serves as the central point of contact in Jamaica for WTO member countries to obtain information on standards and related market entry requirements. The BSJ observes and promotes the WTO/TBT principles in facilitating standardization in Jamaica.
- **EPA Focal Point** - The BSJ serves as the central point of contact in Jamaica for signatories to the CARIFORUM-EC Economic Partnership Agreement to obtain information on standards and related market entry requirements.
- **National Codex Contact Point** - The National Codex Contact Point is the central coordination point for all Codex activities in Jamaica. It serves as the initial recipient of Codex documents, publications and other communications, and maintains a library of Codex standards, codes of practice and guidelines. The Codex Contact Point works in close cooperation with the National Codex Committee, which has the responsibility to consider technical and related issues and formulate advice for government. The BSJ also provides the Secretariat for the National Codex Committee.

National Food Safety Modernization Secretariat and Task Force - The BSJ chairs the National Food Safety Modernization Task Force and provides the Secretariat for same. The primary purpose of the Task Force is to assist food exporters to achieve compliance to the US Food Safety Modernization Act and Safe Food for Canadians Act.

Testing and Calibration - The BSJ's laboratories offer technical advice, and provide testing and analytical services in the fields of chemistry; microbiology; electrical/electronic and mechanical engineering; packaging; furniture; and non-metallics. The calibration services offered by the BSJ help users of measuring instruments and standards to obtain the highest possible levels of measurement quality and to conform to quality system requirements.

Product and Systems Certification - The BSJ administers a number of voluntary certification programmes aimed at improving the quality of manufacturing processes and the resultant outputs. Marks of quality are issued in respect of products or manufacturing plants that are found to be in conformance with relevant standards and other requirements. Management systems certification services are provided by the National Certification Body of Jamaica (NCBJ).

Training Programmes - The BSJ provides niche training on a broad range of standardization and related topics. In collaboration with the Professional Evaluation and Certification Board (an accredited personnel certification body), certified courses are offered for a wide range of professional standards, including ISO 9001 (quality management), ISO 14001 (environmental management), ISO 22000 (food safety management), ISO 31000 (risk management), ISO 22301(business continuity management), and OHSAS 18001 (occupational health and safety management).

1.4 Quality and Environmental Management System

The BSJ attained certification to ISO 9001:2008 *Quality Management Systems – Requirements* from BSI (UK certification body)in February 2016 for the following scope: the provision of services in relation to facilitating the development of standards for commodities, services, practices and processes; performing conformity assessment activities; and promoting research and education in standardization. This achievement was an indication that the organization has a quality management system that meets the requirements of ISO 9001:2008.

Four of the organization's laboratories (Chemistry, Microbiology, Packaging and Mass) are accredited to ISO/IEC 17025:2005 *General requirements for the competence of testing and calibration laboratories* for specified tests. Efforts will continue to maintain and expand the scope of the accreditation to the standard. Implementation of ISO 14001:2004 *Environmental Management Systems – Requirements* will continue within the organization with the aim of attaining certification to this standard in the near future.

In implementing these systems, the BSJ is seeking to improve its products, services and programmes with the aim of enhancing customer satisfaction. The management systems provide confidence to both internal and external stakeholders that the organization's systems and practices conform to internationally recognized standards.

2.0 CORPORATE GOVERNANCE

The BSJ falls under the aegis of the Ministry of Industry, Commerce, Agriculture& Fisheries (MICAF) (formally the Ministry of Industry, Investment & Commerce - MIIC) and is governed by a fourteen-member Standards Council comprised of a Chairman, the Director of Standards (Executive Director) and twelve stakeholder group representatives, appointed by the Minister of the aforementioned Ministry. The BSJ has a main office in Kingston and four regional offices located in Savanna-la-mar, Montego Bay, Ocho Rios and Mandeville.

2.1 Standards Council

The Standards Council (also referred to as the Council) is responsible for setting policy and overseeing the general administration of the BSJ. The Council's principal focus is the overall strategic direction, development and control of the BSJ. In support of this, the Council maps out and reviews the organization's medium and long term strategic plan on an annual basis in order to align the organization's business directions and goals with the prevailing economic and market conditions.

The Council's other main duties include regular oversight of the business operations and performance, and ensuring that the internal controls and risk management processes of the organization are in place and are implemented consistently. To enhance its governance and accountability practices, a staff representative serves on the Standards Council as an ex-officio member.

2.1.1 Standards Council and Committees

The Standards Council executes its mandate through six technical committees, whose roles and responsibilities are outlined in *Table 1.*

Table 1: Committees of the Standards Council

Name of Committee	Responsibilities
Standards & Technical Committee	▪ Sets policy guidelines for the development of standards and technical regulations. ▪ Advises on the development of the metrology and conformity assessment infrastructure. ▪ Oversees projects and developmental activities.
Executive Committee	▪ Reviews and advises on the organization's financial matters. ▪ Reviews and advises on the strategic direction and goals relating to succession planning, compensation and benefits, labour relations management, recruitment, training and development, and performance management. ▪ Reviews and justifies the organization's proposal for disposing of its tangible assets.
Audit & Risk Management Committee	▪ Reviews the internal audit activity; assists with financial reporting, risk management and legal compliance. ▪ Advises on how to achieve improved productivity and quality of service.
Procurement Committee	▪ Gives oversight to the procurement of goods, works and services. ▪ Reviews the procurement process and makes recommendation to the Standards Council. ▪ Reviews and justifies the organization's proposal for acquiring assets.
Information Technology & Communication Committee	▪ Set policy guidelines in relation to the BSJ's Information Technology and Communication (ITC) System ▪ Advises on the development of the BSJ's ITC infrastructure

2.1.2 Standards Council Members

PROF. WINSTON DAVIDSON, CD, JP
Chairman

STEPHEN WEDDERBURN
Vice-Chairman

NOELDACOSTA, CD
Chairman, Standards & Technical Committee

SILBURN CLARKE
Chairman, Executive Committee

OBINNA BLAKE
Chairman, Procurement Committee

LORICE EDWARDS-BROWN
Chairman, Audit & Risk Management Committee

PAUL ELLIS, JP
Council Member

LEONARD GREEN
Council Member

LAWRENCE HENRY
Council Member

HUGH JOHNSON
Council Member

DR. SYLVIA MITCHELL
Council Member

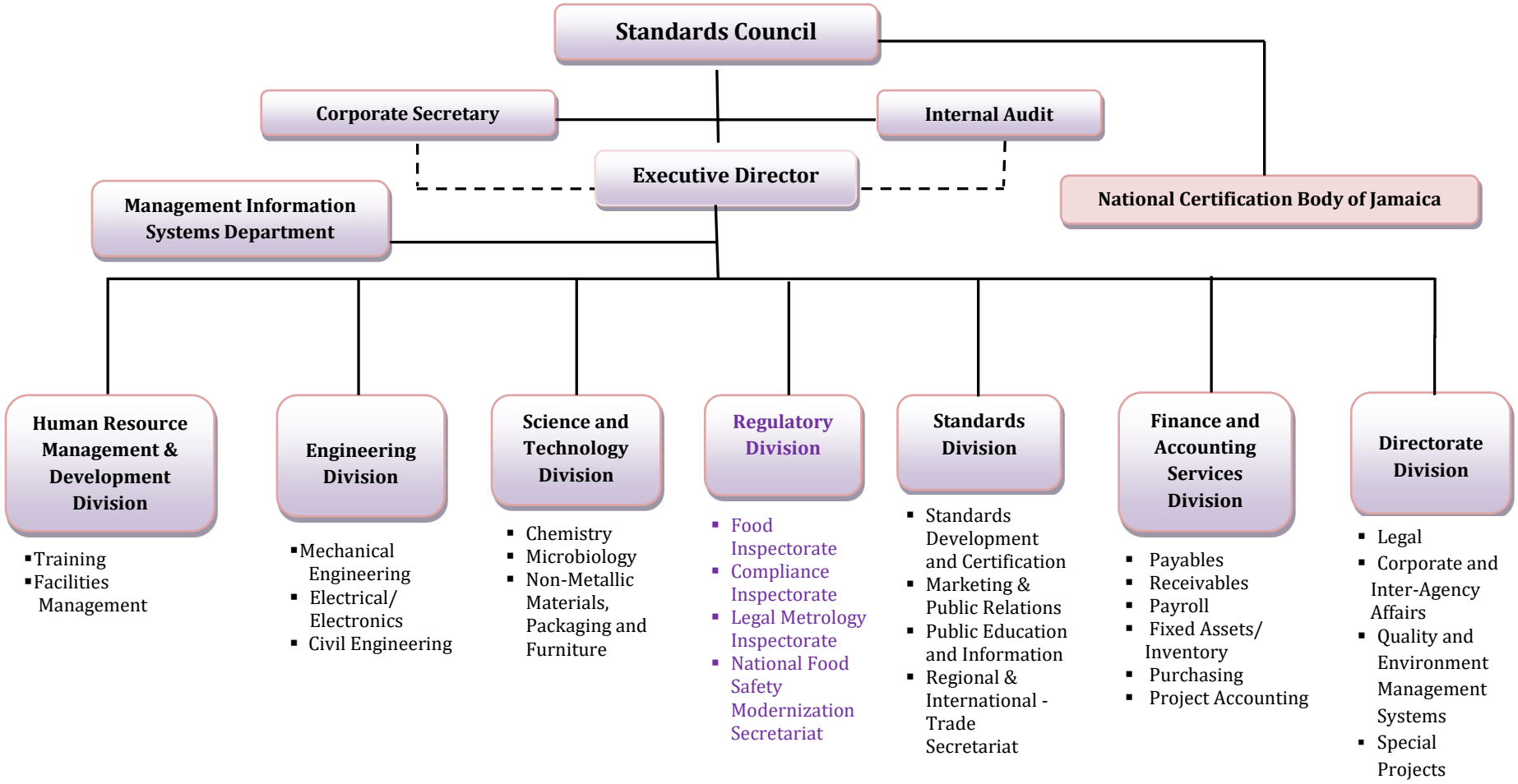
CHRISTOPHER POWELL
Council Member

YVONNE HALL
Executive Director, BSJ

2.2 Corporate Structure

The policies established by the Standards Council are operationalized by a staff of 221 as at 31 December 2015. The organization is led by an Executive Director, who is supported by a senior management team. The organizational structure as at 31 December 2015 is presented in *Figure 3*. Effective 4 January 2016, the structure was modified with the separation (firewalling) of the Regulatory Division, which was transformed into the NCRA. With the separation, the staff complements of the BSJ and NCRA were 169 and 52 respectively.

Figure 3- Corporate Structure (as at 31 December 2015)



2.3 National Certification Body of Jamaica

The National Certification Body of Jamaica (NCBJ), a unit of the Bureau of Standards Jamaica, was established in 2007. It is accredited by the ANSI-ASQ National Accreditation Board as an internationally recognized certification body conforming to ISO/IEC 17021:2011 *Conformity assessment -- Requirements for bodies providing audit and certification of management systems* to provide certification services in accordance with ISO 9001:2008. Its independence from the BSJ is assured through a "Chinese wall" to ensure that there is no intermingling of operational processes between the BSJ and the NCBJ that may pose a risk to impartiality or constitute a conflict of interest.

Logo

With the publication of the 2015 revision of 1SO 9001 in September 2015, the clients of the NCBJ will be required to transition to this new standard. The transitioning process is to be completed by the end of the third quarter in the 2018/19 financial year.

Certification Mark

Certification of a company by the NCBJ demonstrates that the company's products, processes, systems or services are conformant, not only with local regulations, but the relevant international management system standard. With its cadre of highly qualified, experienced and competent auditors (15 persons), technical experts (6 persons) and staff (5 persons), the NCBJ provides services comparable with any of the leading certification bodies throughout the world.

2.4 National Compliance and Regulatory Authority

In July 2015, Cabinet approved the separation (firewalling) of the Regulatory Division of the BSJ to establish a National Compliance and Regulatory Authority (NCRA). This separation is being undertaken as part of the Strategic Public Sector Transformation Project to remove an inherent conflict of interest whereby the BSJ spearheads the development of the compulsory standards which it simultaneously enforces. The change will result in conformance with the World Trade Organization (WTO)/Technical Barriers to Trade (TBT) Agreement. Operationalization as the NCRA commenced on 4 January 2016 with the engagement of the Chief Executive Officer (CEO) and the establishment of an Advisory Board.

The NCRA is responsible for registering processed food establishments, inspecting goods at the ports of entry and in the domestic market for compliance, and legal metrology. These activities are undertaken by a staff of 52 which operate from the BSJ's Headquarters in Kingston and 4 regional offices (Montego Bay, Ocho Rios, Mandeville and Savanna-la-mar). The BSJ provides the NCRA with corporate services, namely, human resource management and development; corporate planning and budgeting; financial management; facilities management; and information and communication technology (ICT) support.

During an 18-month transitional period, the requisite legislative framework will be developed and submitted for consideration. In addition, the efficacy of the firewalled arrangement will be monitored and evaluated to determine the oversight and administrative mechanisms required for the operation of a separate and independent regulatory authority under its own statute.

2.4.1 Main Activities of the NCRA

Food Safety Activities - Processed food establishments are inspected to ascertain compliance with regulatory requirements including the observance of proper hygiene and good manufacturing practices. All processed food establishments are subject to an annual registration process to confirm that critical food safety systems and controls are in place.

In addition to examining the physical establishment, observing the processes and examining the records, product samples are taken and tested in the organization's food testing laboratories. Approval certificates are issued if products are found to be in compliance. Establishments which fail to consistently adhere to regulatory requirements are encouraged to adopt Good Manufacturing Practices (GMPs) or other equivalent systems of food safety such as the Hazard Analysis Critical Control Points (HACCP) system.

Standards Compliance Activities - Under its Standards Compliance/Import Monitoring Programme, the compliance of imported products with the requirements of compulsory standards (technical regulations) and labelling regulations by conducting inspections, examinations and investigations at the ports of entry and the premises of importers as well as related regulatory compliance testing is ensured. In addition, construction materials that are imported (steel and cement) and locally manufactured (cement, hollow concrete blocks, ready-mixed concrete, and aggregates) are also sampled to ensure compliance. As it relates to hollow concrete blocks, manufacturers of this commodity are required to be registered.

Legal Metrology Activities - These activities are undertaken to ensure the accuracy of weighing and measuring instruments (e.g. scales, tanker wagons, gas nozzles at petrol stations, and weighbridges) used in trade. By undertaking these activities confidence in the measurement of quantities of goods on sale to consumers is maintained.

3.0 REPORT ON PERFORMANCE

This section provides information on the organization's performance against the objectives and targets associated with each of the five strategic goals outlined in the Corporate Plan for 2015-18 (See *Figure 4*).

Figure 4: Strategic Goals

1. *Enable health, safety and fair trade*
2. *Facilitate trade and business development with a focus on enabling the sustainable development of Jamaica's export trade*
3. *Enhance organizational efficiency and effectiveness with a focus on growth and sustainability*
4. *Promote and demonstrate the value of standardization, metrology, conformity assessment and quality*
5. *Promote energy efficiency and environmentally responsible practices*

To achieve these strategic goals, the BSJ supported the Government of Jamaica's move towards enhancing Jamaica's economy, efficiency and international competitiveness. This was effected through alignment of its initiatives with National Outcomes in the Vision 2030 National Development Plan and the Strategic Priorities of the MIIC (see *Figures 5* and *6*).

Figure 5: Vision 2030 National Outcomes

- *A Healthy and Stable Population*
- *An Enabling Business Environment*
- *Energy Security and Efficiency*
- *Internationally Competitive Industry Structures*

Figure 6: MIIC's Strategic Priorities 2015-16

- *Improving the business environment*
- *Enhancing service delivery through ICTs*
- *Integrating into the global supply and value chain*
- *Supporting the development of MSMEs*

3.1 Strategic Goal #1: Enable health, safety and fair trade

Support for Vision 2030 National Outcome of ensuring "a healthy and stable population" and fairness in trade was the driving force behind the execution of regulatory activities. As at December 2015, the activities were undertaken by the Regulatory Division within the BSJ and as at January 2016, they were undertaken by the NCRA. The information below however, reflects performance for the financial year. Activities undertaken during the reporting period included: monitoring and compliance at the ports of entry, the premises of importers and in the domestic marketplace; inspection and registration of processed food establishments; and the testing and verification of weighing and measuring devices (legal metrology activities). See *Table 2* for performance vis-à-vis key performance indicators.

Table 2: Regulatory Activities - Key Performance Indicators (KPIs)

Performance Indicator	Target	Result
% of processed food establishments in compliance with regulatory requirements	≥75%	76%
% of registration certificates for processed food establishments issued within 5 days of satisfying requirements	≥90%	97%
% level of compliance of imported products inspected at the ports of entry and site of importers with regulatory requirements	≥95%	97%
% level of compliance of products inspected in the domestic marketplace with regulatory requirements	≥92%	98%
% level of compliance of weighing and measuring devices used for trade with legal requirements	≥95%	97%

During the reporting period, the BSJ continued to fulfill its responsibilities under the Jamaica Public Service Company Meter Testing Programme by testing and verifying electricity meters, on behalf of the Office of Utilities Regulations (OUR), conduct testing of electrical/electronic commodities, and construction materials. The BSJ also continued to play an integral role in the execution of activities towards the establishment of a regulatory framework for radiation protection.

3.1.1 Regulating Local Processed Food Production

Processed food establishments are inspected to ensure that proper hygiene (food and personal) and good manufacturing practices are observed. Establishments are subject to an annual registration process to confirm that requisite regulatory requirements have been met. At the end of the reporting period, 76% of the processed food establishments were registered with the BSJ. Failure to attain registration status was due to various non-conformances including: poor physical infrastructure, unhygienic conditions, improper sanitation practices, poor personal hygiene practices, unsatisfactory test results, and poor record keeping.

