



BUREAU OF STANDARDS JAMAICA

Making Standards Work For You...

41st ANNUAL REPORT

2011-2012



Mission

To promote the international competitiveness of Jamaican producers, facilitate trade and protect consumers by providing standardization, metrology and regulatory services through visionary leadership, consultations, teamwork and a committed, motivated and professional workforce.

Vision

The Bureau of Standards Jamaica will be a visionary, customer-driven organization of excellence; committed to developing a national culture of quality, while exercising good governance of all its resources and providing timely and accurate information to its stakeholders.

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

TABLE OF CONTENTS

	Page
Acronyms	iv
Executive Summary	1
1.0 Introduction	5
1.1 Establishment of the BSJ	5
1.2 Mandate	5
1.3 Main Activities	5
2.0 Corporate Profile	6
2.1 Standards Council	7
2.2 Corporate Structure	10
2.3 Staff Profile	11
3.0 Performance Against Objectives	11
3.1 National Outcome #1: A Healthy & Stable Population	11
3.2 National Outcome #2: World Class Education and Training	15
3.3 National Outcome #4: Authentic and Transformational Culture	15
3.4 National Outcome #6: Effective Governance	16
3.5 National Outcome #8: An Enabling Business Environment	17
3.6 National Outcome #10: Energy Security and Efficiency	22
3.7 National Outcome #12: Internationally Competitive Industry Structures	23
4.0 Emoluments for Senior Executive and Compensation for Directors	27
Appendix 1 National Technical Committees	31
Appendix 2 Certification Mark Programmes	40
Appendix 3 Audited Financial Statements	42

Figures and Tables

		Page
Figure 1	Revenue	4
Figure 2	Expenditure	4
Figure 3	Principal linkages as they affect standardization	6
Table 1a	Standards Council Members (01 April - 26 February 2012)	6
Table 1b	Standards Council Members (effective 27 February 2012)	8
Figure 4	Standards Council and Committees Structure	9
Figure 5	Corporate Structure	10
Figure 6	Staff by Qualification	11
Figure 7	Monitoring and Inspection Visits	12
Figure 8	Consignments Inspected Detained	13
Figure 9	Products Inspected and Withdrawn from Sale	13
Figure 10	Readiness of Firms for FDA Inspections	18
Table 2	Notifications to the WTO	19
Figure 11a	Enquiries by Stakeholder Group	21
Figure 11b	Enquiries by Subject Area	21
Figure 11c	Standards Sold	22
Figure 12	BSJ within the National Framework	23
Table 3	2011 NQA - Recipients of Sectional Awards	25
Figure 13	BSJ Within the Regional and International Framework	25
Table 4	Emoluments for Senior Executive	27
Table 5a	Compensation for Directors (Standards Council Members) - April 2011 - February 2012	29
Table 5b	Compensation for Directors (Standards Council Members) - from February 2012	30

ACRONYMS

BIPM	Bureau International des Poids et Mesures
BSJ	Bureau of Standards Jamaica
BSO	Business Support Organization
CAC	Codex Alimentarius Commission
CAP	Certification of Agricultural Produce
CARICOM	Caribbean Community
CARIMET	Caribbean Metrology Subgroup
CARL	Caribbean Reference Laboratory
CASCO	Committee on conformity assessment
CCLAC	Coordinating Committee for Latin America and the Caribbean
CD	Order of Distinction in the rank of Commander
CIPM	International Committee for Weights and Measures
CMCs	Calibration and Measurement Capabilities
COPANT	Pan-American Standards Commission
COPOLCO	Committee on consumer policy
CROSQ	CARICOM Regional Organisation for Standards and Quality
CSME	CARICOM Single Market and Economy
DEVCO	Committee on developing country matters
EC	European Community
EPA	Economic Partnership Agreement
ESEEP	Energy Security and Efficiency Enhancement Project
EU	European Union
FDA	Food and Drug Administration
FSMA	Food Safety Modernization Act
GDP	Gross Domestic Product
HACCP	Hazard Analysis Critical Control Points
IAEA	International Atomic Energy Agency
ICC	International Code Council
IEC	International Electrotechnical Committee
ISO	International Organization for Standardization
JAMPRO	Jamaica Promotions Corporation
JBDC	Jamaica Business Development Corporation
JMA	Jamaica Manufacturers' Association Limited
JP	Justice of the Peace
MIIC	Ministry of Industry, Investment & Commerce
MOU	Memorandum of Understanding
MSME	Micro, Small and Medium-sized Enterprises
NC	National Standards Body of Cuba
NCBJ	National Certification Body of Jamaica
NCC	National Codex Committee
NCSLI	National Conference of Standards Laboratories International
NCTVET	National Council on Technical and Vocational Education and Training
NMI	National Metrology Institute
NQA	National Quality Awards
NSB	National Standards Body
OD	Order of Distinction in the rank of Officer
OUR	Office of Utilities Regulation
SCF	Standards Compliance Fee

SIM	Inter-American Metrology System
SRC	Scientific Research Council
TBT	Technical Barriers to Trade
TCs	Technical Committees
TIC	Technical Information Centre
SCs	Subcommittees
UTech	University of Technology, Jamaica
UWI	University of the West Indies
WTO	World Trade Organization

Executive Summary

The Bureau of Standards Jamaica (BSJ) is the national institution responsible for standardization and metrology and the regulator for locally manufactured and imported commodities for which there are compulsory standards. The work of the Bureau is critical to the strategic goal to position Jamaican firms in the global market place as quality firms with a distinctive competitive edge.

This report covers the period April 2011 to March 2012. A new Council was appointed in February 2012 and, under the Chairmanship of Professor Winston Davidson, had their first meeting on 22 March. At that meeting, the Minister of Industry, Investment & Commerce, Honourable Anthony Hylton, delivered his charge to the new Council. He noted that the BSJ was critical to the functioning of the economy and in the thrust to have the economy globally competitive, the BSJ was a critical enabling institution. With the services sector accounting for 72% of the nation's Gross Domestic Product (GDP), the organization was mandated to address this gap and to develop standards for the service sector. In the past, standardization revolved around products, processes and practices. The new Chairman then re-positioned the strategic objectives of the 2012-13 work programme in line with this new mandate and Jamaica's Vision 2030 National Development Plan.

During the 2011-12 financial year, the BSJ embarked on a number of new initiatives which were aimed at business and trade facilitation; consumer protection; and revenue generation. The initiatives included commencement of activities towards the establishment of the Radiation Protection Authority within the BSJ; execution of a pilot project with Ruthven Centre and Winchester Surgical and Medical Institute to verify, calibrate and provide traceability for medical devices; human capacity building in energy management; commencement of a project to expand the organization's energy efficiency; provision of assistance to personnel in the food sector to achieve compliance to the US Food Safety Modernization Act (FSMA); and preparation of its three food testing laboratories for accreditation by December 2013.

By Cabinet Decision (January 2011), the BSJ was designated as the institution to establish the regulatory authority for radiation sources. The absence of this framework had adversely affected Jamaica's technical cooperation programme with the International Atomic Energy Agency (IAEA) as the Agency ruled Jamaica ineligible to receive equipment with radiation sources. The BSJ commenced preparations for its establishment by engaging in discussions with the IAEA and national stakeholders, trained the officer who will head the authority; and made budgetary provisions for the staffing of the authority. The legal framework for the authority - the Radiation (Safety Control) Bill - is being drafted by the Chief Parliamentary Counsel.