3.1.2 Import Monitoring and Market Surveillance

Monitoring and inspection of consignments of imported products, for which compulsory specifications have been declared, continued at the ports of entry, and the premises of importers. Consignments were detained due to labeling breaches and to ascertain their compliance through conformance testing. Consignments detained for labelling breaches included: food & beverage, household supplies, clothing, footwear, toys, baby items, and personal care items.

Post-market surveillance of locally manufactured and imported products in the domestic marketplace continued with products being withdrawn for having expired, damaged packaging, processed food manufactured by establishments not registered with the BSJ, and labeling breaches. Most labelling breaches identified were satisfactorily addressed and the items subsequently released for sale.

<u>*Hollow Concrete Blocks*</u> - An assessment of the level of compliance of hollow concrete blocks sampled from over 200 block manufacturing plants with the relevant standard specification (JS35:2011 *Hollow concrete blocks*) revealed a high failure rate (83%) in the area of compressive strength. In seeking to enforce the standard and ensure consumer safety, a number of initiatives were implemented including:

- discussions with the Block Makers' Association of Jamaica on the adverse findings and the technical requirements for the manufacturing of blocks as outlined in the relevant standard;
- implementation of a public education programme targeting block manufacturers and end-users of blocks island-wide – included the standards requirements for the manufacture of the blocks, enforcement action for non-conformance, publication of the list of registered block manufacturing plants and advisories to the public to only purchase blocks from registered plants or from distributors that can confirm that the blocks were acquired from a registered plant; and
- implementation of a more rigorous monitoring and enforcement regime.

<u>*Contaminated Fuel (Bad Gas) Issue*</u>-In response to complaints from motorists of substandard petrol (90 octane and 87 octane) that had been purchased from petrol stations across the island, the BSJ started a probe into the matter in December 2015. It was alleged that the substandard petrol was damaging the engine of vehicles.

Petrol samples were taken from service stations across the island. Those stations found to have levels of unwashed gum above 35mg/100ml in petrol dispensed, had their respective gas nozzles closed by the BSJ/NCRA Inspectors. Collection of samples was principally from the service stations against which consumer complaints had been made to the Consumer Affairs Commission.

From December 2015 to March 2016, the BSJ/NCRA collected and tested petrol samples from 35 service stations island-wide. Based on the test results, closure notices were issued for nozzles at 18 service stations. The closure notices were lifted when the re-sampling and testing of the petrol and ethanol revealed that the level of unwashed gum was within specifications.

In March 2016, the Petroleum Trade Reform Committee which was formed in December 2015 to investigate the nature and source of contaminated petrol and make recommendations to protect the integrity of the petroleum trade submitted its Interim Report to Cabinet. Notwithstanding the engagement of an independent, internationally accredited industry expert from the USA to assist with its investigations, the report was inconclusive on the circumstances under which contaminated petrol entered the local petroleum trade. It is expected that the Committee's final report will be submitted to Cabinet in April by the Minister responsible for Energy. During the next financial year, in response to customer complaints and in fulfilment of its mandate to protect consumers, the BSJ/NCRA, will continue to sample and test petrol from service stations across the island.

3.1.4 Ensuring fair trade

Testing and verifications conducted throughout the year indicated a high degree of compliance. The BSJ inspects and verifies weighing and measuring devices used for trade to ensure consumers have the information needed to make informed purchasing decisions and to ensure that businesses are trading in a fair marketplace. Testing and verifications conducted throughout the year indicated a high degree of compliance.

The organization, on behalf of the Office of Utilities Regulation (OUR), continued to fulfill its responsibilities under the Jamaica Public Service Company Meter Testing Programme by undertaking acceptance testing of 52,571imported electricity meters. Two types of electricity meter were approved for installation in the field. In addition, two customer complaints about an electricity meter were addressed – the meter was found to have met the applicable standards requirements.

3.1.6 Regulatory Infrastructure for Radiation Protection

Cabinet Decision No. 01/11 of 10 January 2011 had approved the establishment of a radiation safety authority within the BSJ. However, the Nuclear Safety and Radiation Protection Act, 2015 mandated the creation of a new regulatory authority named the Hazardous Substances Regulatory Authority (HSRA) for the regulation of activities, practices, apparatuses and facilities involving ionizing radiation and nuclear technology. As a result, effective September 2015, the responsibility for establishing the regulatory infrastructure for radiation safety and the control of radioactive sources was transferred to the portfolio Ministry. The BSJ however continued to provide technical input for the drafting of attendant regulations and represent Jamaica in the international arena in the area of nuclear safety and security.

3.2 Strategic Goal #2: Facilitate trade and business development

During the year under review, the BSJ focused on improving the "business environment" and fostering the growth of "internationally competitive industry structures" through facilitating the development and adoption of standards of relevance to the Jamaican society, and the provision of product and management systems certification services. Through the implementation of collaborative initiatives with private and public sector business support organizations, the BSJ continued to foster business development and competitiveness. Efforts geared towards facilitating trade and improving market access included activities undertaken to fulfill requirements of the WTO/TBT Agreement, and the support provided to food exporters to comply with the new US and Canadian food regulations. *Table 3*presents performance vis-à-vis key performance indicators.

Table 3: Facilitating Trade and Business Development - KPIs

Performance Indicator	Target	Result
# of standards completed	70	55
% voting performance on CARICOM Regional Standards	≥95%	94%
% voting performance on ISO standards	≥95%	98%
% of stakeholder enquiries for technical information addressed within 3 business days	≥90%	100%

3.2.1 Standards Development and Harmonization

As Jamaica's national standards body, the standardization programme is administered through an industry-led Standards Council, which advises on the policies, strategies and initiatives of the national standardization programme. It comprises eminent individuals from the business community as well as senior management from key government agencies that leverage on standards to fulfil their policy objectives.

As at the end of the financial year, the status of the standards development work programme was as follows:

- 121 (75 - products, and 46 - services) standards projects on the National Standards Action Plan.
- 55 standards completed by the BSJ. Of this number, 43 standards (35 - products and 8 - services) were published (see *Appendix 1)*. 72%of the published standards were adoptions.

Stakeholder Engagement

Chairman of Standards Council, Winston Davidson (2nd R), with members of the Playground and Play/Sport Equipment Technical Committee: TC Chairperson – Rebecca Tortello (3rd R), TC Member - David Allen (R), and TC Facilitator - Tafara Smith (L).

Technical Committees are responsible for the development and review of standards. The Technical Committee members are the lifeblood of standardization. During the year under review, 140 stakeholders, who had served 21 technical committees (TCs) and 7 subcommittees (SCs) (See Appendix 2), gave their time and expertise to ensure the development of standards for efficient production of goods and services and for consumer protection.

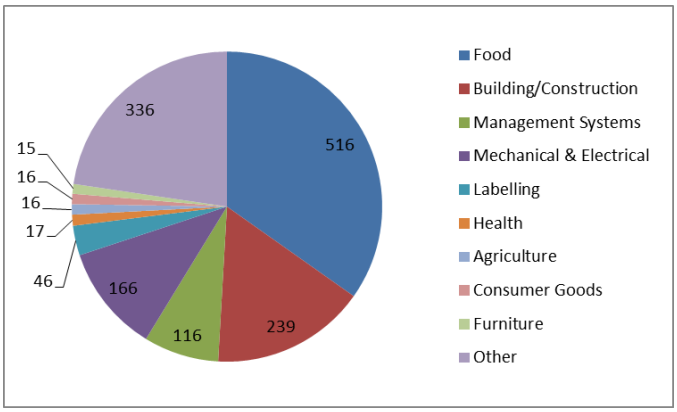
On 14 October, which was celebrated as World Standards Day, the BSJ hosted a luncheon to recognize their sterling contribution and the BSJ staff who had facilitated the work of the committees. The Playground and Play/Sport Equipment Technical Committee was named Technical Committee of the Year for facilitating the adaptation and adoption of twelve standards during the year.

3.2.2 *Standards and other Technical Publications*

The BSJ's TIC is the national resource centre for information on standards and related matters and meets the needs of industry, trade, government, academia, students and consumers alike. The collection includes over 60,000 standards from all over the world and about 5,500 technical books. On-line access is available to ISO, UL and ASTM standards collections.

Of the 1,495 enquires that were processed, 64% were from our external stakeholders (see *Figure 7* for a breakdown by technical sector of the enquiries received).

Figure 7: Enquiries, by Technical Sector



The BSJ sold 467 standards (national and foreign) earning revenue of J$3.5M. Sixty seven percent (67%) of the standards sold were in the areas of: food, labeling, building materials, and management systems.

3.2.3 *Conformance to the WTO/TBT Agreement*

Notifications to the WTO of draft technical regulations, standards and conformity assessment procedures are submitted to the WTO by the National Enquiry Point (administered by the BSJ), through the National Notification Authority (Ministry of Foreign Affairs and Foreign Trade). During the reporting period, four Jamaican WTO/TBT notifications were published by the WTO (see *Table 4*).

Table 4: Notifications to the WTO

Notification	Document Name
G/TBT/N/JAM/50	Jamaican Standard Specification for Mineral aggregates, sands and fillers
G/TBT/N/JAM/51	Jamaican Standard Specification for Mineral aggregates, sands and fillers
G/TBT/N/JAM/52	Jamaican Standard Specification for Minerals aggregates, sand and fillers
G/TBT/N/JAM/53	Jamaican Standard Specification for Property maintenance/construction

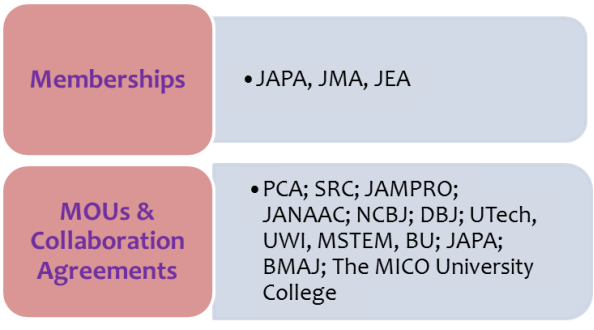
The National Enquiry Point distributed 1,445 WTO/TBT notifications issued by Jamaica's trading partners to stakeholders. It also fulfilled four requests from internal stakeholders for full texts notified by other countries and six requests from external stakeholders for the full text of Jamaican notifications.

3.2.4 *Collaborations*

The BSJ recognized that networking and collaborating with other entities that perform similar or complimentary activities was integral to the fulfilment of its mandate (see *Figure 8*).

Support for the business growth and development with a special focus on micro, small and medium-sized enterprises (MSMEs) was provided through the implementation of collaborative agreements, which are listed below.

Figure 8: National Memberships and Partnerships



- *Partnership with JBDC*
  - Concessionary rates on technical services provided to 54 clients referred by the JBDC at a value of $989, 173.07.
  - Provision of financial and technical support to the JBDC's Mobile Business Clinic Initiative (MBCI). Staff participated in business clinics in several parishes. Participation in these clinics provided an excellent opportunity for the BSJ to promote its business development services and programmes to a wider group of MSMEs.

- *Partnership with the Jamaica Agro-Processors Association (JAPA)* - Concessionary rates on technical services provided to 13 JAPA members at a value of J$661,623.24.

- *Partnership with the Jamaica Manufacturers' Association (JMA)* - In support of the BSJ/Business Partnership Programme, the BSJ and the JMA entered into 2-year agreement in August under which the BSJ provided JMA members with the requisite technical knowledge and skills to assist other members to implement and adhere to international food safety and quality management standards. The parties had been involved in a similar 2-year agreement which had been signed in January 2013.

- *Partnership with JAMPRO* - A MOU was signed with JAMPRO in April in support of its 3-year Export Max II: Enterprise Development for Export Growth Programme, which was launched in October 2014. Under the programme, 20 'export ready' Jamaican firms are benefitting from capacity building support to develop their export competitiveness to take advantage of export market opportunities and increase access to international markets and improve their export sales. The BSJ is providing discounts of up to 20% on laboratory testing, product certification, training services. During the review period, only one company took advantage of the benefits being offered by the BSJ.

- *Partnership with Development Bank of Jamaica (DBJ)*-A MOU was signed with the DBJ in October in support of the DBJ's Voucher for Technical Assistance Programme. Under this 1-year MOU, the BSJ, which is referred to as a Business Development Organization (BDO), provides training and other business support services to eligible MSMEs to facilitate the attainment of improved business standards, while the DBJ covers up to 70% of the cost of the services provided by the BSJ to each company. During the reporting period, no entity had sought services from the BSJ under the programme.

3.2.5 Entrepreneurship and Innovation

Bamboo Products Industry Project - In seeking to have Jamaica obtain a share of the global bamboo market, the BSJ continued to implement this project. Project outputs included:

- facilitation of the export of 84,800lbs of internationally certified organic bamboo charcoal to the USA and St. Maarten;
- creation of the first locally manufactured organic bamboo kiln;
- publication of five National Vocational Qualification (NVQ) Plans for: harvesting and pre-processing of bamboo culm; bamboo charcoal production; production of bamboo-ply; harvesting and pre-processing of edible bamboo shoots; and edible bamboo shoots cultivation;

State Minister in the MIIC, Hon. Sharon Ffolkes-Abrahams (2nd R); Institute of Nursing, Technology, and Household Management (INTHM) Director and engineer, Gentle Wallace (L); INTHM's Principal, Tressie Wallace (2nd L); Director of Special Projects – BSJ, Gladstone Rose (3rd L) and INHTM's Administrator, André Tait look at 'BAMJA' brand organic bamboo charcoal produced at INHTM, Swallowfield Road, Kingston, using the "Gentle Bamboo Charcoal Kiln - JIS Photo

- publication of 10 job qualification plans for the new Bamboo Fabrication Industry;
- launch of the Bamboo Industry Association;
- completion of National Bamboo Policy;
- creation of bamboo hair shampoo and conditioner prototypes; and
- signing of MOU with UWI to implement the Bamboo Research Project.

Two projects were initiated to further the development of the bamboo industry as outlined below.

1) OAS-funded Peckham Bamboo Pre-processing Project

- Establishment of a Bamboo Pre-processing Facility in the Peckham Community
- Cultivation of 40 hectares of bamboo
- Training residents of Peckham in bamboo cultivation techniques and production technology

Funding: Grant - US$130,000
Duration: July 2015 -July 2017
Implementing Agency: MICAF/BSJ

Activities undertaken during the review period included:

- Establishment of the pre-processing plant
- Training of 15 residents of Peckham in occupational health and safety with machinery and tools, bamboo colliership; and bamboo treatment
- Production of the first batch of bamboo charcoal – 1000lbs - from the Peckham Pre-processing Facility - the charcoal was exported to St. Maarten

2) BSJ/UWI Bamboo Research Project

- **Determination** of whether mined-out bauxite lands are suitable for wide scale planting of bamboo and the growing of edible bamboo shoots
- Development of six bamboo standards
- Production of manuals and handbooks and training videos

Funding: US$23,000 of the OAS grant
Duration: November 2015 - November 2018
Implementing Agency: MICAF/BSJ

During the review period, preparatory work was undertaken in Clapham (through the Schwallengsburg/JBI/WINDALCO Benevolent Society) and Peckham (through the Peckham Community Development Committee) towards the planting of bamboo in greenhouses/nurseries and open field.

3.2.6 Accreditation of Laboratories

The organization's efforts to attain accreditation of critical food tests were rewarded with the accreditation of 15 tests conducted by the Microbiology Laboratory and one test conducted by the Packaging Laboratory by JANAAC in April and August respectively. The accreditation of these tests brought the total number of accredited food tests to 25 – the other 9 tests are conducted by the Chemistry Laboratory (accreditation was attained during the 2013-14 financial year).

The Certificates of Accreditation for the Packaging and Microbiology Laboratories were conferred at a handing-over ceremony in June and October respectively.

Accredited Food Tests

Microbiology Laboratory

1. Aerobic Plate Count
2. Coliform Count
3. MPN/Coliform Count
4. Staphylococcus aureus Count
5. Listeria monocytogenes Count
6. Extraneous Matter in Jams and Jellies
7. Salmonella Detection
8. Commercial Sterility
9. Escherichia coli Count
10. Yeast and Mould Count
11. MPN/Faecal Coliform Count
12. Listeria monocytogenes Detection
13. Extraneous Matter in Canned Juices
14. Extraneous Matter in Syrups, Molasses and Honey
15. Howard Mould Count

Packaging Laboratory

Can seam analysis (A10, A1 and A2 cans)

The Metallurgy, Microbiology and Chemistry Laboratories were assessed by JANAAC in March 2016. Accreditation is being sought for 12 tests conducted by the laboratories.

Accreditation of food testing laboratories is a critical step to maintaining access to the markets of our existing trading partners (for example, USA, Canada and the EU) and in gaining entry to new markets. Accreditation opens the door for Jamaican food products to enter these markets based on the premise that "*Test once - Accepted everywhere*".

3.2.7 Product & Plant Certification

The organization engaged in audit and independent verification activities of companies and products to ascertain compliance with relevant standards and other requirements. In respect of **product and plant certification schemes** (National Certification Mark Programme (product and plant), Certification of Agricultural Produce (CAP) Programme, and the Jamaica Made Mark (JMM) Programme):

- Seventy (70) products/produce manufactured by 26 companies were certified - 3 products manufactured by 2 of the companies had earned JMM mark during the review period. Five companies continued to bear the Plant Mark. (See *Appendix 3*).
- Eight (8) companies were recognized as having implemented and maintained effective HACCP systems.

HACCP Recognition Programme Clients

* Ashman Food Products Ltd.
* Canco Ltd.
* Central Food Packers Ltd.
* Double Deuce
* Grace Agro Processors
* Island Packers Ltd.
* Stanmark Processors Co. Ltd.
* Tijule Co. Ltd.