To ensure the accuracy of the medical devices used in the health sector, the BSJ commenced implementation of a programme to verify, calibrate and provide traceability for medical devices. A pilot project involving the Winchester Surgical and Medical Institute and the Ruthven Medical Centre was completed in February. It was realised that there was a generally low perception of the importance of calibration of specific medical devices used on a daily basis. This initiative is inextricably linked to Jamaica's focus of developing its health and wellness tourism services.

The Regulatory Division actively monitored the market place, ports of entry and food processing establishments through visits to ensure compliance with established standards and to satisfy consumer health and safety. They targeted 3,440 inspection visits, to processed food establishments and accomplished 2,577 in the reporting year, an increase of 29% over the number of inspections conducted during the financial year 2010-11. The compliance rate for the

year was 65% (380 of 585 establishments). This compliance rate fell short of the targeted 85% with issues identified such as poor record keeping and unsatisfactory test results. Activities at the ports of entry were equally vigilant as inspectors made 6,685 visits to the ports and 4,061 to establishments in the domestic market place. A total of 4,677 consignments were inspected at the ports and of this total 149 (3.2%) were detained primarily for labeling breaches. In the previous financial year 45 were detained. In the domestic market place 5,377 (4%) products were drawn from a cohort of 135,598. The issue here was also labeling breaches.

The enactment of the Food Safety Modernization Act (FSMA) in the United States in January 2011 signaled a fundamental paradigm shift in the regulation of food imports from primarily relying on inspections at ports of entry to making US importers responsible for verifying that their foreign suppliers have adequate preventive food safety control systems. In response, a public/private sector National Food Safety Modernization Task Force, with the Secretariat located in the BSJ was established to drive the process of ensuring Jamaica's preparedness to satisfy the requirements. Ninety food exporters were assessed by the Ministries of Health, Agriculture and the BSJ. BSJ provided a 50% discount on FSMA-related services (product testing equipment calibration and training). At the end of the financial year only 19% were compliant. The programme will continue in the next financial year through the task force spearheading activities and the Regulatory Division of the BSJ monitoring for compliance. Staff limitation in the division continued to be a constraint.

Monitoring the domestic market for compliance is an extremely important aspect of BSJ's work as the organization seeks to ensure that firms are competitive and can maintain their global market position. Given this, the legislation governing breaches was revised thereby strengthening the enforcement regime for the processed food sector. The fines for breaches under the Standards Act 1969 and Processed Food Act 1959 were increased from \$200, \$500 and \$2000 to up to \$3M. It is anticipated that these changes will serve as a deterrent to non-compliance thus resulting in increased compliance.

Continuing its thrust to support the sector and to remain on the cutting edge of technology the BSJ provided new and enhanced services in the areas of microbiology, metallurgy and chemistry by acquiring and upgrading laboratory and field testing equipment valued at a little over J\$29 million. In the area of Science and Technology, new tests introduced were detection of *listeria monocytogenes* in foods, and *salmonella* in food processing equipment.

Other areas of expansion included energy security and efficiency. Funding in the amount of US\$1.55M was provided by the World Bank to implement this project to expand BSJ's energy efficiency testing and labelling capacity for household appliances. The project forms a part of the Energy Security and Efficiency Enhancement Project (ESEEP), which is being implemented by the Ministry of Science, Technology, Energy and Mining.

An aggressive programme to achieve accreditation of laboratories commenced with the organization identifying 24 of the tests conducted by its three food testing laboratories (Chemistry, Microbiology and Packaging) to be accredited to ISO/IEC 17025 (laboratory management standard) by December 2012. The FSMA stipulates that products being imported into the country must be tested by an accredited laboratory.

Development of relevant standards and revision of outdated ones resulted in 13 for sectors including food and beverage and construction were published and another 42 were being reviewed/developed.

National and international linkages were also an important aspect of BSJ's programme to enhance competitiveness of micro, small and medium-sized enterprises (MSMEs). A Memorandum of Understanding (MOU) was signed with JAMPRO with the organisation providing a 50% discount on laboratory services and other technical services to exporters under JAMPRO's Export Max programme.

Activities implemented within this financial year will continue in the 2012-2013 year as the organization strengthens its core divisions and seeks to create and foster an enabling business environment. The FSMA passed by the USA in January 2011 has severely affected the agro-industry and will require BSJ to strengthen its human resources in the areas of regulatory and science and technology. Additionally, with the new mandate of the Minister to address the gap in the development of standards in respect of service standards will require the organization to strategically reposition its operating framework.

Financial Highlights

The results of the year-ended 31 March 2012 took a downturn from that achieved last financial year (2010-2011). A surplus of \$26.43M was realized, 65.98% less than the \$77.7M realized in the corresponding year (2010-2011). Retained earnings for the year totalled \$924.12M. Revenue of \$704.5M (see *Figure 1*) increased by 4.2% over the receipts of last year's, \$675.57M.

The Standards Compliance Fee (SCF) continued to account for approximately 86% of the annual revenue while the Operational Revenue accounted for approximately 14%. Recurrent Expenditure of \$674.4M (see *Figure 2*) increased over expenditure incurred for the corresponding year (\$634.9M) by 5.9%. Salaries and employer's contribution of Statutory, Pension and Health accounted for 60.9% of the year's expenditure.

Year-end revaluation of the BSJ's properties resulted in a gain of \$25.12M bringing total comprehensive income for the year to \$57.56M. The year-ended 2011 revaluation of BSJ's properties resulted in a gain of \$39.46M and total comprehensive income of \$117.16M. Notwithstanding the cash constraint faced during the year, efficient management of the working Capital resulted in the BSJ increasing its asset base by investing in Non-Current Assets, namely, Plant and Equipment by \$45.75M. Overall increase in the asset base of 2012 was \$90.55M; employer's benefits asset contributing \$67.39M or 74% of the increase.

Equity improved by \$31.56M increasing to a total of \$1.59Billion resulting from the revaluation gain to Capital Reserve and the Operational Surplus to Revenue Reserve. Of all the components of the BSJ's Working Capital, Cash and Bank Balances were most severely affected as the agency moved from a balance of \$76.26M at the beginning of the year to \$20.12M at 31 March 2012. As at 31 March 2012, the net worth of the BSJ stood at \$1.59 Billion.

	2012	2011
Current Ratio	1.2:1	1.5:1
Accounts Payable to Sales	26.6%	20.3%
Days Sales Outstanding	26 days	48 days
Cost to Revenue	95.5%	94%

See the Audited Financial Statements (*Appendix 3*) for additional information.