3.2.8 Management Systems Certification

Another significant thrust in improving the international competitiveness of businesses was the provision of **management systems certification services** by the NCBJ. The NCBJ issued an ISO 9001:2008 certificate to the Office of Utilities Regulation (OUR) in November 2015.

MIIC Minister, Hon. Anthony Hylton (2nd L) jointly holding a Certificate of Conformity to ISO 9001:2008 with Director General of the OUR, Albert Gordon (3rd L). Looking on are Chief Technical Director, Stephen Wedderburn (R); and NCBJ Manager, Jacqueline Scott-Brown (L).

The NCBJ's maintenance of its status as an internationally recognized certification body was demonstrated by the attainment of three milestones:

- April: transition to ISO/IEC TS 17021-3:2013 *Conformity assessment -- Requirements for bodies providing audit and certification of management systems -- Part 3: Competence requirements for auditing and certification of quality management systems*;
- June: re-accreditation for another year to offer certification services to ISO 9001:2008. The NCBJ is subject to an annual surveillance audit; and
- March: transition to ISO 9001:2015, which means that the NCBJ was approved by ANAB to issue accredited certificates to organizations that have implemented the new requirements of the 2015 version of the standard.

Table 5: ISO 9001 Certified Clients

- AMG Packing and Paper Co. Ltd.
- Corrpak Ltd.
- National Road Operating Constructing Company Ltd.
- National Health Fund
- National Council on Technical and Vocational Education and Training
- TransJamaican Highway Ltd.
- Office of Utilities Regulation (OUR)

At the end of the reporting period, the NCBJ was in the process of executing the requisite tasks to transition to ISO/IEC 17021-1:2015 *Conformity assessment -- Requirements for bodies providing audit and certification of management systems -- Part 1: Requirements*.

At the end of the financial year, the NCBJ had seven ISO 9001 certified clients. See *Table 5* for details. In addition, two companies (WINDALCO and P.A. Benjamin Manufacturing Company Limited) were in the process of being certified.

3.2.9 Maintaining Market Access

The National Food Safety Modernization Task Force and Secretariat (chaired and administered by the BSJ respectively) continued to engage in activities to strengthen the national food safety system as a part of an initiative to satisfy requirements of the US Food Safety Modernization Act (FSMA) and the Safe Food for Canadians Act.

A significant achievement was the successful implementation of the Caribbean Development Bank (CDB) funded project: "Capacity Building in Jamaican Micro, Small and Medium-sized Enterprises in the Agro Processing Sector to Satisfy International Food Safety Requirements Project".

Funding: Grant - US$80,243.56
Duration: May - October 2015
Implementing Agency: BSJ

Chairman BSJ, training facilitators, CEOs of beneficiary firms standing with participants who had successfully completed training in food safety systems under the CDB-funded Capacity Building in Jamaican Micro, Small and Medium-sized Enterprises in the Agro Processing Sector to Satisfy International Food Safety Requirements Project at the presentation ceremony on 5 November at the BSJ.

Under the project, 25 employees from 13 firms were provided with the requisite knowledge and skills to write standard operating procedures (SOPs), develop Hazard Analysis Critical Control Point (HACCP) plans and with the capability to train their co-workers as well as lead the implementation of their firm's HACCP system.

Other activities undertaken by the Secretariat during the year under review are listed below.

- Supervision of the Better Process Control School (BPCS) on behalf of the US Food & Drug Administration in January 2016 – all 27 participants successful completed the course, which is an international certification course for processors of low acid and acidified foods.
- Presentation on the requirements for exporting food to the US market within the context of the FSMA to about 100 stakeholders at an Inter-American Institute for Cooperation on Agriculture (IICA) Workshop. At the workshop, the FDA lauded Jamaica's commitment to food safety, which was evidenced by the work of the Secretariat and Task Force.

3.2.10 Regional and International Involvement

The BSJ continued to recognize that the development of the national quality infrastructure required engagement with, and assistance from the overseas community. Through membership in and strategic partnerships with regional and international standards development and metrology organizations (see *Figure 9*), Jamaica/BSJ was actively involved in the regional and

Figure 9: Regional and International Memberships and Partnerships

Memberships	• ISO, IEC, CROSQ, NCSL, International, COPANT, ICC, SIM (CARIMET), CAC, INBAR
MOUs / Agreements	• UL, ASTM International, CARICOM NMIs, BSI
MRA	• CIPM (BIPM)

international sphere with 40 staff and 2 external stakeholders participating in 5 meetings and 10 training sessions. Sponsorship was received from external donors to facilitate participation in all but 2 of the activities.

Jamaica contributed to international standards development through active membership in **ISO** including continued administration of the Secretariat for ISO/TC 93 Starch (including derivatives and by-products). The BSJ maintained "Participatory (P)" membership in 22 TCs and SCs and "Observer (O)" membership in 21 TCs and SCs. The BSJ continued to hold "P" membership status in ISO's Policy Development Committees on conformity assessment (CASCO), developing country matters (DEVCO), and consumer policy (COPOLCO). See *Table 6* for more information on Jamaica's involvement in the work of ISO.

The **Codex Alimentarius Commission (CAC)** develops harmonized international food standards, guidelines and codes of practice to protect the health of the consumers and ensure fair practices in the food trade. The BSJ continued to serve as the National Codex Contact Point and provide the Secretariat for the National Codex Committee (NCC). See *Table 6* for more information on Jamaica's involvement in the work of the CAC.

Table 6: Regional and International Influence

Regional	International
▪ Vice Chair, CROSQ ▪ Chair of Editorial Committee, CROSQ ▪ Member, Human Resource Committee, CROSQ ▪ Member of Steering Committee, Caribbean Network of Conformity Assessment Bodies (CANCAB), CROSQ ▪ Member, Technical Implementation Groups for Awareness/ICT, Conformity Assessment, Standardization, Metrology and Accreditation, CROSQ	▪ Chair, INBAR ▪ Member of Executive Committee, CAC (until July) ▪ Geographic Representative, CCLAC (until July) ▪ Member of ISO/CASCO Working Groups 21, 42 and 44 ▪ Member, ISO Adhoc Task Group on Standards Development Environment (including IT)

COPANT is the regional standardization body for the western hemisphere and it continued to provide a forum for the development of standards of relevance to the region. The BSJ held "P" and "O" membership in two TCs respectively.

Jamaica is one of the founding members of **CROSQ.** With the appointment as Vice Chair in October, the BSJ continued to serve in strategic positions within the organization in areas of standards development, metrology, conformity assessment and accreditation. See *Table 6* for more information on Jamaica's involvement in the work of CROSQ.

3.3 Strategic Goal #3: Enhance organizational efficiency and effectiveness

Ensuring quality in the delivery of its services and engagement in effective governance practices were important to the BSJ. Activities pursued during the reporting period included: implementation of capacity building projects, staff training and development initiatives, strengthening of its metrology and testing infrastructure, and maintenance of conformance to ISO 9001 and ISO 14001 requirements. See *Table 7* for performance vis-à-vis key performance indicators.

Table 7: Organizational Efficiency and Effectiveness - KPIs

Performance Indicator	Target	Result
% compliance with corporate reporting deadlines as per the PBMA Act and government directives	100%	85%
# of Standards Council meetings (requirement as per the Standards Act)	10	12
# of audit committee meetings (requirement as per PBMA Act)	≥4	12
Maintain actual expenditure within budgeted sum	$878.75M	$877.66M
Actual income more than budgeted sum	$879.06M	$838.61M
% completed on time and in full rate for laboratory testing and calibration services	≥80%	79%

3.3.1 Capacity Building Initiatives

Significant developments during the reporting period included the commencement of three institutional capacity building projects and the continuation of another. The anticipated outcomes from these projects are institutional strengthening and an enhancement of the organization's role in the areas of trade facilitation, industrial growth and the protection of the health and safety of the Jamaican people.

1) *World Bank-funded Strategic Public Sector Transformation Project*

- Separation (firewalling) of the BSJ's regulatory functions through the establishment of a regulatory body (NCRA)
- Rebranding/branding of the BSJ and NCRA
- Revision and modernization of the legislative framework
- Upgrading of the ICT and laboratory infrastructure
- Building of technical competence
- Replacement of the system of compulsory standards with a system for technical regulations

Funding: Loan – US$4.78M
Duration: April 2015 – March 2020
Implementing Agency: Ministry of Finance & Planning

Activities undertaken during the review period included:

- Separation of the BSJ's regulatory function to establish the NCRA
- Implementation of the National Quality Review Consultancy – new National Quality Policy drafted
- Acquisition of seven pieces of equipment for 3 laboratories
- Implementation of three consultancies: Change Management, Branding and Rebranding (for NCRA and BSJ), Needs Assessment – still in progress at the end of the review period
- Procurement of consultants/firms for 2 other consultancies – ICT and Legislative Review

2) *CDB/GOJ Capacity Building for Market Access Project*

- Retooling of the laboratories in the Packaging Centre
- Building of technical competence of staff
- Redesign/redevelopment of the current BSJ website
- Design/development of websites for NCBJ and NCRA

Funding: CDB Grant – US$273,881& BSJ – US$69,608
Duration: May 2015 – March 2017
Implementing Agency: BSJ

Activities undertaken during the review period included:

- Implementation of three consultancies: Content Development, Website Development, Packaging Industry – still in progress at the end of the review period
- Negotiations with consultant selected for the Packaging Materials Laboratory Consultancy

3) *BSJ/DBJ Accreditation of the Industrial Training Unit and Certificate Programmes Project*

- Implementation of ISO/IEC 17024 *Conformity assessment– General requirements for bodies operating certification of persons* and ASTM E2659-15 *Standard Practice for Certificate Programs*
- Submission of application for accreditation based on ISO/IEC 17024
- Submission of application for certificate programme accreditation
- Development and delivery of online training courses

Funding: DBJ Grant – J$6M & BSJ – J$7M
Duration: September 2015 – August 2017
Implementing Agency: BSJ

Activities undertaken during the review period included:

- Signing of a Memorandum of Agreement with the DBJ to partially finance the implementation of the project
- Training of the staff of the Industrial Training Unit in ISO/IEC 17024

4) *World Bank-funded Expansion of the Energy Efficiency Testing and Labelling Facility Project*

- Expansion of the capabilities of the Energy Efficiency Testing Laboratory to test domestic air conditioning units (in addition to refrigerators and freezers)
- Development and implementation of an energy efficiency campaign/consumer awareness programme

Funding: Loan –US$1,526,588.00
Duration: July 2012 – August 2016
Implementing Agency: Ministry of Science, Energy & Technology

Activities undertaken over the review period included:

- Approval of architectural design drawings for the modification of the laboratory and the receipt of the requisite governmental approval for the work to be undertaken
- Engagement of the building contractor - demolition and excavation of the site commenced
- Commencement of the manufacture of two test chambers
- Procurement of testing equipment
- Development of testing software
- Development of a public education programme for the Energy Labelling Programme
- Completion of two of the three standards (energy efficiency building code, energy performance of household refrigerators and freezers,) one standard- energy labelling of appliances and products.

3.3.2 Metrology & Testing Activities

To ensure the protection of consumers and for quality assurance purposes, the BSJ's analytical laboratories conducted 18,766 chemical and microbiological tests on 4,958 samples of imported and locally produced products and verified 125 labels. Its metrology and testing laboratories conducted 8,906 tests and 2,704 calibrations.

The BSJ conducted approval testing on 139 models/types of 18 locally manufactured and imported electronic/electrical commodities and found a compliance rate of 47% when initially tested. Failure to meet labelling and performance standards were the non-conformities identified. For most items, the labelling non-conformities were adequately addressed and the items approved for distribution and sale after re-inspection.

A strong **metrology and testing infrastructure** is essential to business development as reliable services are required to support innovation, provide quality assurance guarantees and ensure that overseas market access requirements for locally produced goods are met. The organization's metrology and testing laboratories test locally manufactured and imported goods to ensure that they are safe for use and for consumption. During the financial year, the BSJ enhanced its measurement and testing capabilities with the purchase of58 pieces of laboratory and testing equipment valued at over J$12.5M. In addition, under the Strategic Public Sector Transformation Project the BSJ received 7 pieces of equipment valued at J$14.1M.

In order to provide evidence of its technical competence, the BSJ's laboratories participated in nine inter-comparisons/proficiency testing (PT) exercises, where their measurement results were compared with other laboratories across the world (see *Table 8*). The satisfactory results achieved ensure the continued international acceptance of the BSJ's calibration and testing capabilities.

Table 8: Inter-comparisons/Proficiency Testing Exercises

Coordinator	Type	# of Participating Laboratories and Countries	Description
National Food Agency, Sweden	PT	188 laboratories worldwide	Aerobic plate count, Enterobacteriacea count, E coli, Staphylococci count, lactic acid bacteria, yeast count and mould count.
National Food Agency, Sweden	PT	Laboratories worldwide	Aerobic Plate Count at 30°C, Aerobic Plate Count at 37°C, Psychrotrophic Count, Coliform Count at 30°C, Coliform Count at 37°C, Enterobacteriaceae Count, Thermo tolerant coliform bacteria, Escherichiacoli bacteria, MPN Method and Plate Method, S.aureus Count
National Food Agency, Sweden	PT	Laboratories worldwide	*Salmonella* Detection, *Listeria monocytogenes* Detection, *Listeria monocytogenes*
BSJ DAkkS (Germany's National Accreditation Body)	PT	2 laboratories (BSJ, DAkkS) - Jamaica and Germany	Inter-comparison on 200mg mass standard
BSJ DAkkS (Germany's National Accreditation Body)	PT	2 laboratories (BSJ, DAkkS) - Jamaica and Germany	Inter-comparison on 200mg mass standard
Environmental Solutions Ltd	Inter-comparison	4 local laboratories	Determination of pH, conductivity, total dissolved solids, sulfate, nitrate, chloride, Orthophosphate, total phosphorus
BSJ	Inter-comparison	5 laboratories (BSJ , ESL, TSL, ICENS and MIAS) - Jamaica	pH, acidity and Brix in sauces and Acidity in Vinegar. Hypoglycin A in Ackee. Lead, Cadmium and arsenic in water.
BSJ	Inter-comparison	8 local laboratories	Can seam analysis
DAkkS (Germany's National Accreditation Body)	Inter-comparison	2 laboratories (BSJ, DAkkS) - Jamaica and Germany	Inter-comparison on 200mg mass standard

3.3.3 Upgrading the Information and Communication Technology Infrastructure

The effective management of any organization, particularly one as complex as the BSJ, depends upon a stable analytical foundation for operational decision making and the demonstration of value and performance. In support of this priority, the BSJ continued to undertake activities to upgrade its ICT infrastructure to enhance organizational efficiency and effectiveness and provide timelier, reliable, accurate and easily accessible information to its stakeholders and the wider public. During the financial year, under the Capacity Building for Market Access Project, the redesign/redevelopment of the BSJ's website was initiated and the design/development of websites for NCRA and NCBJ. In addition, 21 computers were purchased and deployed throughout the organization.

3.3.4 Employee Development and Recognition

The BSJ depends on a highly skilled, multi-disciplinary staff complement located across the country to deliver on its mandate. To attract, develop and retain a human resource base with the necessary skills and competencies to effectively deliver on its responsibilities, the BSJ continued to develop its employees by providing 210 employees with 69 training and professional development opportunities (See *Table 9*).

Table 9: Staff Training and Development Courses

▪ Leadership and Change Management	▪ Determination of pH for Liquids and Solids
▪ Project Management	▪ Public Health (Tobacco Control) Regulations 2013
▪ Understanding Accreditation and ISO/IEC 17025	▪ International Customer Service Certification
▪ INPRI Public Sector Certification (Public Procurement)	▪ Train-the-Trainer Programme on Social Responsibilities
▪ Good Manufacturing Practices	▪ HACCP General Awareness
▪ Root Cause Analysis	▪ Laboratory Safety and Use of the Inoculating Loop
▪ Food Labelling Requirements	▪ International Food Safety Regulations Training
▪ Effective Contract Administration: The Key to Effective Construction Projects	▪ Internal Audit of the Quality Management System (QMS)
▪ Exchange of Experience in Testing of Refrigerators and Compact Fluorescent Lamps in the Caribbean	▪ Building Energy Efficiency Systems & Labelling Workshop
▪ Safety and Risk Assessment	▪ Using and Referencing International Standards
▪ Professional Certificate in International Regulatory Affairs	▪ Effective Contract Administration: The Key to Effective Construction Projects
▪ Understanding & Interpreting ISO 9001:2005	▪ Effective Corporate Governance

Other initiatives which impacted the human resources included: execution of 14 social welfare activities, filling of 18 vacancies, and change in employment status (from temporary to permanent) for 6 members of staff. The financial year ended with a staff turnover rate of 6.41%.

3.3.5 Implementation of Quality and Environmental Management Systems

During the financial year, the BSJ was certified by BSI (UK certification Body) to the ISO 9001:2008 quality management system for the provision of services in relation to facilitating the development of standards for commodities, services, practices and processes; performing conformity assessment activities and promoting research and education in standardization. The organization was supported in its efforts to implement ISO 9001 ISO 14001 and ISO/IEC 17025 with the receipt of financial support of US$11,382.88 from CROSQ to build staff competence in conducting audits. The organization continued to implement ISO 14001 and certification will be sought to this standard in the future.

3.3.6 Modernization of the Legislative Framework

In view of the requirements for the establishment of a National Quality Infrastructure, there vision of the BSJ's three governing legislation (Standards Act, Processed Food Act and Weights & Measures Act) will be undertaken under the Strategic Public Sector Transformation Project during the next financial year.

In September, the Parliament approved the Weights and Measures (Amendment) Act, 2015. Persons breaching the Act will now be fined up to J$1M or imprisonment to a term not exceeding 12 months. The new fine is a significant increase over the original maximum fine of J$2,000 or face imprisonment for up to 12 months in default of payment and, in the case of a continuing offence, a further fine of $100 for every day the offence continued.

Traders and vendors who use weighing and measuring devices in the sale of goods are two groups that will be impacted by this new Act. The BSJ is awaiting the publication of the Act in the Jamaica Gazette for it to take effect.

3.4 Strategic Goal #4: Promote the value of standardization and related issues

Generating greater awareness and influencing government and industry decision-makers on the value of standardization and related issues were priorities of the organization during the year under review. Activities pursued to achieve this goal and contribute to the creation of "internationally competitive industry structures" included the delivery of training courses to external stakeholders, awareness building initiatives, and advances towards the inclusion of metrology in the curriculum at the tertiary level. See *Table 10* for performance vis-à-vis key performance indicators.

Table 10: Promotional/Educational Initiatives - KPIs

Performance Indicator	Target	Result
# of training solutions provided to key stakeholders	49	36
% of training solutions for which a satisfaction rate of ≥85% is attained	85%	96%
# of outreach activities	33	18

3.4.1 Human Capacity Building (External Stakeholders)

Recognizing that world class education and training was necessary for the achievement of economic development and global competitiveness, the BSJ offered 29 training activities to 497 industry personnel, government officials and professionals to build their capacity to deliver effective and efficient services. The courses were aimed at building capacity in food safety management (Good Manufacturing Practices, and HACCP); quality management (ISO 9001); risk management (ISO 31000); occupational health and safety (OHSAS 18001); supply chain security and traceability; sanitation and pest control; root cause analysis and measurement uncertainty.

3.4.2 Promotional and Educational Initiatives

Throughout 2015-16, the BSJ continued to keep its stakeholders informed about its products, services and programmes. Information was shared through four meetings of the Jamaican Standards Network (JSN) and 18 other awareness building initiatives including speaking engagements, expositions, advertorials, facilitation of tours of its metrology and testing facilities, media statements and radio interviews.

JSN Meeting Themes

* Make Safety Your Goal – Football Goalposts… Use Standards to check it, Secure it, Test it, Respect it
* Technical Barriers Impacting International Trade: The Jamaican Story
* National Quality Infrastructure – Making Jamaica More Business Friendly for Sustainable Economic Development
* Using and referencing international standards to support public policy

In addition, the BSJ achieved its objective of building awareness on standardization, metrology and conformity assessment among students through its annual Summer Employment Programme (from June to August 2015) under which 33 students from secondary and tertiary-level institutions were engaged.

A new initiative that was implemented in October was the launch of a "bundle" or group of related standards commencing with six sports and recreation standards aimed at promoting safety in sports in educational institutions, communities and in the professional sphere. Institutions which have sports and recreation facilities were urged to use the standards to ensure greater level of confidence by parents, spectators and children when the pieces of equipment are used.

For the 9th consecutive year, during the summer period, the BSJ's Chemistry Laboratory facilitated an 8-week work-study programme by a final year UWI Chemistry student. The focus of the research was *"The Profiling of Imported and Jamaican Manufactured Coconut Oils.* The research involved the development of profile characteristics for coconut oils found on the Jamaican market. Both locally and imported produced virgin and refined coconut oils were subjected to various physiochemical tests. The research paper produced at the end of the period represented 25% of the course grade.

3.4.3 National Metrology Institute (NMI) User Relations Project

Funding: BSJ with financial assistance from CROSQ
Duration: February 2014 - June 2017
Implementing Agency: BSJ

Under the National Metrology Institute (NMI) User Relations Project, the BSJ is implementing a project titled: *Development and Execution of Tertiary Level Metrology Education Programs in Universities in Jamaica.* The 2-year MOUs were signed with The MICO University College and UTech Jamaica in June and July respectively for the incorporation of metrology into their science curriculum and the promotion of research and development in metrology.
Agreement was also reached on: proposed changes to curricula with metrology-related content; timelines for achieving the project's objectives; training of BSJ staff in teaching methods and hosting of students from both institutions by the BSJ's laboratories as part of their degree requirements.

3.5 Strategic Goal #5: Promote energy efficiency and environmentally responsible practices

Activities to 'promote energy efficiency and environmentally responsible practices' continued with implementation of a collaborative initiative to produce hydrogen as a fuel for cooking and the implementation of energy management and conservation initiatives within the organization.

3.5.1 Solar Hydrogen Research Project

This EU/ACP-funded project, which was aimed at the sustainable production of hydrogen gas as fuel for domestic use ended during the review period. It was administered by UTech, Jamaica (UTech) through a collaborative approach involving academic and public sector institutions. The BSJ executed the following as per the project schedule: research and the development of standards for gas; flame odour and colour; stoves and cylinders and their components; and training of the project's beneficiaries. The BSJ's activities under the project are being used as the basis of a Master of Philosophy Degree in Mechanical Engineering that is being pursued at UTech by an engineer in the organization's Metallurgy Laboratory.

3.5.2 Environmental Management and Energy Efficiency and Conservation

During the review period the organization continued its efforts to conform to ISO 14001 by evaluating the organization's environmental management practices and identifying opportunities for improvement. Initiatives implemented during the review period included: monitoring of electricity and water consumption; turning off devices when not in use; reduction in paper usage through increased electronic methods of sharing information, duplex printing and recycling of used paper; and the collection and submission of toner cartridges to an external entity for recycling.

4.0 The Way Forward

The strategic focus for the BSJ for the next financial year will be directly aligned to the strategic priorities of the MIIC, which are geared towards building a logistics-centred economy, fostering economic growth and facilitating greater global market access. They will also continue to be directly aligned to four priority National Outcomes in the Medium Term Socio-Economic Policy Framework (MTF) 2015-2018: a healthy and stable population; an enabling business environment, energy security and efficiency; and internationally competitive industry structures.

With the continued support of the World Bank, Caribbean Development Bank (CDB), Physikalisch-Technische Bundesansalt (PTB), CARICOM Regional Organisation for Standards & Quality (CROSQ) and other donor agencies, the BSJ will play an integral role in strengthening the NQI. The successful implementation of these projects will result in improved delivery of business services by the BSJ to its stakeholders.

The BSJ will continue to implement the 5-year World Bank-funded *Strategic Public Sector Transformation Project*, which commenced in April 2015. Under this project, the BSJ is being restructured to more effectively and efficiently meet the needs of stakeholders and be fully compliant with regional and international guidelines. The 18-month transitional process for the separation (firewalling) of its regulatory functions commenced in July 2015 and involves the BSJ being transformed into an entity that will more effectively assist Jamaican enterprises to meet the demands of the multilateral trading system. The three consultancies (Change Management, Brand & Rebranding of the NCRA and BSJ and Needs Assessment) which were underway at the end of the 2015-16 financial year will come to an end as well as the consultancies for upgrading the ICT infrastructure and modernization of the legislative framework that will commence during the year. Other activities under this project include: building staff technical competence and replacement of the non-World Trade Organization compliant system of compulsory standards with a system for technical regulations.

The *Capacity Building for Market Access Project*, which is being implemented with financial support from the CARIFORUM-EU CARICOM Single Market and Economy (CSME) Standby Facility administered by Caribbean Development Bank (CDB), is projected to come to an end in March 2017. Activities to be undertaken include:

- redesign/redevelopment of a new website for the BSJ and the creation of websites for the NCRA and NCBJ;
- development of content for three portals of the new BSJ website (Standards, WTO/TBT Enquiry Point Portal and EPA Focal Point);
- identification of the packaging testing services to be conducted by the upgraded laboratories in the Packaging Centre;
- sensitization of packaging stakeholders on the key factors impacting the local and global packaging industries; and
- redesign of the layout of the Packaging Laboratories and the procurement of new equipment.

The *Expansion of the Energy Efficiency Testing & Labelling Facility Project* is also scheduled to come to an end during the next financial year. At the end of this project the BSJ will have the expanded capacity to test additional refrigerators simultaneously and will have the capability to test freezers and domestic air conditioning units.

During 2016-17, the organization will facilitate the development and adoption of standards that better support industry and the country. As a part of its industry engagement, the BSJ will boost awareness about standards and promote MSMEs' participation in standardization.

In addition, the BSJ will encourage the implementation of standards and quality principles for goods and services along the supply and value chain through strategies such as the "bundling of standards", and promotion of the benefits of standards. The BSJ will also play a role in government and industry initiatives that promote new and rapidly changing sectors to help bring those products and services to the global stage. Three new industries with which the BSJ will be working to facilitate the development of appropriate standards are the organic, nutraceuticals and medical marijuana industries.

Collaborative initiatives with other business support organizations, to integrate the stakeholders in the MSME sector into the value chain of large manufacturers/suppliers. This will be accomplished through partnerships with organizations such as JAMPRO, Jamaica Agro-Processors Association (JAPA), Block Makers Association of Jamaica, Development Bank of Jamaica (DBJ), and the Jamaica Business Development Corporation (JBDC).

The BSJ remains committed to creating a standards-led Bamboo products industry. This is being achieved with the assistance of the International Network for Bamboo & Rattan (INBAR), of which Jamaica was elected Chair effective November 2014. The main area of focus will be implementation of the Bamboo Industry Plan which includes:

- research and development for the cultivation of bamboo plantations,
- adoption/adaptation of standards,
- development of prototypes,
- manufacturing and marketing of bamboo products, and
- training in bamboo technology.

Activities to facilitate trade will continue with support (through the National Food Safety Modernization Secretariat and Task Force) to food manufacturers/exporters, regulators and other key stakeholders to comply with the requirements of the US FSMA and the Safe Food for Canadians Act. As a complimentary activity in continuation of its support to facilitate market access, the BSJ will seek accreditation to ISO/IEC 17025 for 15 tests conducted by its Chemistry, Microbiology and Cement Laboratories. The overall objective of this thrust is to ensure that the organization can provide testing services for Jamaican products and that these are "*tested once accepted everywhere*".

In order to give confidence and facilitate access to world markets, the BSJ, through the NCBJ, will continue to offer certification services to ISO 9001 as well as pursue efforts with the Jamaica Organic Agriculture Movement and other stakeholders to introduce an organic certification scheme. Through targeted promotional and marketing efforts, it is anticipated that its clientele will increase over the coming years.

As the National Metrology Institute (NMI), the BSJ will continue to seek the international recognition of Jamaica's Calibration and Measurement Capabilities (CMCs) through the self-declaration - peer review route leading to their publication on the International Bureau of Weights & Measures (BIPM) website. The BSJ will also seek to publish Jamaica's CMCs in Mass, Dimensional, Temperature, Volume, and Electrical Energy. The publication of these capabilities will ensure that measurements made in these quantities will be accepted in the global trading arena without the need for the costly duplication of measurements. Support will be provided by CROSQ and PTB in undertaking these initiatives.

Through the continued implementation of the NMI Metrology User Relations Project for Jamaica, metrology topics will be included into the tertiary-level curricula at UTech and The Mico University College. This is expected to build awareness of the importance of metrology and inspire the students to pursue careers in metrology. Additionally, discussions will continue to introduce standardization in the curricula.

During the 2016-17 financial year, the BSJ, with financial support from the DBJ, will continue to seek accreditation of its Industrial Training Unit to ISO/IEC 17024:2012 *Conformity assessment – General requirements for bodies operating certification of persons* and accreditation of its certificate programs to ASTME2659-15 *Standard Practice for Certificate Programs.* Steps will be taken under this project to make at least 25% of the courses offered by the Unit accessible online through webinars and an e-training platform.

The major strategic changes to be undertaken by the BSJ will require legislative and regulatory reform. This will involve revision of its governing legislation (Standards Act, Processed Food Act and Weights and Measures Act) and the creation of legislation for the NCRA as part of a greater effort to develop a legal framework for the NQI.

To drive operational efficiency and productivity, the BSJ will continue to:

- develop its human capital,
- implement its Succession Planning Programme,
- employ retention strategies to ensure that it retains its experienced and skilled staff,
- re-engineer and automate key business processes to strengthen its information and communication technology infrastructure,
- implement a content management system,
- implement a paper reduction initiative, and
- design/develop the aforementioned websites to facilitate e-commerce and online access to standards and trade-related information.

During 2016-17, the organization will continue to conform to the requirements of ISO 9001, ISO 14001 and ISO/IEC 17025 requirements, with a focus on being "customer centric". The focus during 2016-17 will be to maintain the ISO 9001:2008 certification status and transition to ISO 9001:2015. In addition, certification to ISO 14001 will be sought during the 2016-17 financial year. Accreditation status will be maintained for the food testing laboratories (Chemistry, Microbiology and Packaging) as well as the Mass Laboratory and will be sought for the Metallurgy Laboratory during the 2016-17.

In addition to implementing ISO 14001, the BSJ will continue to engage in energy conservation and energy efficiency practices and implement environmental management strategies. Creating a safe work environment is critical to the success of the organization. In implementing these systems, the BSJ is seeking to improve its products, services and programmes with the aim of enhancing customer satisfaction while providing confidence to stakeholders, both internal and external, that the BSJ's systems and practices conform to internationally recognized standards.

The BSJ envisages challenges in effectively and efficiently fulfilling its mandate and meeting the needs of its stakeholders. Notwithstanding this context, the BSJ has the desire, ability and know-how to make a significant impact through the effective implementation of the initiatives outlined in this plan. With a focus on continual improvement, visionary leadership from its Standards Council and the commitment of its senior management team and staff, adherence to good corporate governance and prudent financial management, the BSJ will achieve its strategic goals over the coming year.

5.0 Emoluments for Senior Executive and Compensation for Directors

Table 11 presents the emoluments for the senior executive.

Table 11: Emoluments for Senior Executive

Position of Senior Executive	Salary $	Gratuity ($)	Performance Incentive $	Travelling Allowance or Value of Fully Assignment of Motor Vehicle ($)	Pension of other Retirement Benefits	Other Allowance (One-Off MOU)	Non Cash Benefits	Total
Executive Director	7,725,000.00	1,875,000.00[1]	-	-	-	22,164 MOU Allow.	108,000.00	**9,730,164.00**
Chief Executive Officer (NCRA)	1,328,571.42[2]	-	-	295,078.06	-	-	-	**1,623,649.48**
Director, Special Projects/Technical Specialist	5,095,748.74	2,377,233.19[3]	-	1,158,672.00		25,000 MOU Allow 17,941.38 Vacation leave	108,000.00	**8,782,595.31**
Interim Director, Engineering	4,798,540.55	-	-	1,101,850.66	-	25,000 MOU Allow.	108,000.00	**6,033,391.21**
Director, Standards	5,531,164.81	-	-	1,158,672.00	-	25,000 MOU Allow.	108,000.00	**6,822,836.81**
Director, Regulatory	5,845,013.90	-	-	1,158,672.00	-	25,000 MOU Allow.	108,000.00	**7,136,685.90**
Director, Human Resources	4,809,967.95	1,702,028.69[4]	-	1,158,672.00	-	25,000 MOU Allow.	108,000.00	**7,803,668.64**
Manager, Finance & Accounting Services	3,697,995.06	-	-	1,158,672.00	-	25,000 MOU Allow.	108,000.00	**4,989,667.06**
Manager, National Certification Body of Jamaica	4,172,728.44	-	-	1,158,672.00	-	25,000 MOU Allow.	-	**5,356,400.44**
Manager, Standards Development	5,226,448.70	-	-	1,158,672.00	-	25,000 MOU Allow.	-	**6,410,120.70**

[1] Advanced gratuity payment of 25% basic salary
[2] Employed with effect 04 January 2016
[3] gratuity payment of 25% basic salary
[4] Advanced gratuity payment

Position of Senior Executive	Salary $	Gratuity ($)	Performance Incentive $	Travelling Allowance or Value of Fully Assignment of Motor Vehicle ($)	Pension of other Retirement Benefits	Other Allowance (One-Off MOU)	Non Cash Benefits	Total
Manager, Inspectorate /Regulatory	3,379,881.27	-	-	1,140,311.67	-	23,479 MOU Allow.	-	**4,543,671.94**
Director, Science & Technology	4,739,241.42	-	-	1,158,672.00	-	25,000 MOU Allow.	108,000	**6,030,913.42**
Manager, Marketing	1,731,599.40[5]	-	-	589,500.00	-	-	-	**2,321,099.40**
Manager, Facilities Mgmt./Property Projects	3,033,043.52[6]	-	-	650,482.00	--	25,000 MOU Allow. 464,344.17 Vacation leave	-	**4,172,869.69**
Manager, Human Resources	4,606,323.60	-	-	1,158,672.00	-	25,000 MOU Allow.	-	**5,789,995.60**
Manager, Quality & Environmental Systems	4,606,321.62	-	-	1,158,672.00	-	25,000 MOU Allow.	-	**5,789,993.62**
Manager, Management Information Systems	3,210,234.71[7]	-	-	1,070,585.33	-		-	**4,280,820.04**
Legal Officer	3,579,753.84	-	-	1,158,672.00	-	14,104 MOU Allow	-	**4,752,529.84**
								102,371,073.10

[5]Employed with effect 03 October 2015
[6]Employee resigned with effect 31 October 2015
[7]Employed with effect 27 April 2015

Table 12 details the compensation for the Board Directors (members of the Standards Council). Fees and other allowances were paid to the Board Directors in accordance with Circular #1 dated January 15, 2007 issued by the Ministry of Finance and Planning regarding *Fees for Chairmen and members of Public Bodies.*

Table 12: Compensation for Board Directors (Standards Council Members) and the NCBJ Advisory Body Committee Members