Figure 1 - Revenue

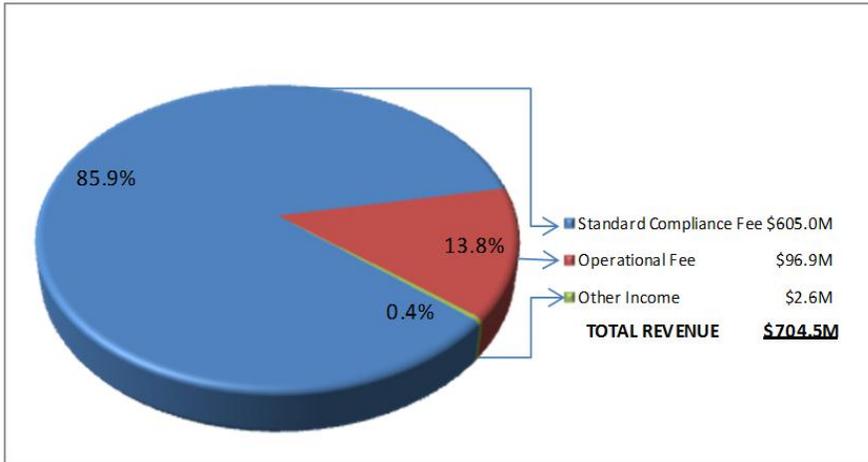
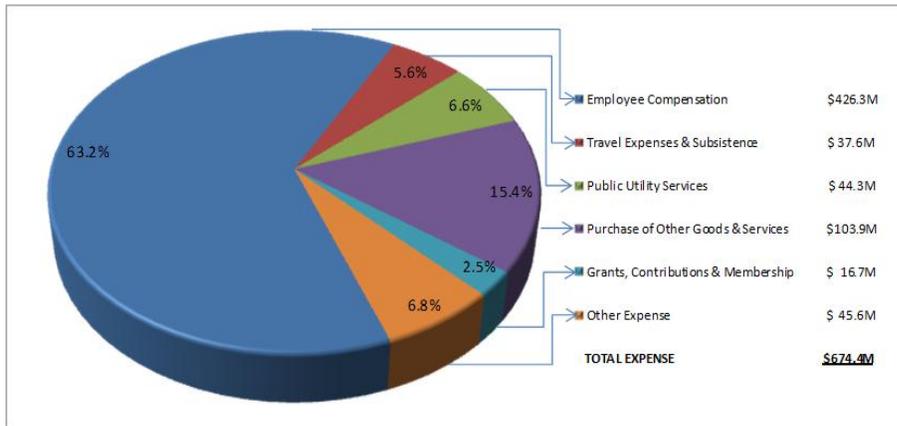


Figure 2 - Expenditure



Forecast for the Financial Year 2013-14

The Finance & Accounting Services Division will continue to provide support needed in order for the BSJ to achieve its mission and continue to make significant contribution to the health and safety, and the growth of Jamaican businesses, while using resources as efficiently and effectively as possible.

1.0 INTRODUCTION

1.1 Establishment of the BSJ

The Standards Act 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 regulatory, trade facilitation and business support roles in connection with standardization, metrology and conformity assessment (certification, testing, calibration, inspection and registration). The legal framework governing the operations of the BSJ is outlined below.

Legal Framework

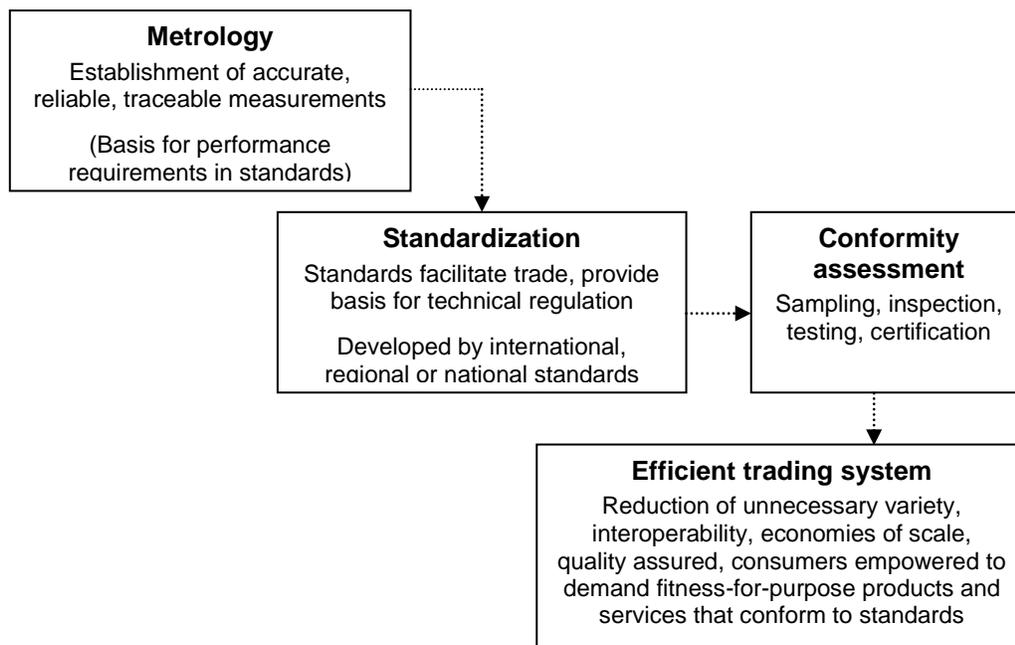
- *Standards Act (1969) and Regulations*
- *Processed Food Act (1959) and Regulations*
- *Weights & Measures Act (1976) and Regulations*
- *CARICOM Regional Organization and Standards and Quality Act (2005)*
- *Trade Orders promulgated pursuant to Trade Act (1955)*
- *Petroleum (Quality Control) Regulations (1990, 1995, 1999, 2008, 2009, & 2010) promulgated pursuant to 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)*

1.3 Main Activities

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 these three separate but interdependent and interlinked pillars that the BSJ provides its services to the nation and the region. *Figure 3* demonstrates this principle.

Figure 3 - Principal linkages as they affect standardization

(adapted from ISO Publication Fast forward: National Standards Bodies in Developing Countries, 2008)



Metrology, standardization and conformity assessment are some of the building blocks for improved market access and the creation of an efficient trading system. It is said that the most basic necessity of a trading system is metrology - 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 end-products and services, or as a means of facilitating compliance to technical regulations. The BSJ manages the development of standards through a transparent, open and consensus based process, involving interested stakeholders.

Conformity assessment provides reassurance to users of products and services that some action has been taken to affirm they are within specifications. The BSJ seeks to protect the health and safety of Jamaicans and to encourage compliance and conformance to relevant standards through a number of conformity assessment activities such as inspections, audits, product sampling, testing; and certification of products and management systems.

2.0 CORPORATE PROFILE

The BSJ falls under the aegis of 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 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. *Table 1a* illustrates the profile of the Council members for the period 01 April 2011 to 26 February and demonstrated a wide range of disciplines and experience relevant to operations of the organization.

Table 1a - Standards Council Members (01 April 2011 - 26 February 2012)

Name	Occupation
Rev. Dr. Arnel Henry CD, JP (Chairman)	Retired Agriculturalist and Minister of Religion
Mrs. Andrene Collings (Vice Chairman)	Trade Specialist, MIIC
Mr. Noel Osbourne	Executive Director, BSJ
Mr. Matthew Ziadie	General Manager, Mussons Jamaica Ltd.
Mr. Wade Mars	Investment Manager, Mayberry Investments Ltd.
Miss Joyce Campbell OD, JP	Civil Society Representative, National Consumers League
Ms. Rachael McDonald	Director, El Centro
Mr. Noel daCosta	Business Consultant and Chemical Engineer
Mr. Collin Virgo	Businessman/Farmer
Ms Tova Hamilton	Attorney at Law, Attorney General's Chambers
Mrs. Joan Parris Woodstock	Attorney-at-Law
Ms. Adonia Chin	Executive Assistant, MIIC
Mr. Danville Walker	Commissioner of Customs, Jamaica Customs Department
Mrs. Dolsie Allen	Chief Executive Officer, Consumer Affairs Commission
Mr. Errol Gallimore	CEO, Cooperative Friendly Society
Mr. David Lowe	Advisor to Minister Christopher Tufton
Dr. Marc Panton	Chief Technical Director for the Ministry of Agriculture & Fisheries
Mr. Nigel Chen-See	CEO, National Supplies

The change in Government as a result of the general elections in December resulted in a change in the composition of the Standards Council at the end of the reporting period. The new Standards Council became effective 27 February and had their first meeting on 22 March. At that meeting the Minister of Industry, Investment & Commerce, Honourable Anthony Hylton, delivered his charge to the new Council. He noted that the Bureau was critical to the functioning of the economy and in the thrust to have the economy globally competitive the Bureau was a critical enabling institution. With the services sector accounting for 72% of the nation's Gross Domestic Product (GDP), the organization was mandated to address this gap and to develop standards for the services sector. In the past standardization in the organization had revolved around products, processes and practices. This new mandate was the basis for development and realignment of the BSJ's 3-year Corporate Plan for the 2012-15 financial years.