Position of Director	Fees	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle	Honoraria	All other Compensation including Non-Cash Benefits as applicable	Total
Chairman, Standards Council	209,500				209,500
Standards Council Member	140,500				140,500
Standards Council Member	87,500				87,500
Standards Council Member	130,000				130,000
Standards Council Member	170,500				170,500
Standards Council Member	17,500				17,500
Standards Council Member	132,000				132,000
Standards Council Member	152,500				152,500
Standards Council Member	162,500	62,265[8]			224,765
Standards Council Member	289,500				289,500
Standards Council Member	14,500				14,500
Standards Council Member	177,000				177,000
Standards Council Member	179,000				179,000
Chairman, NCBJ Advisory Body Committee	14,000				14,000
NCBJ Advisory Body Committee Member	7,000				7,000
NCBJ Advisory Body Committee Member	7,000				7,000
NCBJ Advisory Body Committee Member	7,000				7,000
					1,959,765

[8]Commuted from St. Thomas

Appendix 1

Published Standards

Product Standards

Adopted

1. JCP CRCP 9:2014 Organic Production and Processing
2. JS CRS 18: 2011 - Specification for Honey
3. JS ASTM F : 1292 Specification for Impact Attenuation of Surfacing Materials Within the Use Zone of Playground Equipment
4. JS ASTM F1083-06 Standard Specification for Pipe, Steel, Hot-Dipped Zinc-Coated (Galvanized) Welded, for Fence Structures
5. JS ASTM F: 1004 Consumer Safety Specification for Expansion Gates and Expandable Enclosure.
6. JS 333:2015 Jamaican Standard Specification for Bamboo charcoal for air purification
7. JS ASTM D: 2240 Test method for – Rubber Property – Durometer Hardness
8. JS ISO 11416 Tennis rackets- Racket components and physical parameters
9. JS ASTM F: 1951 – Specification for Determination of Accessibility of Surface System Under and Around Playground Equipment
10. JS ASTM F969-11 Standard Practice for Construction of Chain-link Tennis Court Fence
11. JS CRS 28: 2012 - Specification for Poultry and poultry products
12. JS ISO 334:2015 Jamaican Standard Specification for Canned/Packaged Bamboo Shoots
13. JS ISO 105-B01: 2014 Textiles -- Tests for colour fastness -- Part B01: Colour fastness to light: Daylight
14. JS ISO 10545-4: 2014 Ceramic tiles -- Part 4: Determination of modulus of rupture and breaking strength
15. JS ISO 10545-1 Ceramic tiles -- Part 1: Sampling and basis for acceptance
16. JS CRS 29:2011 Specification for Poultry feeds and feed ingredients
17. JS ASTM D4485-15a: Standard Specification for Performance of Active API Service Category Engine Oils
18. JS CRS 24: Part 2:2010 - Specification for Grades of Fresh Agricultural Produce Part 2: Cabbage
19. JS CRS 24: Part 8:2010 - Specification of Grades Fresh Agricultural Produce Part 8: Pumpkin
20. JS CRS: Part 9:2010 - Specification for Grades of Fresh Agricultural Produce Part 9: Sweet Pepper
21. JS CRS 24: Part 7:2010 - Specification of Grades of Fresh Agricultural Produce Part 7: Pineapples
22. JS ASTM F1043 - 14 Standard Specification for Strength and Protective Coatings on Steel Industrial Fence Framework
23. JS CRS 44: 2013 Rice - Specification, Sampling, Testing and Analysis
24. JS ISO 10545-8:2014 Ceramic tiles -- Part 8: Determination of linear thermal expansion
25. JS CRS 24: Part 6: 2010 - Specification for Grades of Fresh Agricultural Produce Part 6: Oranges
26. JS CRS 24: Part 3: 2010 - Specification for Grades of Fresh Agricultural Produce Part 3: Grapefruits
27. JS CRS 24: Part 4 2010 - Specification for Grades of Fresh Agricultural Produce Part 4: Hot Peppers
28. JS ISO 105-B01: 2014 Textiles -- Tests for colour fastness -- Part B01: Colour fastness to light: Daylight

Developed

1. JS 332:2015-Standard for water storage tanks - Rotational Moulded Polyethylene (Plastic) Water Storage Tanks
2. JS 335:2015 Standard Specification for Children's playgrounds and associated equipment

Revised

1. JS 133: Ready mixed concrete
2. JS 276: 2000 Jamaican Standard Specification for Canned ackee in brine
3. JS 1 Part 29 - Labelling of equipment containing ozone depleting substances
4. JS 1 Part 27: 1998 - Labelling of pesticides
5. JS 296:2004-Hot-dip zinc coated and hot-dip aluminium-zinc profiled and formed steel sheets and tiles for roofing
6. JS 286:2000 Aggregates for bituminous mixtures

Service Standards

Adopted

1. ISO 6346:1995 Freight containers -- Coding, identification and marking
2. ISO 10002:2014 Quality management -- Customer satisfaction -- Guidelines for complaints handling in organizations
3. ISO 1496-1:2013 Series 1 freight containers -- Specification and testing -- Part 1: General cargo containers for general purposes
4. Societal security -- Business continuity management systems -- - Requirements (ISO 22301: 2012)
5. ISO 22300: 2012-Societal security - Terminology
6. ISO 22320: 2011-Societal security -- Emergency management -- -- Requirements for incident response

Adapted	**Developed**
JS 336: 2015-Tourism Services: Hotels and other types of Tourism Accommodation –Terminology	JS 319: Part 1: 2014 Draft Jamaican Standard for Spa Entities with specification for the provision of health and wellness tourism services and products (Adaptation)

Key
ASTM- American Society for Testing & Materials
CRS- CARICOM Regional Organization for Standards & Quality
ISO – International Organization for Standardization
JS – Jamaican Standard

Appendix 2

Technical Committees and Sub-committees

Technical Committees

1. Building & Associated Materials
2. Aggregates
3. Electrical Practices & Products
4. Tourism Related Services
5. Energy Efficiency
6. Cocoa
7. Furniture
8. Coffee
9. National Food Standards *(& CROSQ Regional Technical Subcommittee for Ketchup)*
10. Labelling (General) *(National and CROSQ Regional Technical Committee)*
11. National Mirror Committee for ISO / TC 93 – Starch (Including derivatives and by-products)
12. National Mirror Committee for ISO / CASCO – Conformity Assessment Committee
13. National Mirror Committee for ISO / PC 283 – Occupational Health & Safety Management Systems
14. National Mirror Committee for ISO/TC 8 Ships & Marine Technology (Logistics Hub)
15. The Construction of Playgrounds and Play / Sports Equipment
16. Bamboo Products Standard Technical Committee
17. Paints and Surface Coatings
18. Refrigerants
19. National Mirror Committee for ISO Consumer Policy Committee (COPOLCO)
20. National Mirror Committee for ISO/TC 207 - Environmental Management Stakeholders' Forum
21. National Petroleum Safety Code

Sub-Committees

1. Fuel Gas, Plumbing & Mechanical Building Codes
2. Energy Conservation Building Code sub-committee
3. Refrigeration
4. Existing Building and Property Maintenance Building Codes
5. Electrical Building Code
6. Building and Fire Codes
7. Residential and Private Sewage Disposal Building Codes sub-committee

Appendix 3

Certification Programmes

This table provides data on the companies and products under the organization's product and plant certification schemes.

National Certification Mark Programme

Company	Type of Certification	Products
Berger Paints Ltd.	Product	Paint - 5 types: ▪ Berger 303 Flat Emulsion ▪ Berger Everglow Low Sheen Emulsion ▪ Magicote Flat Emulsion ▪ Natures White Flat Emulsion ▪ Natures White Low Sheen Emulsion
Sherwin Williams (W.I.) Ltd.	Product	Paint - 4 types: ▪ Sherwil Special ▪ Kem Glow Low Sheen Emulsion ▪ Kem Gloss ▪ Kem Flat Emulsion
EdgeChem Jamaica Ltd.	Product	Paint - 3 types: ▪ EdgeChem Color Glow Low Sheen Emulsion ▪ EdgeChem Color Glow Flat Emulsion ▪ EdgeChem Color Glow Gloss Paint
Brandram-Henderson (B-H Paints) Ltd.	Product	Paint - 3 types: ▪ B-H PermaPlastic Flat Emulsion ▪ Excel Flat Emulsion ▪ B-H Perma Cote Oil Point
Marjoblac Quarry & Block Factory	Product	Blocks - 3 sizes: ▪ 100 mm Blocks ▪ 150 mm Blocks ▪ 200 mm Blocks
Caribbean Cable Company Ltd.	Product	Electrical Cables - 2 types: ▪ Armoured (PVC) ▪ Non-Armoured (PVC)
The Pickapeppa Company Ltd.	Product	▪ Pickapeppa Sauce ▪ Pickapeppa Hot Pepper Sauce

Company	Type of Certification
V.A.P. Ltd.	Plant
GK Foods and Services (Canning Division)	Plant
GK Foods and Services (Meat Division)	Plant
King Pepper Products Ltd.	Plant
Gray's Pepper Products Ltd.	Plant

Company	Type of Certification	Products
Gray's Pepper Products Ltd.	Plant & Product	▪ Hot Pepper sauce ▪ Fish & Meat Spicy Sauce

Jamaica Made Mark Programme

Company	Products		Company	Products
Wisynco Group Ltd.	▪ Purified Bottled Water ▪ Flavoured Purified Bottled Water ▪ Carbonated Soft Drinks		Island Fruit Snacks and Dessert	Déjà *Fruit* Sorbets - 6 flavours: *Black Cherry, Coconut, Key Lime, Mango, Pineapple, Sorrel*
Trade Winds Citrus Ltd.	▪ Tru Juice - 14 flavours: *Orange, Orange {no sugar added}, Ortanique, Sorrel, Orange Pineapple, Guava Pineapple, June Plum, Otaheiti Apple with ginger, Mango Carrot, Mango Orange Pine, Fruit Punch (sugar added), Lime, Carrot, Grapefruit* ▪ Calico Jack (Rum Punch)		Jamaican Teas Ltd.	Caribbean Dreams Teas - 11 flavours: *Moringa Mint, Bissy, Cinnamon, Honey Ginger, 100 % Ginger, Cerasse, Lemon Grass, Ginger Mint, Ginger Lemon, Regular Ginger, Cinnamon Mint (Diabetic)*
Virginia Dare Jamaica Ltd.	▪ Sir Henry Fruit Cordials -6 flavours: *Orange, Sorrel, Grapefruit, Ginger Beer, Ginger Fever and Sorrel Fever* ▪ Hi-Lyte Ready to Drink - 6 flavours: *Melon Berry, Lemon Lime, Neon Berry, Kola Champagne, Blue Berry Jazz, Strawberry Fusion*		Red Stripe Diageo	▪ Red Stripe ▪ Dragon Stout ▪ Red Stripe Light - 2 flavours: *Beer, Red Stripe Lime Beer* ▪ Malt Beverage- 4 flavours: *Malta, Malta Light, Malta Velvet, Malta Fresh* ▪ White Overproof Rum
Outa Earth Processors Limited *(new)*	▪ *Castor Oil*		Jamaica Grains and Cereal*(new)*	▪ *Cannon /Cannon Plus Bleach 3.5 & 5.2%* ▪ *Pronto Porridge Mix -4 flavours Vanilla, Peanut, Cinnamon, Banana*

Certification of Agricultural Produce Programme

Company	Produce			
Devon Resource Center	▪ Sweet Pepper ▪ Tomato ▪ Lettuce ▪ Ginger		Trade Winds Citrus	▪ Limes ▪ Oranges ▪ Tangerine
Alpart Community Council	▪ Thyme ▪ Broccoli ▪ Cauliflower ▪ Tomato ▪ Sweet Pepper ▪ Hot Pepper		Wiggins Farm	▪ Pumpkin ▪ Hot Pepper ▪ Cabbage ▪ Sweet Pepper
B&D Vegetable Farm	Sweet Pepper		ER Farms & Company Ltd.	Whole Eggs

APPENDIX 4
Audited Financial Statements

BUREAU OF STANDARDS JAMAICA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(Expressed in Jamaican Dollars)

BUREAU OF STANDARDS JAMAICA
YEAR ENDED MARCH 31, 2016
(Expressed in Jamaican Dollars)

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Building a better working world

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Bureau of Standards Jamaica

Report on the Financial Statements

We have audited the accompanying financial statements of Bureau of Standards Jamaica (the Bureau), which comprise the statement of financial position as at March 31, 2016, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Bureau of Standards Jamaica (Continued)

Report on the Financial Statements (Continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bureau as at March 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Chartered Accountants
Kingston, Jamaica

July 28, 2016

BUREAU OF STANDARDS JAMAICA

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016
(Expressed in Jamaican Dollars)

	Notes	2016 $'000	2015 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,001,426	954,712
Investment properties	6	54,000	51,000
Employee benefits asset	7(a)	863,932	533,667
Total non-current assets		1,919,358	1,539,379
Current assets			
Inventories	8	6,026	4,185
Income tax recoverable		-	12,428
Trade and other receivables	9	76,395	79,458
Restricted cash	10	11,667	735
Cash and bank balances	10	88,647	145,209
Total current assets		182,735	242,015
Total assets		2,102,093	1,781,394
EQUITY AND LIABILITIES			
Equity			
Properties revaluation reserve	11	668,272	616,331
Special fund	11,12	70,954	70,954
Revenue reserve	12	926,866	630,315
Total equity		1,666,092	1,317,600
Non-current liabilities			
Employee benefits liability	7(b)	263,179	260,719
Deferred income	13	35,835	26,678
Total non-current liabilities		299,014	287,397
Current liabilities			
Provisions	14	26,983	35,415
Deferred income	13	5,036	3,800
Trade and other payables	15	104,968	137,182
Total current liabilities		136,987	176,397
Total equity and liabilities		2,102,093	1,781,394

The accompanying notes form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Council on July 28, 2016 and are signed on its behalf by:

.....
Council Member

.....
Council Member

BUREAU OF STANDARDS JAMAICA

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2016
(Expressed in Jamaican Dollars)

	Notes	2016 $'000	2015 $'000
Revenue	16	866,837	879,900
Interest income	17	6,418	5,749
Other gains and losses	17	(5,963)	1,090
Administrative and operating expenses	18(a)	(697,728)	(630,218)
Other expenses	18(b)	(228,289)	(161,786)
(LOSS)/PROFIT FOR THE YEAR	19	(58,725)	94,735
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of properties	11(a)	51,941	-
Remeasurement gains (losses) on defined benefit plan	7	355,276	(214,697)
Other comprehensive income (loss) for the year		407,217	(214,697)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		348,492	(119,962)

The accompanying notes form an integral part of the financial statements.

BUREAU OF STANDARDS JAMAICA

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2016
(Expressed in Jamaican Dollars)

	Notes	Property Revaluation Reserve	Insurance Reserve	Special Fund	Revenue Reserve	Total
		$'000	$'000	$'000	$'000	$'000
Balance at April 1, 2014		616,331	14,000	70,954	743,269	1,444,554
Transfer from insurance reserve		-	(14,000)	-	14,000	-
Financial distribution	12(a)	-	-	-	(6,992)	(6,992)
		-	(14,000)	-	7,008	(6,992)
Profit for the year		-	-	-	94,735	94,735
Other comprehensive loss		-	-	-	(214,697)	(214,697)
Total comprehensive loss for the year		-	-	-	(119,962)	(119,962)
Balance at March 31, 2015		616,331	-	70,954	630,315	1,317,600
Loss for the year		-	-	-	(58,725)	(58,725)
Other comprehensive income		51,941	-	-	355,276	407,217
Total comprehensive income for the year		51,941	-	-	296,551	348,492
Balance at March 31, 2016		668,272	-	70,954	926,866	1,666,092

The accompanying notes form an integral part of the financial statements.

BUREAU OF STANDARDS JAMAICA

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2016
(Expressed in Jamaican Dollars)

	Notes	2016 $'000	2015 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit for the year		(58,725)	94,735
Adjustments for:			
Investment revenue	17	(6,418)	(5,749)
Foreign exchange (gain) loss adjustment	17	(730)	256
Gain on revaluation of investment property	6	(3,000)	-
Depreciation of property, plant and equipment	5	47,036	36,561
Impairment loss (reversed) recognised on trade receivables	9(a)	(1,071)	608
Impairment loss recognised on income tax recoverable		12,428	8,350
Loss / Gain on disposal of property, plant and equipment	17	9,693	(1,346)
Amortisation of deferred income	13	(3,677)	(3,800)
Credit recognised in respect of employee pension benefits	7(a)	16,488	(9,648)
Charge recognised in respect of other employee benefits	7(b)	34,762	22,714
Provision charged	14(b)	24,708	5,421
		71,494	148,102
Movements in working capital:			
Decrease in receivables		4,134	24,807
Increase in inventories		(1,841)	(156)
Decrease in payables		(32,214)	(23,059)
Provision utilised	14(b)	(33,140)	(3,889)
Contributions to employee pension benefits	7(a)	(16,922)	(3,309)
Contributions to other employee benefits	7(b)	(6,857)	(5,819)
Cash used in (provided by) operations		(15,346)	136,677
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		6,418	5,749
Purchases of property, plant and equipment	5	(52,690)	(67,419)
Proceeds from disposal of property, plant and equipment		1,188	1,346
Restricted cash		(10,932)	8,961
Net cash used in investing activities		(56,016)	(51,363)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in deferred income	13	14,070	-
Net cash used in financing activities		14,070	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(57,292)	85,314
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		145,209	60,151
Effect of exchange rate changes on the balance of cash held in foreign currencies		730	(256)
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	88,647	145,209

The accompanying notes form an integral part of the financial statements.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016
(Expressed in Jamaican Dollars)

1. IDENTIFICATION

The Bureau of Standards (the Bureau) was established by the Standards Act, No. 57 of 1968 (Laws of Jamaica) for the purpose of promoting and encouraging the maintenance of standardisation in relation to commodities, processes and practices, and is empowered to exercise such other functions as may be prescribed by the relevant Minister of the Government of Jamaica.