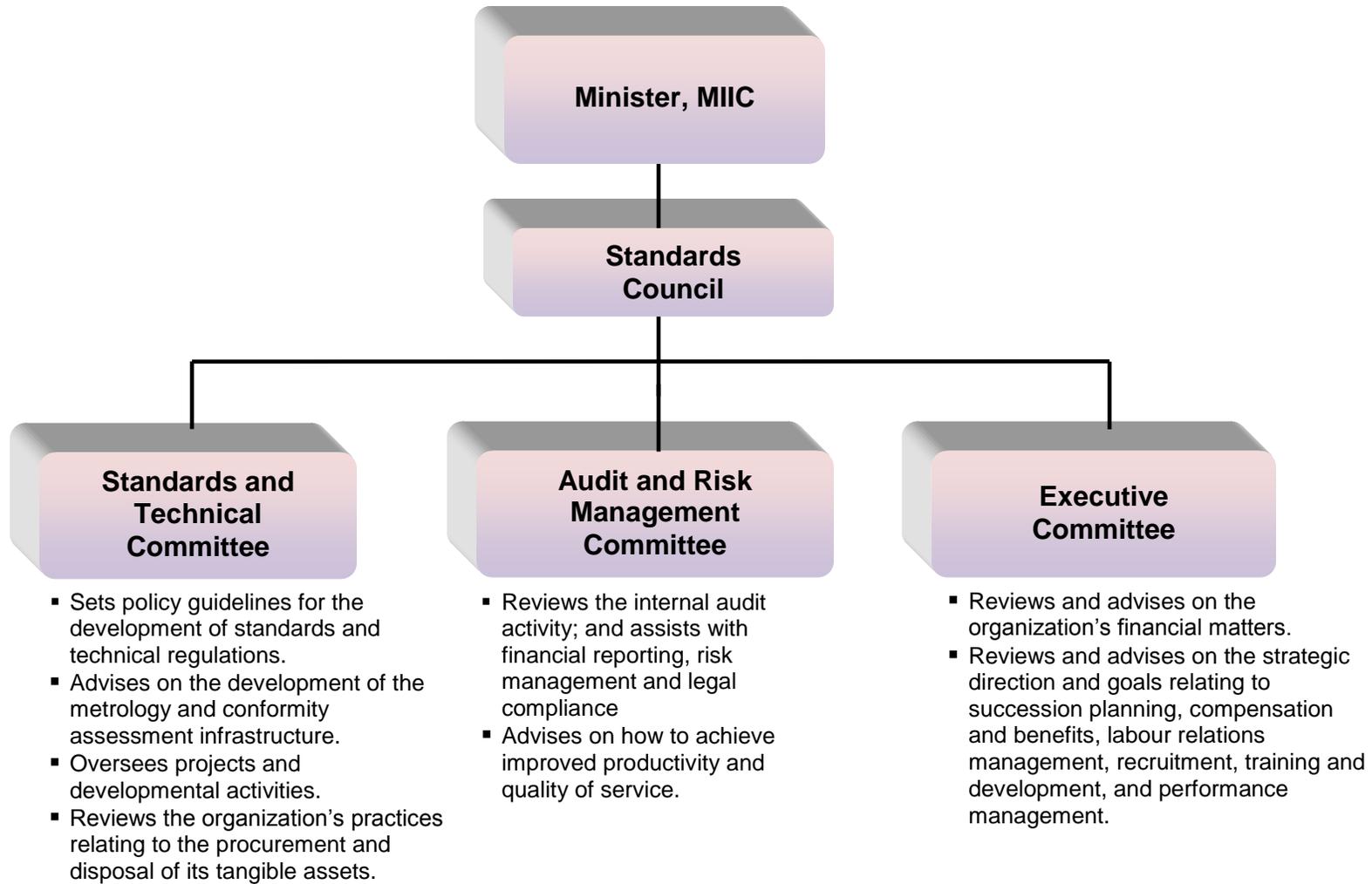
Table 1b - Standards Council Members (effective 27 February 2012)

Name	Occupation
Prof. W. Davidson CD, JP (Chairman)	Head, School of Public Health and Health Technology College of Health Sciences, University of Technology, Jamaica (UTech)
Mrs. Andrene Collings (Vice Chairman)	Trade Specialist, MIIC
Mr. Noel Osbourne	Executive Director, BSJ
Mrs. Daphne Harris-Omoregie	Retired Chemist and Quality Engineer
Mr. Paul Ellis J.P	Lecturer and Head of Accreditation in the College of Health Science, UTech
Mr. Richard Pandohie	Managing Director, Carreras Limited
Mr. Lawrence Henry	Deputy Commissioner Mines and Geology Division
Mr. Noel daCosta	Business Consultant and Chemical Engineer
Mr. Leonard Green	Mechanical Engineer
Mr. Obinna Blake	Senior Manager - Administration, Jamaica National Building Society
Mr. Silburn Clarke	President, Spatial Vision Company and outgoing President, Jamaica Computer Society
Mrs. Lorice Edwards-Brown	Director- Investigation & Enforcement, Financial Services Commission (FSC)
Ms. Aditer Miller JP	Retired Agriculturalist and Entrepreneur
Dr. Sylvia Mitchell	Biotechnologist, University of the West Indies (WI)

Standards Council and Committees

The Standards Council executes its mandate through three technical committees, their roles and responsibilities are outlined in *Figure 4*.

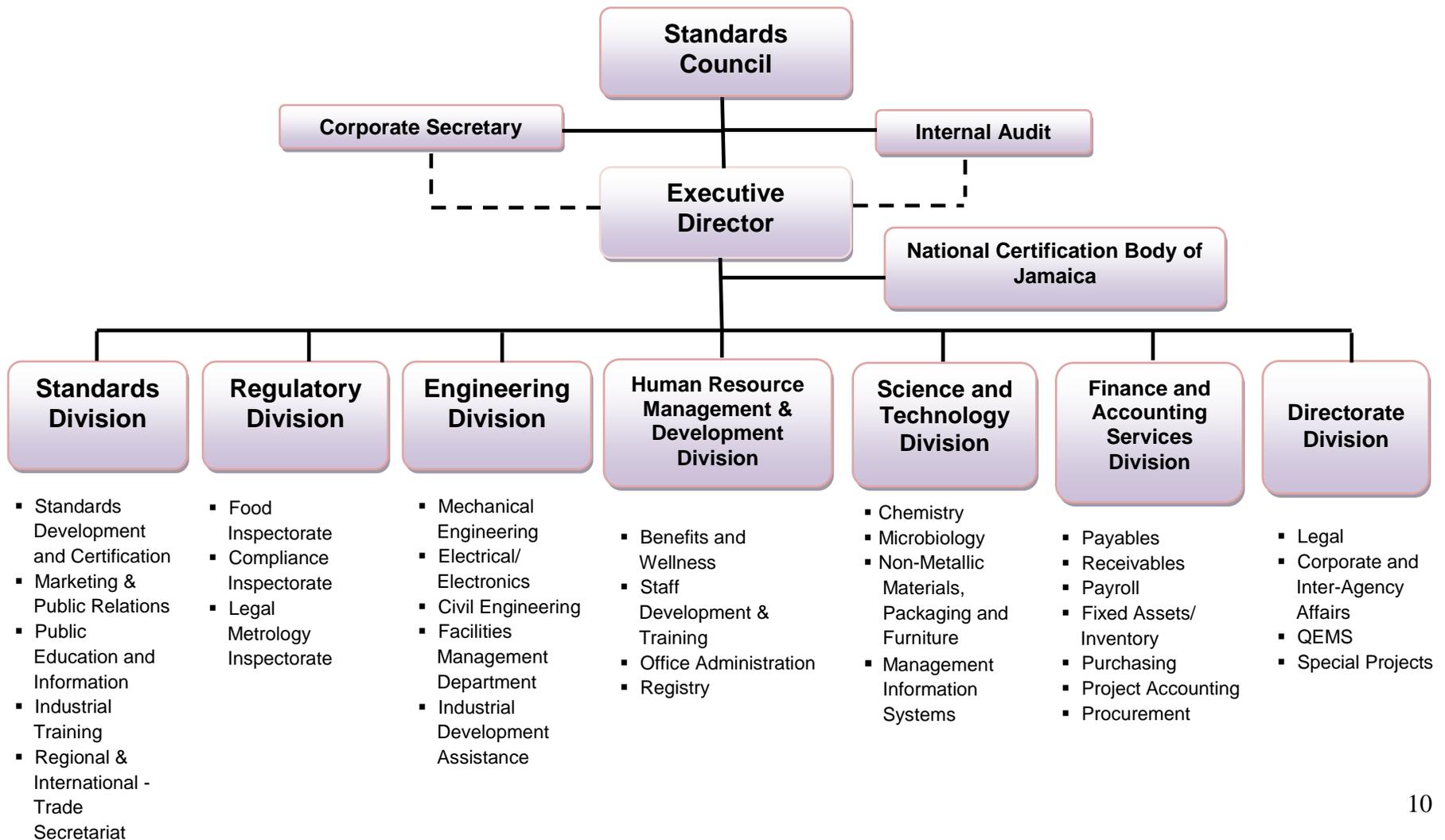
Figure 4 - Standards Council and Committees Structure



2.2 Corporate Structure

The policies established by the Standards Council were operationalized by an Executive Director, assisted by a senior management team. The organizational structure is presented in *Figure 5*.

Figure 5 - Corporate Structure

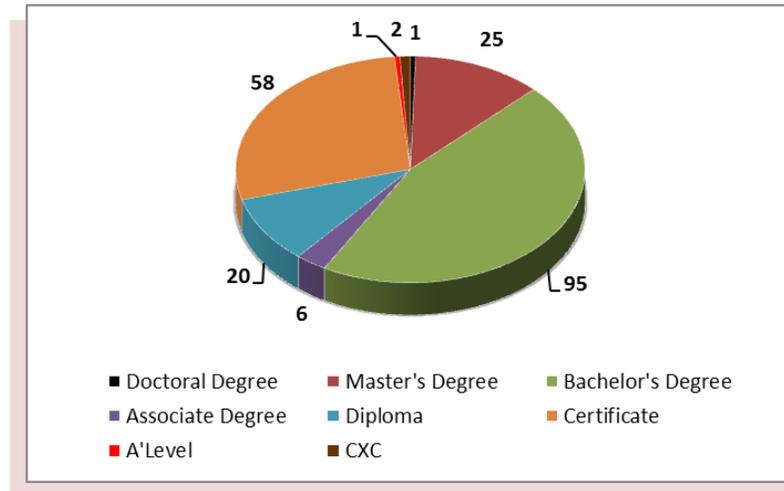


2.3 Staff Profile

The BSJ's staff profile in respect of employee classification by post and qualification for the financial year 2011-12 is outlined below. The total staff complement was 208, disaggregated as follows: technical (113), support (81), and Managerial (14).

The organization had a strong technical profile with over 50% of the team having a Bachelor's degree at a minimum (*Figure 6*).

Figure 6 - Staff by Qualification



3.0 PERFORMANCE AGAINST OBJECTIVES

3.1 National Outcome #1: A Healthy and Stable Population

3.1.1 Protecting Consumers

To safeguard the health and safety of consumers, ensure fair trade and maintain market confidence in the products offered for sale, the BSJ engaged in conformity assessment activities (inspections, audits, product sampling and verifications) to ascertain compliance of selected products with national regulatory requirements and standards. These activities were carried out in relation to three main activities: food safety (with particular focus on processed food), standards compliance and legal metrology.

In addition, the BSJ embarked on a number of new initiatives to create a healthy and safe environment including: implementation of a project to verify, calibrate and provide traceability for medical devices; preparatory work towards establishment the Radiation Safety Authority within the organization; and obtained approval for increases in the penalties for breaches relating to the trade of processed food.

Regulating Local Processed Food Production

The BSJ inspected processed food establishments regularly to ascertain compliance with regulatory requirements including the observance of proper hygiene and good manufacturing

practices. The BSJ made 2,577 visits to processed food establishments, an increase of 29% over the number of inspections conducted during the financial year 2010-11.

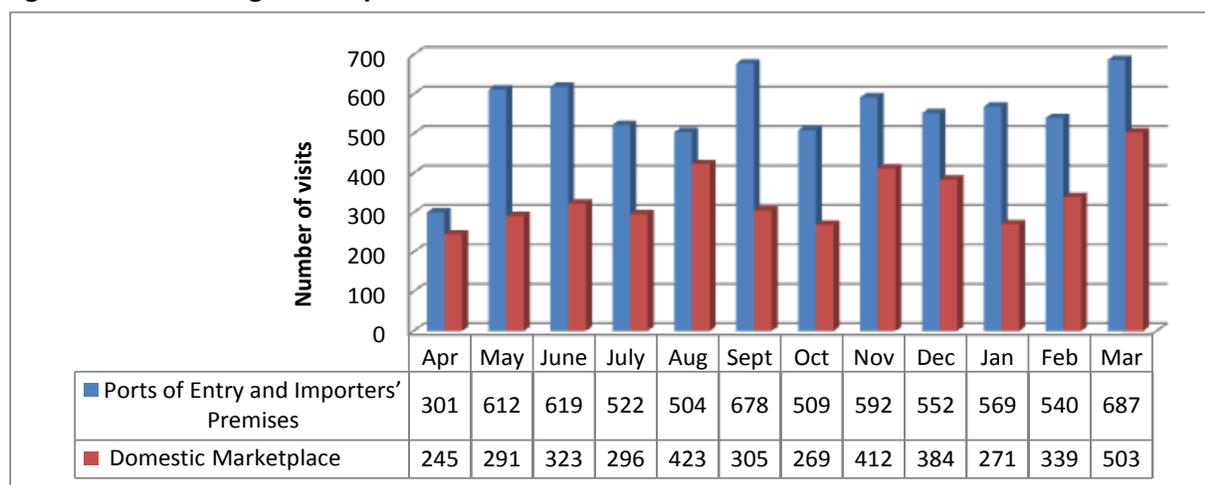
All processed food establishments are subject to an annual registration process to confirm that critical food safety systems and controls are in place. The compliance rate for the year was 65% (380 of 585 establishments were registered). This compliance rate fell short of the targeted 85%. Issues faced by the establishments were poor physical infrastructure, unhygienic conditions, improper sanitation practices, poor personal hygiene practices, unsatisfactory test results, poor record keeping, and non-payment of the registration fee. To address this issue, the BSJ encouraged companies to adopt Good Manufacturing Practices (GMPs) or other equivalent systems of food safety such as the Hazard Analysis Critical Control Points (HACCP) system.