The Bureau is domiciled in Jamaica and the registered office is 6 Winchester Road, Kingston 10.

Under the Jamaica Strategic Public Sector Transformation Project, the Regulatory Division of the Bureau was separated from the agency (by a 'firewall' in the first instance) during financial year 2016 and transformed into a new body called the National Compliance and Regulatory Authority (NCRA). The Bureau retains responsibility for the development of standards, product certification and providing chemistry, microbiology, engineering and metrology testing services, along with other industry support services; while the NCRA is the regulator responsible for registering processed-food establishments, inspecting goods at ports of entry, policing compliance in the local market, and regulating for legal metrology. The firewalling of the entities had no impact on the current year financial statements as the entities are not legally separate.

Income tax

The Bureau is a statutory body operating under the Ministry of Industry, Investment and Commerce (MIIC) and is exempt from income tax under the Income Tax Act, Section 12(b).

These financial statements are expressed in Jamaican dollars.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 Current year changes

The Bureau applied for the first time certain standards and amendments, which are effective for annual periods beginning on April 1, 2015. The Bureau has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments applied for the first time in the current year, they did not have a material impact on the annual financial statements of the Bureau. The nature and the impact of each new standard or amendment is described below:

- **Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions***
  IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. This amendment is not relevant to the Bureau as contributions are not dependent on years of service.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016
(Expressed in Jamaican Dollars)

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)**

2.1 **Current year changes (Continued)**

- **Annual Improvements 2010-2012 Cycle**
  With the exception of the improvement relating to IFRS 2 *Share-based Payment* applied to share-based payment transactions with a grant date on or after July 1, 2014, all other improvements are effective for accounting periods beginning on or after July 1, 2014. The Bureau has applied these improvements for the first time in these financial statements. They include:

  - **IFRS 2 *Share-based Payment***
    This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The Bureau had not granted any awards during the year and thus these amendments did not impact the Bureau's financial statements.

  - **IFRS 3 *Business Combinations***
    The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This amendment did not impact the Bureau's accounting policies as there were no business combinations during the year.

  - **IFRS 8 *Operating Segments***
    The amendments are applied retrospectively and clarify that:
    - An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar';
    - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

    These amendments did not have any impact on the financial statements of the Bureau as it is not required and the Bureau does not present segment information.

  - **IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets***
    The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact on the revaluation adjustments recorded by the Bureau during the current year.

  - **IAS 24 *Related Party Disclosures***
    The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment did not result in any changes as the Bureau does not use the services of a management entity.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016
(Expressed in Jamaican Dollars)

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

2.1 Current year changes (Continued)

- **Annual Improvements 2011-2013 Cycle**
  These improvements are effective from July 1, 2014 and the Bureau has applied these amendments for the first time in these financial statements. They include:

  - **IFRS 3 *Business Combinations***
    The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
    - Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
    - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

    This this amendment is not relevant to the Bureau as it is not a joint arrangement.

  - **IFRS 13 *Fair Value Measurement***
    The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Bureau does not apply the portfolio exception in IFRS 13.

  - **IAS 40 *Investment Property***
    The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. This amendment did not impact the financial statements of the Bureau.

2.2 Future changes

The standards and interpretations that are issued, but not yet effective are disclosed below. The Bureau intends to adopt these standards, if applicable, when they become effective.

- **IFRS 9 *Financial Instruments***
  In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement, and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

  The Bureau plans to adopt the new standard on the required effective date.

  (i) Classification and measurement
  All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2 **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)**

2.2 **Future changes (Continued)**

- **IFRS 9** ***Financial Instruments (Continued)***

  (i) Classification and measurement (Continued)
  With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

  The Bureau does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9.

  (ii) Impairment
  IFRS 9 requires the Bureau to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. Management is currently assessing the impact of this change on the Bureau's financial statements.

  (iii) Hedge accounting
  This amendment would not apply as the Bureau does not apply hedge accounting.

- **IFRS 14** ***Regulatory Deferral Accounts***
  IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Bureau is an existing IFRS preparer, this standard would not apply.

- **IFRS 15** ***Revenue from Contracts with Customers***
  This new standard provides a single, principles based five-step model to be applied to all contracts with customers. The five steps are:

  - Identify the contract with the customer,
  - Identify the performance obligations in the contract,
  - Determine the transaction price,
  - Allocate the transaction price to the performance obligations in the contracts,
  - Recognise revenue when (or as) the entity satisfies a performance obligation.

2 **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)**

2.2 **Future changes (Continued)**

- **IFRS 15 *Revenue from Contracts with Customers (Continued)***
  There is new guidance on whether revenue should be recognised at a point in time or over time, which replaces the previous distinction between goods and services. Where revenue is variable, a new recognition threshold has been introduced by the standard. This threshold requires that variable amounts are only included in revenue if, and to the extent that, it is highly probable that a significant revenue reversal will not occur in the future as a result of re-estimation. However, a different approach is applied for sales and usage-based royalties from licences of intellectual property; for such royalties, revenue is recognised only when the underlying sale or usage occurs. The standard also introduces new guidance on costs of fulfilling and obtaining a contract, specifying the circumstances in which such costs should be capitalised. Costs that do not meet the criteria must be expensed when incurred.

  The standard provides detailed guidance on various issues such as identifying distinct performance obligations, accounting for contract modifications and accounting for the time value of money, sales with a right of return, customer options for additional goods or services, principal versus agent considerations, licensing, and bill-and hold arrangements.

  The standard introduces new, increased requirements for disclosure of revenue in an IFRS reporter's financial statements.

  IFRS 15 must be applied in an entity's annual IFRS financial statements for periods beginning on or after January 1, 2018. Application of the Standard is mandatory and early adoption is permitted. The directors and management have not yet assessed the impact of the application of this standard on the Bureau's financial statements.

- **IFRS 16 *Leases***
  This new standard requires lessees to account for all leases under a single on-balance sheet model, subject to certain exemptions in a similar way to finance leases under IAS 17. Lessees recognise a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately. The standard provides guidance on the two recognition exemptions for leases – leases of "low value" assets and short-term leases with a term of 12 months or less. Lessor accounting is substantially the same as IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted but not before the Bureau applies IFRS 15. The directors and management have not yet assessed the impact of the application of this standard on the Bureau's financial statements.

- **Amendments to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests***
  The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Bureau's financial statements.

2 **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)**

2.2 **Future changes (Continued)**

- **Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation***
  The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Bureau given that the Bureau has not used a revenue-based method to depreciate its non-current assets.

- **Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants***
  The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply.

  The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Bureau's financial statements as the Bureau does not have any bearer plants.

- **Amendments to IAS 27: *Equity Method in Separate Financial Statements***
  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

  For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Bureau's financial statements.

- **Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***
  The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Bureau's financial statements.

2 **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)**

2.2 **Future changes (Continued)**

- **Amendments to IAS 1 *Disclosure Initiative***
  The amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

  - The materiality requirements in IAS 1
  - That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
  - That entities have flexibility as to the order in which they present the notes to financial statements
  - That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

  Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Bureau is currently assessing the impact of these amendments on its financial statements.

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception***
  The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

  These amendments are not expected to have any impact on the Bureau's financial statements.

- **Annual Improvements *2012-2014 Cycle***
  These improvements are effective for annual periods beginning on or after January 1, 2016. They include:

  - **IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations***
    Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

2 **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)**

2.2 **Future changes (Continued)**

- **Annual Improvements *2012-2014 Cycle (Continued)***

  - **IFRS 7 *Financial Instruments: Disclosures***

    (i) Servicing contracts

    The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

    (ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

    The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

  - **IAS 19 *Employee Benefits***

    The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

  - **IAS 34 *Interim Financial Reporting***

    The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Bureau's financial statements.

3. **SIGNIFICANT ACCOUNTING POLICIES**

3.1 **Statement of compliance**

The Bureau's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.2 **Basis of preparation**

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets that are measured at revalued amounts or fair values as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in Jamaican dollars, which is the functional currency of the Bureau and rounded to the nearest thousand, unless otherwise stated.

These principal accounting policies are set out below.

3.3 **Foreign currencies**

In preparing the financial statements of the Bureau, transactions in currencies other than the Bureau's functional currency (Jamaican dollar) are recognised at the rates of exchange prevailing on the dates of those transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical costs in foreign currency are not re-translated. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. The gain or loss arising on the translation of non-monetary items carried at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item. Other exchange gains and losses are recognised in profit or loss for the period in which they arise except for exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where such exchange differences are regarded as an adjustment to interest cost on foreign currency borrowings.

3.4 **Current versus non-current classification**

The Bureau presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Bureau classifies all other liabilities as non-current.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.5 **Fair value measurement**

The Bureau measures financial instruments and non-financial assets, such as investment properties, at fair value at the end of each reporting period.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Bureau.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bureau uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bureau determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Bureau's Council determines the policies and procedures for recurring fair value measurement, such as property, plant and equipment and investment properties.

External valuers are involved for valuation of certain assets, such as investment properties. Involvement of external valuers is decided upon annually. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. At each reporting date, the Bureau analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Bureau's accounting policies.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.5 **Fair value measurement (Continued)**

The Bureau, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Bureau has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.6 **Property, plant and equipment**

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in property revaluation reserve is transferred directly to revenue reserve.

Land is not depreciated.

Plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.7 **Investment property**

Investment property is property held to earn rentals and/or for capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.7 **Investment property (Continued)**

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated on the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Bureau accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.8 **Intangible assets**

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from thederecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, arerecognised in profit or loss when the asset is derecognised.

3.9 **Impairment of non-financial assets**

At the end of each reporting period, the Bureau reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Bureau estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.9 **Impairment of non-financial assets (Continued)**

When an impairment loss subsequently reverses, the carrying amount of the asset(or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset(or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.10 **Employees' benefits**

Pension obligations

The Bureau participates in a defined benefits plan. The cost of providing benefits is determined using the Projected Unit Credit Method with external actuarial valuations being carried out at the end of the reporting period. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Bureau recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Trust recognises the following changes in the net defined benefit obligation under 'administration expenses' in the statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income.

Post-retirement medical benefits

The Bureau provides health benefits to qualifying employees upon retirement. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that used for the defined benefit pension plan.

Termination obligations

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bureau recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve (12) months after the end of each reporting period are discounted to present value.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.10 **Employees' benefits (Continued)**

Leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave for services rendered by employees up to the end of each reporting period and is classified as current or non-current based on when the payment is expected to be made.

3.11 **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

3.12 **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability to, or equity to, another entity.

The Bureau recognises financial assets or financial liabilities on its statement of financial position only when the Bureau becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The fair values of financial instruments are discussed in Note 20(f).

Listed below are the Bureau's financial assets and liabilities and the specific accounting policies relating to each:

3.12.1 ***Financial assets***

These are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by regulation or convention in the market place.

The Bureau classifies its financial assets as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.12 **Financial instruments (Continued)**

3.12.1 ***Financial assets (Continued)***

(a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rates, except for short-term receivables when the recognition of interest would be immaterial. The Bureau's portfolio of loans and receivables comprises trade and other receivables and cash and bank balances (including securities purchased under resale agreements).

Securities purchased under resale agreements
Securities purchased under resale agreements are treated as collaterised financing transactions. The difference between the purchase and resale price is treated as interest income and is accrued over the lives of the resale agreements using the effective yield method.

Repurchase agreements are treated as sell/buy back transactions whereby transfer of ownership of the underlying security is effected from the broker to the customer until the agreed maturity date or an earlier date of encashment.

(b) *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired if there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Bureau's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 15 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.12 **Financial instruments (Continued)**

3.12.1 ***Financial assets (Continued)***

(b) *Impairment of financial assets (Continued)*

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowable account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(c) *Derecognition of financial assets*

The Bureau derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Bureau neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bureau recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bureau retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bureau continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.12 **Financial instruments (Continued)**

3.12.1 ***Financial assets (Continued)***

(c) *Derecognition of financial assets (Continued)*

On derecognition of a financial asset other than in its entirety (e.g. when the Bureau retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Bureau retains control), the Bureau allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.12.2 ***Financial liabilities***

Debt instruments issued by the Bureau are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definition of a financial liability.

Financial liabilities are classified as “other financial liabilities”.

These are initially measured at their fair values net of transaction costs. No interest is charged on outstanding balances and these are usually settled within a short period during which interest charged would be immaterial.

Financial liabilities include current liabilities except accruals, deferred income and provisions.

Derecognition of financial liabilities

The Bureau derecognises financial liabilities when the Bureau’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.13 **Capital grants**

Grants are recognized when there is reasonable assurance that the Bureau will comply with the conditions attached to the grants and that the grants will be received.

Grants are recognised in profit or loss on a systematic basis over the periods in which the Bureau recognises as expenses the related costs for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Bureau should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Bureau with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.14 **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for goods and service provided in the normal course of business, net of discount and sales related taxes.

Fees income

These are recognised when services have been rendered.

Compliance fee income

These are recognised on an accrual basis.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Bureau and the amount of the income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Rental income

The Bureau's policy for recognition of revenues from operating leases is described under "leases" below.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Bureau as a lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Bureau as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.16 Related party balances and transactions

A related party is a person or entity that is related to the Bureau:

(a) A person or close member of that person's family is related to the Bureau if that person:

  (i) has control or joint control over the Bureau;
  (ii) has a significant influence over the Bureau; or
  (iii) is a member of the key management personnel of the Bureau or of a parent of the Bureau.

(b) An entity is related to the Bureau if any of the following conditions applies:

  (i) the entity and the Bureau are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  (ii) the entity is an associate or a joint venture of the Bureau (or an associates or joint venture of a member of a group of which the other entity is a member);
  (iii) both entities are joint ventures of the same third party;
  (iv) the entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Bureau or an entity related to the Bureau;
  (vi) the entity is controlled or jointly controlled by a person identified in (i); or
  (vii) a person identified in (i) has significant influence over the Bureau or is a member of the key management personnel of the entity (or of a parent of the Bureau).

Transactions with related parties are accounted for in accordance with the normal policies of the Bureau.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Bureau's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

Management believes there are no judgements made that had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future or other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Employee benefit obligations

As disclosed in Note 7, the Bureau operates a defined-benefit pension plan and provides post-retirement medical benefits. The amounts shown in the statement of financial position as an asset of approximately $863.932 million (2015: $533.667 million) in respect of the defined benefit plan and a liability of approximately $263,179 million (2015: $260.719million) in respect of the post-retirement medical benefit are subject to estimates in respect of periodic costs which net costs would be dependent on returns on assets, future discount rates, rates of salary increases and the mortality rates in respect of the pension plan, as well as inflation rates and rates of increases in medical costs for the post-retirement medical plan. External actuaries are contracted by the Bureau in this regard.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. The assumptions are reviewed at each reporting date.

The discount rates which are used to determine the present value of estimated cash outflows expected to be required to settle any future pension and medical obligation are determined at the end of each reporting period by the contracted external actuaries. The Bureau's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds or, in their absence, certain Government of Jamaica bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of the bonds include the issue size of the bonds and the quality of the bonds.

For the benefits scheme, the benefit is derived using information supplied by the Bureau and the Fund managers in relation to full members of the scheme.

Judgement is also exercised in determining the proportionate share of the health obligation and cost as well as the extent that the surplus or deficit in the plan may affect the future contributions to the plan.

Details of sensitivity analyses in respect of the defined benefit plans are disclosed at Note 7(a)(viii) and Note 7(b)(vi).

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4. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

Key sources of estimation uncertainty (Continued)

Fair value of property, plant and equipment and investment properties

Included in the statement of financial position are land and buildings with a carrying value of $794 million (2015: $735 million) and investment properties with a carrying amount of $54 million (2015: $51 million) at fair value as determined by an external valuator.

The Bureau engaged an external valuation specialist to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of the assets, the Bureau uses market observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of the land and buildings as well as the investment property are disclosed in Note 5 and Note 6.

5. **PROPERTY, PLANT AND EQUIPMENT**

	Freehold Land at Fair Value	Freehold Buildings at Fair Value	Motor Vehicles at Cost	Plant & Equipment at Cost	Furniture & Fittings at Cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At cost/valuation						
April 1, 2014	403,000	332,000	24,339	446,372	33,437	1,239,148
Additions	-	32,474	6,167	23,696	5,082	67,419
Disposals	-	-	(1,760)	-	-	(1,760)
March 31, 2015	403,000	364,474	28,746	470,068	38,519	1,304,807
Additions	-	7,059	3,860	38,468	3,303	52,690
Disposals	-	-	(3,401)	(22,043)	-	(25,444)
Revaluation (Note 11 (a))	84,000	(32,059)	-	-	-	51,941
March 31, 2016	487,000	339,474	29,205	486,493	41,822	1,383,994
At valuation	487,000	307,000	-	-	-	794,000
At cost	-	32,474	29,205	486,493	41,822	589,994
	487,000	339,474	29,205	486,493	41,822	1,383,994
Depreciation						
April 1, 2014	-	-	24,289	267,519	23,486	315,294
Charge for year	-	-	51	34,177	2,333	36,561
Eliminated on disposals	-	-	(1,760)	-	-	(1,760)
March 31, 2015	-	-	22,580	301,696	25,819	350,095
Charge for year	-	-	1,885	41,764	3,387	47,036
Eliminated on disposals	-	-	(3,401)	(11,162)	-	(14,563)
March 31, 2016	-	-	21,064	332,298	29,206	382,568
Net Book Value						
March 31, 2016	487,000	339,474	8,141	154,195	12,616	1,001,426
March 31, 2015	403,000	364,474	6,166	168,372	12,700	954,712

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5. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

The following useful lives are used in the calculation of depreciation:

Buildings	-	40 years
Motor vehicles	-	5 years
Plant and equipment	-	10 years
Furniture and fittings	-	4 years

Land and buildings included at valuation were based on fair market value (see Note 4) as at March 31, 2016 (2015: March 31, 2015) as expressed by external professional valuators, Langford and Brown, on April 27, 2016 (2015: Langford & Brown, Valuers and Real Estate Dealers June 5, 2015).