Import Monitoring and Market Surveillance

Under its Standards Compliance/Import Monitoring Programme, the BSJ continued to ensure 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 conformance testing.

During the financial year, 6,685 inspection visits were made to the ports of entry and the premises of importers and 4,061 visits to establishments in the domestic marketplace (see *Figure 7*). The objective of having an improved and more efficient inspection regime was realized with the employment of a preventative approach to import monitoring. With increased emphasis being placed on the ports of entry and the premises of importers, the BSJ sought to ensure that non-conforming products were identified and detained at the first point of entry into the country. More visits were therefore made to the ports of entry and the premises of importers than the domestic marketplace and hence there was a reduction in the health and safety risks to which the population was exposed.

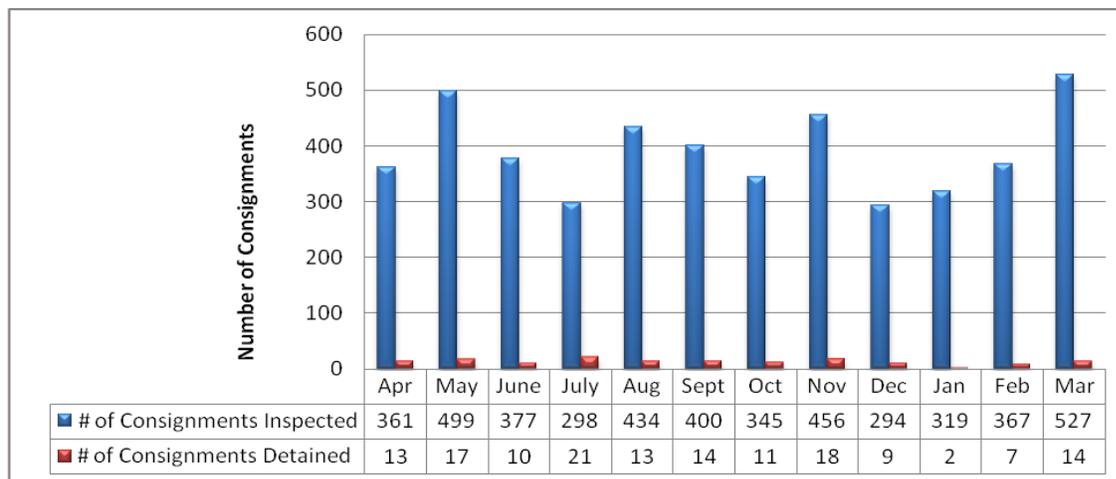
Figure 7 - Monitoring and Inspection Visits



Of the 4,677 consignments inspected during the year, 149 (3.2%) were detained for labelling assessments and for conformance testing (see *Figure 8*) compared to 4% (302 of 7,413) during the financial year 2010-11.

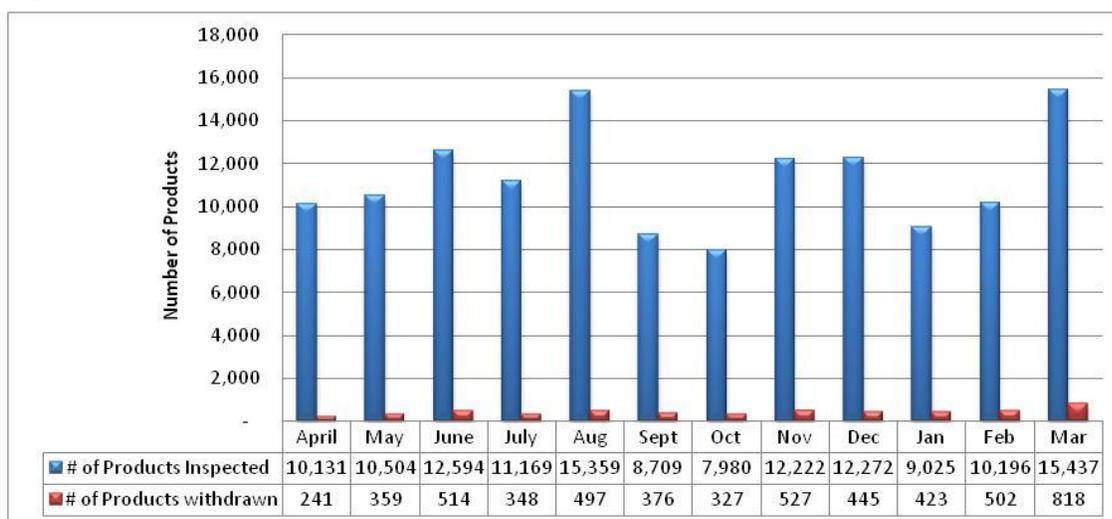
The non-conformances identified in most of the consignments detained for labeling breaches were satisfactorily addressed and they were therefore released for sale.

Figure 8 - Consignments Inspected and Detained



Of the 135,598 products inspected in the domestic marketplace, 5,377 (4%) were withdrawn due to labeling breaches and for laboratory analyses (see *Figure 9*) compared to 1.6% (6,028 of 370,030) during the financial year 2010-11. The breaches included: foreign language labeling, non-existent expiry date, coded date mark and no country of origin. Food products subjected to laboratory analyses showed that rejections were due mainly to the presence of microbial activity and foreign matter.

Figure 9 - Products Inspected and Withdrawn from Sale



Product Testing

The BSJ conducted 18,861 chemical and microbiological tests on 6,354 samples of imported and locally produced food products.

The BSJ continued to employ the preventative approach of type approval in its monitoring of selected commodities. Type approval is required before the commodity is allowed to be

imported in commercial quantities and sold in Jamaica. The BSJ conducted type approval tests on five commodities and achieved compliance rates of (water meters, and LPG cylinders – 100%, stoves with ovens – 67%, table top stoves – 44%, and electric fans – 33%) as it sought to ensure the protection of consumers. In general, the issues identified were: inadequate labeling and technical deficiencies.

The Reinforcing Steel Bar Compliance Programme had a 100% compliance rate. In accordance with the sampling procedure which dictated that at least 50% should be tested, 754 units from a population of 1507 were tested and approved for sale.

Likewise, under the **Jamaica Public Service Company Meter Testing Programme and the agreement with the Office of Utilities Regulation (OUR)**, there was a 100% compliance rate with the 2,060 digital kilowatt-hour meters tested from a population of 91,670 meters found to be in compliance with the requisite standards and approved for installation.

Establishment of the National Food Safety Secretariat within the BSJ

The National Food Safety Policy approved by Cabinet in October designated the BSJ to host the National Food Safety Secretariat, which would provide administrative support to the Inter-Ministerial Food Safety Committee and the National Food Safety Council. The assignment of this critical activity will result in an expansion of the role of the secretariat functions for the National Codex Committee, which are currently undertaken by the BSJ.

Legal Metrology Activities

The BSJ continued to test and verify weighing and measuring devices by conducting 1,404 visits to establishments and testing and verifying 7,701 devices (scales, gas nozzles, and liquefied petroleum gas (LPG) cylinders). In addition, the BSJ calibrated 147 weighing and measuring devices (tanker wagons, storage tanks, and roller weights).

- **Development of Metrological Traceability in the Jamaican Health Sector Project**

In an effort to contribute to the operationalization of the national strategy of providing and maintaining an adequate health infrastructure, the BSJ commenced implementation of a project to verify, calibrate and provide traceability for medical devices in healthcare facilities island wide.

The organizational objective of conducting a comprehensive audit of the metrology needs in the health sector commenced with the successful implementation of a pilot project involving the Winchester Surgical and Medical Institute and the Ruthven Medical Centre in February 2012. This initiative is inextricably linked to Jamaica's focus of developing its health and wellness tourism services.

Establishment of the Radiation Safety Authority within the BSJ

The process of operationalizing the Cabinet Decision (January 2011) to establish the regulatory authority for radiation sources within the organization was initiated with the provision of technical guidance and training by the International Atomic Energy Agency (IAEA).

The Director of Engineering was selected to head the authority and received training on the essential elements of nuclear security and two officers were selected to staff the unit based on

their expertise in engineering and chemistry. Further training will be provided in the 2012-13 financial year. Establishing the regulatory authority was still pending subject to the promulgation of the Radiation (Safety Control) Bill, which was being drafted by the Chief Parliamentary Counsel.

The significance of this initiative is far-reaching as the absence of a regulatory framework for radiation sources caused the IAEA to rule Jamaica ineligible to receive equipment with radiation sources and further prevented the country being able to downgrade the highly enriched uranium at the International Centre for Environmental and Nuclear Sciences to low enriched uranium.

3.2 National Outcome #2: World Class Education and Training

3.2.1 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 35 training activities to 769 industry personnel, government officials and professionals. The courses were aimed at building capacity in quality, environmental and food safety management systems; risk management; occupational health and safety; and the new building code.

Staff - Recognizing the need for the BSJ to build competence in its human resources given its role in assisting firms to achieve global competitiveness, staff was upgraded in a number of technical areas including laboratory accreditation; quality, food safety, energy and environmental management; calibration of weighing instruments; strategic planning; and financial management with a view to improving its operations and the provision of services to the business sector and the wider public.

3.3 National Outcome #4: Authentic and Transformational Culture

3.3.1 Jamaica Made Mark Programme

In support of the national strategy to integrate Jamaica's brand into the development process, the BSJ sought to encourage companies to participate in this programme through various marketing initiatives including advertisements in the print media (among other places, it was featured in the *2012 Made in Jamaica Catalogue: The Gold Edition – Celebrating Jamaica's 50th*, published in December) and at public education and promotional events. In commemoration of Jamaica's 50th Independence celebrations, concessionary rates were offered to prospective clients. Expressions of interest were received from 54 potential clients and although 3 applications were received, no clients joined the programme during the year under review.

3.4 National Outcome #:6: Effective Governance

3.4.1 Legislative Amendments

The enforcement regime for the processed food sector was strengthened with a revision of the fines for breaches under the Standards Act 1969 and Processed Food Act 1959. The fines were increased from \$200, \$500 and \$2000 to up to \$3M. It is anticipated that these changes will serve as a deterrent to non-compliance thus resulting in increased compliance. At the end the year under review, the approved bills had been submitted to the Jamaica Printing Services for gazetting.

3.4.2 Ready-Mixed Concrete Monitoring Programme

The BSJ achieved its objective of developing and implementing a Ready-Mixed Concrete Monitoring Programme to provide assurance to the public that building structures made from locally manufactured ready-mix concrete were safe. Under the programme, ready-mixed concrete produced in Jamaica was assessed and, if found compliant with the requisite requirements, the manufacturers were registered. The process involved the sampling of the product both at the manufacturing plant and at the time of delivery. At the end of the reporting period, 10 of the 15 manufacturers island wide were in the process of being registered. During the next financial, the BSJ will intensify its efforts to register all manufacturers.

3.4.3 Information and Communication Technology Infrastructure Development

The objective of developing a comprehensive system for the storage, easy retrieval and analysis of data was initiated with the creation of five database management systems: Job Management and Tracking System (JMETS), Legal Metrology Database, Inspectorate (Compliance) Database, Inspectorate (Foods/Factories) Database and the Standards and Technical Regulations Database. The implementation of these systems will result in improvements in the decision-making process in respect of regulatory and other technical activities. The JMETS is expected to be completed within the first half of the next financial year. The expected completion date for the other systems will be established after the testing of the pilot version of the JMETS and an assessment of the test results.

The management of the organization's human capital was strengthened with the implementation of a Human Resource Management System. Through automation of critical human resources, administrative functions such as benefits administration, tracking of employee data, evaluation of staff performance, and leave management, the manual workload of executing these functions was significantly reduced thus resulting in the improved efficiency and effectiveness of the human resources division.

The installation of a new wireless networking and internet capability was initiated to allow for easier network expansion, better access to information and enhanced access by visitors to the organization. This was complemented with the commencement of the installation of a new Voice over Internet Protocol telephony system to improve the communication systems within the organization and with external stakeholders.

3.4.4 Enhancement of Metrology & Testing Capabilities

The BSJ provided new and enhanced services in the areas of microbiology, metallurgy and chemistry by acquiring and upgrading laboratory and field testing equipment valued at a little over J\$29 million. In the area of Science and Technology, new tests introduced were detection of *listeria monocytogenes* in foods, and *salmonella* in food processing equipment. This was complemented with improvements in the testing methods for the determination of cyanide in foods and water, and phosphate in soaps and detergents.

The introduction of the laboratory testing capability to detect *listeria monocytogenes* was essential to meet food safety requirements under the FSMA. Further, the Microbiology Laboratory added this capability to protect Jamaica's fragile food industry and the very sensitive tourism sector. *Listeria monocytogenes* is the bacterium that causes the infection listeriosis. It is one of the most virulent food-borne pathogens with 20 to 30 percent clinical infections resulting in death. It is responsible for approximately 2,500 illnesses and 500 deaths annually in the United States. Listeria is also the third most common cause of meningitis in newborns. This test was in high demand during the reporting period and although it strained the resources of the laboratory, it was regarded as a critical test and every effort was made to accommodate requests from customers.

The Chemistry Laboratory made improvements in the testing methods for the determination of phosphate in soaps and detergents because of the problems with the run-away growth of aquatic plant species due to excess phosphate in waste water and streams. These improvements were in keeping with the worldwide move to low phosphate products and in some cases elimination to the residue level.

In addition, the Metallurgy Laboratory improved its capability to conduct tests on metallic materials (e.g. wires, bolts, nuts, and mandrels) with diameters ranging from 1.3mm to 40mm as it sought to respond to the requests of customers in the air transportation and construction sectors and to provide assurance to builders and users on their safety.

3.4.5 International Recognition of Calibration and Measurement Capabilities

With the objective of attaining international recognition for all metrology laboratories by 2014, the BSJ commenced activities in this area. External peer reviews were conducted by the National Research Council of Canada on four metrology laboratories (Mass, Dimensional, Temperature and Volume) to determine their competence and capabilities to deliver reliable, globally comparable and traceable measurements. Non-conformances identified were addressed, and by the end of the reporting period, preparations intensified for the presentation of the calibration and measurement capabilities (CMCs) for these laboratories at the SIM Quality System Task Force Meeting to be held in Ecuador in April 2012.