Fair value hierarchy disclosures are provided in the Note 20.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

Significant unobservable valuation input:

	Range	
	2016	**2015**
Rent per square foot	$1,197 - $1,665	$1,122 – $1,625

Significant increases (decreases) in estimated rental rate per square foot in isolation would result in a significantly higher (lower) fair value.

Had the land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	2016 **$'000**	**2015** **$'000**
Freehold land	4,938	4,938
Freehold buildings	157,010	149,951

The administrative office building occupied by the Bureau is owned by the Commissioner of Lands. The Bureau does not pay rental fees and there no formal rental agreement. However, based on the terms of the arrangement the Bureau is responsible for Insurance, maintenance and upkeep of the building.

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6. INVESTMENT PROPERTIES

The analysis and movement in investment property are as follows:

	$'000
At April 1, 2014 and March 31, 2015	51,000
Increase in fair value (Note 17)	3,000
At March 31, 2016	54,000

These represent commercial buildings held for long-term rental and are not occupied by the Bureau. Land and buildings included at valuation were based on fair market value (see Note 4) as at March 31, 2016 (2015: March 31, 2015) as expressed by external professional valuators, Langford and Brown, on April 27, 2016 (2014: Langford & Brown, Valuers and Real Estate Dealers, on June 5, 2015).

Fair value hierarchy disclosures are provided in the Note 20.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

Significant unobservable valuation input:

	2016	2015
Rent per square foot	$1,546	$1,450

Significant increases (decreases) in estimated rental rate per square foot in isolation would result in a significantly higher (lower) fair value of the property.

The property rental income earned by the Bureau from its investment property which is leased under operating leases amounted to $1,000 (2015:$1,000). Direct operating expenses arising on the investment property during the year amounted to approximately $2,865,000 (2015: $2,291,000).

7. EMPLOYEE BENEFITS

(a) Defined benefit pension plan

The Bureau operates a defined benefit pension plan for its qualifying employees. The Plan is administered by NCB Insurance Company Limited. The plan is funded by contributions from the employees at a rate of 5% of pensionable salaries for compulsory contributions and additional voluntary contributions of up to 5% of pensionable salaries. The employer generally contributes at a rate of 10% of members' pensionable salaries. For the financial year the contribution was at a rate of 1% of members' pensionable salaries. This resulted from a two year agreement, beginning November 2013, between the sponsor and the pension plan's Board of Trustees on recommendation by the actuaries based on the value of the Plan.

The most recent valuation of plan assets and the present value of the defined benefit obligation at March 31, 2016 (2015: March 31, 2015) was carried out on June 16, 2016 (2015: May 14, 2015) by Constance Dalmadge Hall, Fellow of the Society of Actuaries, (Eckler Consultants & Actuaries). The present values of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

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7. **EMPLOYEE BENEFITS (CONTINUED)**

(a) Defined benefit pension plan (Continued)

Plan information

Regulatory framework	The law requires each plan sponsor to be an ordinary annual contributor but does not stipulate a minimum funding rate or solvency level. In absence of guidance from the Regulator, the working party of actuaries and auditors agreed on a minimum employer contributions rate of 0.25% of payroll per annum where plan rules do not specify a minimum.
Responsibilities	Each year, the Board of Trustees reviews the level of funding. Such review includes the asset liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees ensures benefits are funded, benefits are paid, assets are invested to maximize return subject to acceptable investment risks while considering the liability profile. The Board of Trustees (including sponsor, employee and pensioner representatives) have contracted a pension services provider to administer the plan's activities. The plan is registered with the Financial Services Commission.

The plan is exposed to inflation, interest rate risk and changes in the life expectancy for pensioners. As the plan assets include investments in quoted equities, the plan is also exposed to market risk in this regard.

(i) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at	
	2016	**2015**
	%	%
Financial Assumptions		
Discount rate	9.00	9.5
Future salary increases	6.50	7.0
Future pension increases	5.50	6.0
Inflation	5.50	6.0
Interest on refunds of contributions	6.00	6.0
	2016	**2015**
	Years	**Years**
Demographic assumptions		
Average liability duration for each category of member:		
Active members	23.8	24.9
Deferred pensioners	32.3	32.3
Pensioners	9.2	9.3
All participants	17.1	17.5
Mortality rates – 1994 Group Annuity Mortality Tables (Sex Distinct Rates) in Service and after Retirement projected to the measurement date using the Society of Actuaries' Scale AA.		

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7. **EMPLOYEE BENEFITS (CONTINUED)**

(a) Defined benefit pension plan (Continued)

(ii) Amount included in the statement of financial position in respect of the plan is as follows:

	2016 $'000	2015 $'000
Present value of funded obligation	(1,366,390)	(1,337,109)
Fair value of plan assets	2,230,322	1,870,776
Net assets in the statement of financial position	863,932	533,667

(iii) Movements in the net assets in the year were as follows:

	2016 $'000	2015 $'000
Balance, at beginning of the year	533,667	658,689
Net income (expense) to profit and loss and other comprehensive income	313,343	(128,331)
Contributions by employer	16,922	3,309
Balance, at end of the year	863,932	533,667

(iv) Amounts recognised in the statement of profit and loss and other comprehensive income in respect of the plan are as follows:

	2016 $'000	2015 $'000
Current service cost	55,414	42,438
Interest cost on the obligation	125,071	100,415
Interest income on plan assets	(175,412)	(162,621)
Administrative fees	11,415	10,120
Net expense (income) included in profit and loss	16,488	(9,648)
Items in other comprehensive income:		
Remeasurement loss on obligation	(110,109)	149,694
Remeasurement (gain) loss on assets	(219,722)	(11,715)
Total remeasurement included in other comprehensive income	(329,831)	137,979
Total	(313,343)	128,331

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS
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7. **EMPLOYEE BENEFITS (CONTINUED)**

(a) Defined benefit pension plan (Continued)

(v) Changes in the present value of the defined benefit obligation are as follows:

	2016 $'000	2015 $'000
Opening defined benefit obligation	(1,337,109)	(1,079,258)
Service cost	(55,414)	(42,438)
Interest cost on obligation	(125,071)	(100,415)
Remeasurement loss(gain) on obligation due to:		
- Experience	111,424	(45,481)
- Financial assumptions	(1,315)	(104,213)
Contributions – employee	(25,741)	(23,204)
Benefits paid	66,836	57,900
Closing defined benefit obligation	(1,366,390)	(1,337,109)

(vi) Changes in the fair value of plan assets are as follows:

	2016 $'000	2015 $'000
Opening fair value of plan assets	1,870,776	1,737,947
Contributions – employer	16,922	3,309
Contributions – employees	25,741	23,204
Interest income on plan assets	175,412	162,621
Benefits paid and administrative expenses	(66,836)	(57,900)
Administrative fees	(11,415)	(10,120)
Remeasurement gain on plan assets	219,722	11,715
Closing fair value of plan assets	2,230,322	1,870,776

(vii) The fair value of plan assets at the end of each reporting period is analysed as follows:

	2016 $'000	2015 $'000
Government bonds	890,680	944,270
Equities	642,290	359,906
Real estate	180,930	191,603
Repurchase agreements	251,210	131,700
BOJ CDs	189,790	33,210
Corporate bonds	41,460	65,292
Leases	18,640	21,570
Promissory notes	-	111,138
Mortgages	2,960	3,554
Net current assets	12,362	8,533
Closing fair value of plan assets	2,230,322	1,870,776

BUREAU OF STANDARDS JAMAICA

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7. EMPLOYEE BENEFITS (CONTINUED)

(a) Defined benefit pension plan (Continued)

(viii) Quantitative sensitivity analyses for significant assumptions at the end of the reporting period are shown below:

2016

Assumptions	Sensitivity Level Increase	Impact on Defined Benefits Obligations $'000	Sensitivity Level Decrease	Impact on Defined Benefits Obligations $'000
Financial				
Discount rate	1%	(197,543)	1%	257,808
Future salary increase	1%	79,213	1%	(68,264)
Future pension cost increase	1%	163,213	1%	(135,600)
Demographic				
Life expectancy	1 year	34,400		

2015

Assumptions	Sensitivity Level Increase	Impact on Defined Benefits Obligations $'000	Sensitivity Level Decrease	Impact on Defined Benefits Obligations $'000
Financial				
Discount rate	1%	(196,961)	1%	258,171
Future salary increase	1%	82,352	1%	(70,506)
Future pension cost increase	1%	160,385	1%	(133,294)
Demographic				
Life expectancy	1 year	36,600		

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(ix) Historical information

	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000
Present value of the defined benefit obligation	1,366,390	1,337,109	1,079,258	980,506	909,738
Fair value of plan assets	(2,230,322)	(1,870,776)	(1,737,947)	(1,620,084)	(1,589,949)
	(863,932)	(533,667)	(658,689)	(639,578)	(680,211)
Experience adjustment on plan asset – Gain (Loss)	219,722	11,715	(10,163)	(114,641)	(23,295)
Experience adjustment on plan liabilities – (Gain) Loss	(111,424)	45,481	4,897	(25,128)	(11,139)

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7. **EMPLOYEE BENEFITS (CONTINUED)**

(a) Defined benefit pension plan (Continued)

(x) The Bureau expects to make a contribution of $30.68 million during the next financial year (2015: $ 3.1 million).

(b) Other post-employment benefit obligations

The Bureau sponsors an insured health plan covering its full-time employees and retirees. The most recent valuation at March 31, 2016 (2015: March 31, 2015) was carried out on June 16, 2016 (2015: May 14, 2015) by Constance Dalmadge Hall, Fellow of the Society of Actuaries, (Eckler Consultants & Actuaries). The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

(i) Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages)

	2016 %	**2015 %**
Financial		
Discount rate	9.0	9.5
Price inflation (CPI)	5.5	6.0
Health cost inflation	7.0	7.5
Demographic		
Medical ageing factors		
• 25 years and under	None *	None *
• 26 to 70 years	None	None
• 71 to 80 years	None	None
• 81 years and over	None	None
Dental/Optical ageing factors		
• 25 years and under	None	None
• 26 to 70 years	None	None
• 71 years and over	None	None
Mortality – 1994 Group Annuity Mortality Tables projected to the measurement date using Scale AA		
*Claims based on Retirees' Premium		

	2016 Years	**2015 Years**
Average liability duration for each category of member:		
Active members	25.1	25.0
Deferred Pensioners	34.4	35.3
Pensioners	9.9	9.9
All participants	19.6	19.3

(ii) Post-employment medical benefits

	2016 $'000	**2015 $'000**
Present value of the obligation and liability recognised in statement of financial position	263,179	260,719

7. **EMPLOYEE BENEFITS (CONTINUED)**

(b) Other post-employment benefit obligations (Continued)

(iii) Movements in post-employment medical benefits

	2016 $'000	2015 $'000
Balance at beginning of year	260,719	167,106
Contributions paid	(6,857)	(5,819)
Net expense recognised in profit and loss and other comprehensive income	9,317	99,432
Balance at end of year	263,179	260,719

(iv) Expense recognised in the statement of profit and loss and other comprehensive income

	2016 $'000	2015 $'000
Current service cost	10,320	7,115
Interest cost on obligation	24,442	15,599
Net expense included in profit and loss	34,762	22,714
Items in other comprehensive income:		
Remeasurement loss on obligation	(25,445)	76,718
Total	9,317	99,432

The expense recognised is included in administrative expenses.

(v) Changes in the present value of the defined benefit obligation are as follows:

	2016 $'000	2015 $'000
Opening defined benefit obligation	(260,719)	(167,106)
Service cost	(10,320)	(7,115)
Interest cost on obligation	(24,442)	(15,599)
Remeasurement gain on obligation due to:		
- Experience	5,049	(53,877)
- Demographic assumptions	20,005	(22,841)
- Financial assumptions	391	-
Benefits paid	6,857	5,819
Closing defined benefit obligation	263,179	(260,719)

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7. **EMPLOYEE BENEFITS (CONTINUED)**

(b) Other post-employment benefit obligations (Continued)

(vi) A quantitative sensitivity analyses for significant assumptions at the end of the reporting period is shown below:

2016

Assumptions	Sensitivity Level Increase	Impact on Defined Benefits Obligation $	Sensitivity Level Decrease	Impact on Defined Benefits Obligations $
Financial				
Discount rate	1%	(43,070)	1%	56,656
Health cost inflation	1%	56,159	1%	(43,438)
Demographic				
Life expectancy	1 year	9,700		

2015

Assumptions	Sensitivity Level Increase	Impact on Defined Benefits Obligation $'000	Sensitivity Level Decrease	Impact on Defined Benefits Obligations $'000
Financial				
Discount rate	1%	(42,036)	1%	55,234
Health cost inflation	1%	54,764	1%	(42,404)
Demographic				
Life expectancy	1 year	9,100		

(vii) Post-employment medical and life insurance obligation benefit

	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000
Present value of the post-employment benefit obligation and deficit in the Plan	263,179	260,719	167,106	114,411	101,147
Experience adjustments arising on plan liabilities - (Gain) Loss	(5,049)	53,877	39,814	4,276	(5,954)

8. **INVENTORIES**

Inventories consist of supplies held for use in the daily operations of the Bureau.

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9. TRADE AND OTHER RECEIVABLES

	2016 $'000	2015 $'000
Trade receivables	10,616	15,696
Less: Allowance for doubtful debts (Note 9(a))	(5,561)	(6,632)
	5,055	9,064
Compliance fee income receivable (Note 16(a))	61,330	63,470
Staff loans (net of deferred interest income of $102,000 (2015: $37,000))	4,564	2,062
Deposits on property, plant and equipment	173	813
Other receivables	744	11
Prepayments	4,529	4,038
	76,395	79,458

The average credit period for receivables is 15 days. Trade receivables outstanding for over 45 days are generally provided for in full, unless specific evidence exists at year end that amounts are collectible. Receivables between 15 days and 45 days may be provided for based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting new customers an assessment is made of the potential customer's credit quality and credit limits are defined. 35% (2015: 37%) of the trade receivables, which are neither past due nor impaired, are of good quality in line with the Bureau's credit policy. Of the trade receivables balance at the end of the year, approximately $1.947 million (2015: $3.325 million) is due from 3 of the 292 customers (2015: 2 of the 357 customers) of the Bureau. There are no other customers whose individual balances represent more than 5% of the total balance of trade receivables.

Included in the Bureau's trade receivables are debtors with a carrying amount of $6.911 million (2015: $3.474 million) which are past due at the reporting date for which the Bureau has not provided as there has not been a significant change in the credit quality and the amounts are still considered recoverable.

Ageing of past due not impaired

	2016 $'000	2015 $'000
16 – 30 days	1,328	1,490
31 – 45 days	402	783
Over 45 days	5,181	1,201
	6,911	3,474

Ageing of impaired trade receivables

	2016 $'000	2015 $'000
Over 45 days	5,561	6,632

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9. **TRADE AND OTHER RECEIVABLES (CONTINUED)**

(a) Movement in allowance for doubtful debts

	2016 $'000	2015 $'000
Balance at beginning of year	6,632	6,024
Impairment (recoveries) losses recognized during year	(1,071)	608
Balance at end of year	5,561	6,632

In determining the recoverability of a receivable, the Bureau considers any change in the credit quality of the receivable from the date the credit was granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for bad debts.

10. **CASH AND BANK BALANCES**

	2016 $'000	2015 $'000
Bank balances (Note 10(a))	23,931	26,490
Short-term deposits (Note 10(b))	76,233	119,328
Cash in hand	150	126
	100,314	145,944
Restricted cash (Note 10(c))	(11,667)	(735)
Cash and cash equivalents (Note 10(d))	88,647	145,209

(a) Bank balances include foreign currency savings accounts totaling approximately $1.735 million (US$14,277) (2015: $6.762 million (US$59,312)) at an interest rate of 0.1% (2015: 0.1%) per annum. Jamaican dollar deposits totaling $0.080 million (2015: $0.080 million) are at an interest rate of 0.4% (2015: 0.4%) per annum.

(b) These represent Jamaican dollar deposits at interest rates of 4.75% to 6.55% (2015: 5.25% to 6.50%) per annum.

(c) Included in bank balances (2015: short-term deposits) is an amount of $11.667 million (US $0.096 million) (2015: $0.735 million) held in respect of a project for which the Bureau is manager (Note 15). A grant was received by the Bureau form the Caribbean Development Bank to upgrade its website and other related expenses including consultancy fees.

(d) For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, net of bank overdraft and short-term deposits with original maturity dates ranging between one (1) to three (3) months. The balances are held for cash rather than investment purposes.

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11. **RESERVES**

	2016 $'000	2015 $'000
Properties revaluation reserve (Note 11(a))	668,272	616,331
Special fund (Note 11(b))	70,954	70,954
	739,226	687,285

(a) *Properties revaluation reserve*

	Freehold Land and Buildings	
	2016 $'000	2015 $'000
Balance, beginning of year	616,331	616,331
Property revaluation surplus (Note 5)	51,941	-
Balance, end of year	668,272	616,331

(b) *Special fund*

	2016 $'000	2015 $'000
Balance	70,954	70,954

This represents amounts disbursed to various projects as outlined by the GOJ based on cabinet decisions.

12. **REVENUE RESERVE**

	2016 $'000	2015 $'000
Revenue reserve	1,617,866	1,321,315
Funds allocation	(691,000)	(691,000)
Balance, end of year	926,866	630,315

Revenue reserves are stated net of equity obligations (Funds Allocation) resulting from Cabinet Decisions.

BUREAU OF STANDARDS JAMAICA

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12. **REVENUE RESERVE (CONTINUED)**

The equity obligations relating to Cabinet Decisions which have accumulated to date amount to $691 million of which $620.046 million has been disbursed as follows:

Year	**Funds Allocated $'000**
2003	20,000
2005	380,000
2006	47,000
2007	20,000
2010	224,000
	691,000
Disbursement to date	(620,046)
Balance, Special Fund March 31, 2016 and 2015	70,954

Financial Distribution

Financial distribution represents transfers to be made to the Government of Jamaica through the Ministry of Finance and Planning for the years 2013/2014 and 2015/2016 based on The Public Bodies Management and Accountability Act under which the Bureau is required to allocate a minimum of 5% of audited after-tax net profits or surplus for transfer to the Consolidated Fund, no later than six (6) months after the close of the financial year. The Bureau made a loss for financial year 2015/2016 hence no allocation has been made in respect of that financial year.

13. **DEFERRED INCOME**

	2016 $'000	**2015 $'000**
Balance at beginning of the year	30,478	34,278
Additions during the year	14,070	-
Amortised during the year (Note 16)	(3,677)	(3,800)
Balance at end of the year	40,871	30,478
Comprising:		
Current	5,036	3,800
Non-current	35,835	26,678
	40,871	30,478

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13. **DEFERRED INCOME (CONTINUED)**

The deferred income arose as a result of donated assets which have been included in property, plant and equipment and are being amortised over their useful lives as follows:

Year Donated	Type of Asset	Value of Donated Asset $'000	Period of Amortisation
2012	Computer equipment	734	4 years
2012	Laboratory equipment	2,811	10 years
2013	Laboratory equipment	3,156	10 years
2014	Computer equipment	496	4 years
2014	Laboratory equipment	28,954	10 years
2016	Computer equipment	88	4 years
2016	Laboratory equipment	13,982	10 years

14. **PROVISIONS**

	2016 $'000	2015 $'000
Employee benefits (Note 14(a))	19,983	28,415
Legal costs (Note 14(b))	7,000	7,000
	26,983	35,415

(a) The provision for employee benefits represents annual vacation leave entitlements accrued.
(b) The provision is in respect of legal claims as well as associated legal costs.

The movement in the provision is as follows:

	Employee Benefits $'000	Legal Costs $'000	2016 $'000	2015 $'000
Balance at beginning of the year	28,415	7,000	35,415	33,883
Charged to income for the year	24,708	-	24,708	5,421
Utilised during the year	(33,140)	-	(33,140)	(3,889)
Balance at end of the year	19,983	7,000	26,983	35,415

15. **TRADE AND OTHER PAYABLES**

The analysis of trade and other payables is as follows:

	2016 $'000	2015 $'000
Trade payables	11,517	13,419
Gratuity and incentive payable	23,272	21,557
Statutory deductions	10,052	9,378
Staff welfare including retroactive salaries accrual	17,707	63,389
Deposit on jobs	16,389	11,675
Other payables and accruals	14,364	10,037
Special distribution (Note 12)	-	6,992
Funds held for project (Note 10(c)	11,667	735
	104,968	137,182

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16. **REVENUE**

An analysis of the Bureau's gross revenue (which includes services rendered to third parties and other income) is as follows:

	2016 $'000	2015 $'000
Compliance fee income (Note 16 (a))	701,344	759,297
Other fees	121,379	114,000
Rental income	1	1
Amortisation of deferred income (Note 13)	3,677	3,800
Miscellaneous	40,436	2,802
	866,837	879,900

(a) The Standards Compliance Fee (SCF) in accordance with the Standards Act is 0.3% of the Cost, Insurance and Freight (C.I.F.) value of each shipment of imported commodities, excluding household effects, raw material and capital goods. As at October 2000, this income has been collected on behalf of the Bureau of Standards, at source, by the Collector of Customs at an administrative fee of 3% of the gross SCF. Additionally, based on Cabinet Decision 31/06 (dated September 11, 2006) an amount of 10% of gross SCF was allocated to the Jamaica National Agency for Accreditation (JANAAC). The resulting SCF amount remitted to the Bureau of Standards on a monthly basis is 87% of the gross collected.

17. **INVESTMENT AND OTHER REVENUE**

	2016 $'000	2015 $'000
Interest Income (at amortised cost)		
Interest on bank deposits	6,418	5,749
Other Gains and Losses		
At amortised cost		
Foreign exchange gain (loss) on deposits	730	(256)
Other		
Gain arising on changes in fair values of investment properties (Note 6)	3,000	-
(Loss) Gain on disposal of property, plant and equipment	(9,693)	1,346
	(5,963)	1,090

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18. **EXPENSES**

	2016 $'000	2015 $'000
(a) Administrative and operating		
Salaries and wages	416,239	412,656
Provision for retroactive salaries	3,413	60
Statutory contributions	35,466	32,690
Group and health insurance	17,631	15,116
Pension and post-employment medical plan	51,250	13,066
Tea and small supplies	2,569	1,585
Pest control and janitorial	11,048	10,504
Travelling and subsistence	75,838	55,009
Staff welfare	9,560	6,959
Utilities	49,980	51,162
Stationery and other supplies	8,635	6,186
Courier and postage	3,160	2,504
Board expense	687	343
Bank charges	942	555
Directors' fees	1,903	1,580
GCT on expenses	1,714	15,982
Advertising	7,693	4,261
	697,728	630,218

	2016 $'000	2015 $'000
(b) Other		
Motor vehicles	4,268	7,203
Repairs and maintenance - Buildings	6,719	8,197
- Furniture and equipment	5,970	4,236
- Other	5,930	4,009
General insurance	9,655	6,511
Audit fees	2,770	2,509
Impairment loss (reversed) recognised on trade receivables	(1,071)	608
Impairment loss recognised on income tax recoverable	12,428	8,350
Depreciation	47,036	36,561
Professional fees	18,990	11,873
Security	15,312	11,932
Lab supplies	11,726	8,238
Entertainment	1,008	198
Local and international membership fees and contributions	22,330	20,197
Conferences and seminars	1,243	1,417
Canteen expenses	13,097	12,334
Rental	6,303	5,175
National Quality Awards and Other Awards	1,551	5,579
Books and publications	544	927
Expenditure of sponsorship income	34,505	-
Miscellaneous	7,975	5,732
	228,289	161,786

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19. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2016 $'000	2015 $'000
Directors' fees and expenses	2,590	1,923
Depreciation	47,036	36,561
Audit fees	2,770	2,509

20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND FAIR VALUES

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

Categories of financial instruments

The following table sets out the financial instruments as at the end of each reporting period:

	2016 $'000	2015 $'000
Financial Assets		
Loans and receivables (*at amortised cost*)		
- Cash and bank balances	100,314	145,944
- Trade and other receivables	71,866	75,408
	172,180	221,352
Financial Liabilities (at amortised cost)		
- Payables	47,258	39,614

Financial risk management policies and objectives

The Bureau has financial risk management policies which are directed by its Standards Council. These policies set out the Bureau's overall business strategies and its risk management philosophy. The financial risk management programme seeks to minimise potential adverse effects of financial performance of the Bureau. The Standards Council provides principles for overall financial risk management and policies covering specific areas, such as market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Periodic reviews are undertaken to ensure that the Council's policy guidelines are complied with.

The Bureau's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

There has been no change during the year to the Bureau's exposure to these financial risks or the manner in which it manages and measures the risk.

The Bureau does not hold or issue derivative financial instruments.

20. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND FAIR VALUES (CONTINUED)**

Exposures are measured using sensitivity analyses indicated below.

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Except in respect of foreign currencies, as disclosed in Note 20 (b) below and interest rates, as disclosed in Note 20 (c) below, the Bureau has no exposure to market risk.

(b) Foreign exchange risk management

The Bureau undertakes certain transactions denominated in currencies other than the Jamaican dollar resulting in exposures to exchange rate fluctuations.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management consistently monitors the Bureau's exposure in this regard.

The carrying amounts of foreign currency denominated monetary assets arising in the ordinary course of business at the reporting date are as follows:

	Assets	
	2016	**2015**
	$'000	$'000
United States dollars	13,402	6,762

Foreign currency sensitivity
The following table details the sensitivity to a 1% revaluation or a 6% devaluation (2015: 1% revaluation or a 10% devaluation) in the Jamaican dollar against the relevant foreign currencies. The above sensitivity rates are used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the yearend for the percentage changes in foreign currency rates as described above.

If the Jamaican dollar strengthens by 1% or weakens by 6% (2015: strengthens by 1% or weakens by 10%) against the relevant foreign currency, profit will decrease or increase by:

	2016				2015			
	Decrease		Increase		Decrease		Increase	
	%	$'000	%	$'000	%	$'000	%	$'000
United States dollars	+1	(134)	-6	804	+1	(68)	-10	676

This is mainly attributable to the exposure outstanding on cash and bank balances in the respective foreign currency at year end in the Bureau.

The Bureau's sensitivity decreased during the year due to the decrease in foreign currency bank holdings.

20. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND FAIR VALUES (CONTINUED)**

Financial risk management policies and objectives (Continued)

(c) Interest rate risk management

Interest rate risk is the potential that the value of a financial instrument will fluctuate due to changes in market interest rates as a result of cash flow or fair value interest rate risk. Financial instruments subject to fixed interest rates are exposed to fair value interest rate risk while those subject to floating interest rates are exposed to cash flow risk. The Bureau manages its interest rate risk by monitoring the movements in the market interest rates closely.

Interest risk analysis in respect of non-derivative financial assets and liabilities

Non-derivative financial assets

	Jamaican Dollar Instruments	
	Weighted Average Effective Interest Rate %	Within 1 Year $'000
March 31, 2016		
Fixed interest rate instruments	4.8	76,233
Variable interest rate instrument	0.4	80
March 31, 2015		
Fixed interest rate instruments	6.3	119,328
Variable interest rate instruments	0.4	80

	United States Dollar Instruments	
	Weighted Average Effective Interest Rate %	Within 1 Year $'000
March 31, 2016		
Variable interest rate instruments	0.3	13,402
March 31, 2015		
Variable interest rate instruments	0.1	6,762

There were no interest bearing financial liabilities at March 31, 2016 and 2015.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of each reporting period. For J$ instruments, a 100 basis points increase or a 100 basis points decrease (2015: a 250 basis points increase or a 100 basis points decrease) and for US$ instruments, a 100 basis points increase or 50 basis points decrease (2015: a 200 basis points increase or 50 basis points decrease) is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

20. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND FAIR VALUES (CONTINUED)**

Financial risk management policies and objectives (Continued)

(c) Interest rate risk management (Continued)

Interest rate sensitivity (Continued)
If interest rates had been 100 basis points higher or 100 basis points lower for J$ instruments and 100 basis points higher or 50 basis points lower for US$ instruments (2015: 250 basis points higher or 100 basis points lower for J$ instruments and a 200 basis points higher or 50 basis points lower for US$ instruments) and all other variables were held constant, the Bureau's profit for the year ended March 31, 2016 would increase by approximately $0.135 million and decrease by approximately $0.068 million (2015: increase by $0.137 million and decrease by $0.035 million). This is mainly attributable to the Bureau's exposure to its variable interest rate financial assets.

The Bureau's sensitivity to interest rates has increased during the period mainly due to increased holdings of variable rate interest bearing bank deposits.

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Bureau. The Bureau has adopted a policy of only dealing with credit worthy counterparties. The Bureau's exposure is continuously monitored and spread among approved counterparties.

Financial assets that potentially subject the Bureau to a concentration of credit risk consist principally of cash and bank deposits and trade and other receivables. The maximum exposure to credit risk is the amount of approximately $172.030 million (2015: $221.226 million) disclosed under 'categories of financial instruments' above and the Bureau holds no collateral in this regard. Management believes that the credit risks associated with these financial instruments are minimal.

The credit risk on liquid funds is limited because deposits are held with financial institutions with high credit ratings.

Trade receivables consist of a large number of customers spread across diverse industries and there are formal contracts for each job which require the customer to make a deposit. The Bureau has a significant concentration of credit exposure to three (2015: two) customer(s) which accounts for 18% (2015: 21%) of the trade receivables. Council and management believe that the credit risk associated with compliance fee income receivable is minimal as amounts are due from a statutory body and based on credit history, no provision is deemed necessary.

(e) Liquidity risk management

Liquidity risk, also referred to as funding risk, is the risk that the Bureau will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities. Due to the nature of the underlying business, the management of the Bureau maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

Ultimate responsibility for liquidity risk management rests with the Council, which has established an appropriate liquidity risk management framework for the management of the Bureau's short, medium and long-term funding and liquidity management requirements. The Bureau manages its exposure by continuously monitoring future cash flows and liquidity.

20. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND FAIR VALUES (CONTINUED)**

Financial risk management policies and objectives (Continued)

(e) Liquidity risk management (Continued)

Liquidity risk tables

Non-derivative financial liabilities

The following tables detail the Bureau's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Bureau can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Bureau may be required to pay.

	Within 1 Year $'000
March 31, 2016	
Non-interest bearing	47,258
March 31, 2015	
Non-interest bearing	39,614

Non-derivative financial assets

The following table details the Bureau's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Bureau's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Within 1 Year $'000
March 31, 2016	
Non-interest bearing	82,315
Interest bearing	89,899
	172,214
March 31, 2015	
Non-interest bearing	95,182
Interest bearing	126,518
	221,700

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20. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND FAIR VALUES (CONTINUED)**

(f) Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of fair value. Where market prices are not available, fair values have been determined using various estimation techniques based on market conditions existing at the end of each reporting period. Generally, judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Bureau would realise in a current market exchange.

The following methods and assumptions have been used in determining the fair values:

- The amounts included in the financial statements for cash and bank balances, receivables and payables, reflect the approximate fair values because of the short-term maturity of these instruments.
- The fair value of land and buildings and investment is based on the market value which is determined using the rental rates for comparable properties.

F air value measurement
The following table provides the fair value measurement hierarchy of the Bureau's assets and liabilities:

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Quantitative disclosures fair value measurement hierarchy

	Level 1 $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
At March 31, 2016				
Assets measured at fair value:				
- Property, Plant & Equipment (Land and Buildings)	-	-	794,000	794,000
- Investment properties	-	-	54,000	54,000
	-	-	848,000	848,000
At March 31, 2015				
Assets measured at fair value:				
- Property, Plant & Equipment (Land and Buildings)	-	-	735,000	735,000
- Investment properties	-	-	51,000	51,000
	-	-	786,000	786,000

20. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND FAIR VALUES (CONTINUED)**

(f) Fair values (Continued)

Fair value measurement (Continued)

Reconciliation of Level 3 fair value measurement

	2016 $'000	2015 $'000
Opening balance	786,000	786,000
Additions	7,059	-
Total gain recognized in net profit	3,000	-
Total loss recognized in other comprehensive income	51,941	-
Closing balance	848,000	786,000

Fair value sensitivity

In determining the fair values of the properties totaling $848 million, management makes assumptions including known rental levels of similar properties and a 9% yield on rental levels. A +/- 1% change in the yield on rental levels would result in a decrease or increase in the carrying value of the assets by approximately $56 million or $69 million, respectively. The resulting impact on profit for the year is a decrease of $3.562 million or an increase of $4.388 million while property revaluation reserve would decrease by $52.438 million and increase by $64.612 million.

Capital risk management

Management's objectives when managing capital are to safeguard the Bureau's ability to continue as a going concern in order to provide returns and benefits for the Bureau's stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. There were no changes to the Bureau's approach to capital management during the year.

The Bureau's risk management committee reviews the capital structure of the Bureau.

The capital structure of the Bureau consists of revenue reserves (Note 12) and property revaluation reserves.

The Bureau is not subject to any externally imposed capital requirements.

21. **OTHER DISCLOSURES – EMPLOYEES**

	2016 $'000	2015 $'000
Staff costs incurred during the year were:		
Salaries and wages (including retroactive and terminal payments)	433,433	412,716
Statutory contributions	35,466	32,690
Pension credit and post-employment medical plan cost	51,250	13,066
Group and health insurance	17,631	15,116
Staff welfare	9,560	6,959
	547,340	480,547

22. OPERATING LEASE ARRANGEMENTS

(a) The Bureau as lessor:

The Bureau rents out its investment property to a tenant under an operating lease. At the end of each reporting period the Bureau had contracted with the tenant for the following future minimum lease payments:

	2016 $'000	2015 $'000
Within one year	1	1
In the second to third years inclusive	1	1
	2	2

The Bureau leases the property to a related party for a nominal amount.

(b) The Bureau as lessee:

There is no formal contract for the properties leased by the Bureau.

	2016 $'000	2015 $'000
Payments recognised as an expense	5,763	4,459

23. RELATED PARTY BALANCES AND TRANSACTIONS

Rental income of $1,000 (2015: $1,000) was earned by the Bureau from JANAAC (Note 6). In addition, directors' expenses amounting to $0.630 million (2015: $0.343 million) were incurred during the year.

Compensation of Key Management Personnel

The remuneration of the Executive Director and other members of key management during the year was as follows:

	2016 $'000	2015 $'000
Short-term benefits	102,371	90,839
Directors' fees	1,960	1,580
	104,331	92,419

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24. COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

	2016 $'000	2015 $'000
Authorised but not contracted for	4,711	15,447

Capital commitments are in respect of the acquisition of property, plant and equipment.

Contingent liabilities

Legal proceedings have been filed as regards claims against the Bureau. The Bureau has filed its defense in respect of these claims. Management believes that liabilities, if any, arising from such litigation in excess of amounts recorded under Provisions (Note 14), will not have a material adverse effect on the financial position of the Bureau.