3.5 National Outcome # 8: An Enabling Business Environment

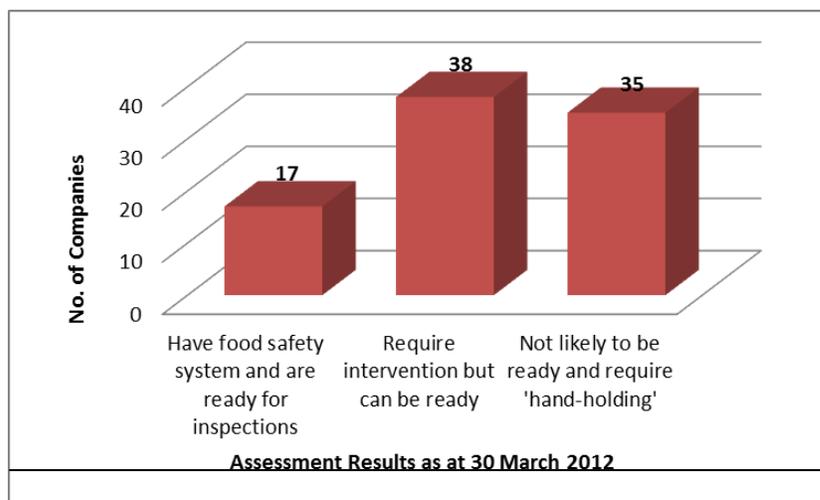
3.5.1 Achieving Compliance to the USFDA Food Safety Modernization Act (FSMA)

The enactment of the FSMA by the United States in January 2011 signaled a fundamental paradigm shift in the regulation of food imports from primarily relying on inspections at ports of entry to making US importers responsible for verifying that their foreign suppliers have adequate preventive food safety control systems.

In response, a public/private sector National Food Safety Modernization Task Force, with the Secretariat located in the BSJ was established to drive the process of ensuring Jamaica's preparedness to satisfy the requirements.

Assessments - Ninety food exporters to the USA were assessed by the Ministries of Health and Agriculture & Fisheries and the BSJ to determine their state of readiness to satisfy the FSMA requirements. At the end of the financial year, 17 (19%) of the companies had adequate food safety systems. The remaining 73 (81%) companies faced challenges including: inadequate infrastructure and lack of collateral to secure loans to improve their operations. See *Figure 10*.

Figure 10 - Readiness of Food Firms for FDA Inspections



Continuing the process to satisfy the FSMA requirements, technical and financial assistance to exporting companies included: development of a Corporate Mentorship Programme; identification of low interest loan facilities by the EXIM Bank and grant funding under the Caribbean Export's Accelerated Grant Scheme. Additionally, a 50% discount on the cost of FSMA-related services (e.g. product testing, equipment calibration, and training) was provided by the BSJ. A similar discount was provided by Jamaica National Accreditation Agency (JANAAC) on the cost of laboratory accreditation (on condition that the application was made before 31 May 2012).

3.5.2 Accreditation of Food Testing Laboratories

Under the FSMA, by January 2013, the United States shall have in place a programme mandating that the testing of foods for that market must be done by an accredited laboratory. With Jamaica having no accredited national laboratories to test food products, the BSJ embarked on an aggressive programme to have 24 of the tests conducted by its three food testing laboratories (Chemistry, Microbiology and Packaging) accredited to ISO/IEC 17025 (laboratory management standard) by December 2012. The European Union through EPA Capacity Building Programme has made a commitment to finance the accreditation.

3.5.3 Support for Research and Development

For the 5th consecutive year, during the summer period, the BSJ's Chemistry Laboratory facilitated a 12-week work-study programme by a final year UWI Chemistry student. The research paper titled: *Determination of Cyanide Concentration in Cassava Tubers and Cassava Products* represented 25% of the course grade for CHEM3402 – Industrial Chemistry.

3.5.4 Implementation of the WTO/TBT Agreement

In conformance with the WTO/TBT Agreement, the National Enquiry Point (which is administered by the BSJ), notified eight draft national standards to the WTO, through the National Notification Authority (Ministry of Foreign Affairs and Foreign Trade). Table 2 lists the standards.

Table 2 - Notifications to the WTO

WTO Circulation Date	Notification	Document Name
2 September	G/TBT/N/JAM/23	Rum - Specifications (adoption of CARICOM Standard)
	G/TBT/N/JAM/24	Brewery products- Beer, stout, shandy, malt (adoption of CARICOM Standard)
	G/TBT/N/JAM/25	Fruit and vegetable juices and drinks, and fruit nectars (adoption of CARICOM Standard)
	G/TBT/N/JAM/26	Safety Matches (adoption of CARICOM Standard)
	G/TBT/N/JAM/27	Grading and quality requirements of table eggs (adoption of CARICOM Standard)
20 January	G/TBT/N/JAM/28	General purpose hydraulic cements
	G/TBT/N/JAM/29	Transportable gas cylinders – Fully wrapped composite cylinders
	G/TBT/N/JAM/30	Transportable gas cylinders – Periodic inspection and testing of composite gas cylinders

In addition, the Enquiry Point satisfactorily handled 32 requests from local stakeholders for the full text of notifications from other WTO Members including, USA, Canada, Costa Rica, Colombia, Dominican Republic, China, Brazil and the European Communities and 4 requests from the USA, Canada and Brazil for Jamaican notifications.

3.5.5 Standards Development and Harmonization

Nationally, the BSJ continued to develop relevant standards to facilitate domestic trade; and participated in the development of regional and international standards of interest to the country. Thirteen standards for sectors including food and beverage and construction were published, of which 11 were adopted CARICOM technical documents (see list below). The adoption of these standards represented a significant increase in the number of adopted CARICOM standards given that only JS CCS 0046:2002 *Rice – Specification, sampling tests and analysis* had been previously adopted.

- JS NSF/ANSI 61- 2007a *Drinking Water System Components - Health effects*
- JS CCS 52: 2005 *Grading and quality requirements of table eggs*
- JS CCS 41: 2008 Amendment 1 *Brewery products - beer, stout, malt, shandy*
- JS CRS 14: 2010 *Good management practices for micro, small and medium enterprises*
- JS 317: 2012 *Production of Processed Food utilizing the HACCP Principles (General)*
- JS CRS 16: 2010 *Botanical cosmetics*
- JS CCS 0045: 1999 Rev. 2005 *Safety matches*
- JS CRS 33: 2010 *Polyethylene garbage bags - high density*
- JS CRS 27: 2010 *Fruit & vegetable juices and drinks and fruit nectars*
- JCP CRCP 6: 2010 *Code of Practice for the Preparation of frozen fruit pulp and purees*
- JCP CRCP 7: 2010 *Code of Practice for the Manufacture of wooden craft items*
- JS CRS 25: 2008 *Rum*
- JS 35: 2011 *Standard hollow concrete blocks*

At the end of the period under review, 42 national, regional and international standards were in the process of being developed, reviewed and adopted by 22 TCs and 5 SCs. These committees held 166 meetings with a total duration of 326.5 hours. The total value of the contribution of the 289 members who served on these committees was approximately J\$280M. A list of the active national TCs and SCs and their membership as well as the standards that were being developed, reviewed or adopted are presented in *Appendix 1*.

Regionally, Jamaica contributed to the harmonization of four regional standards, namely: Tourist accommodation – General requirements (Part 1); Honey; Poultry feeds and feed ingredients; and Labeling of Retail packages of aerosol insecticides.

3.5.6 Promotional and Educational Activities

Raising awareness of the importance of standards, quality and related issues remained one of the priorities of the BSJ. Promotional and public education efforts to increase awareness of the organization's role in facilitating trade, protecting consumers and enhancing business competitiveness were effected through activities such as expositions, outdoor promotions, presentations, and articles in the print media. Further, the BSJ achieved its objective of building awareness among students of standardization, metrology and conformity assessment through its annual Summary Employment Programme, career expositions and its facilitation of study visits of its metrology and testing facilities.

World Standards Day 2011 - World Standards Day, 14 October, is celebrated annually in countries around the world, and is sponsored by the International Organization for Standardization (ISO), the International Electrical Commission (IEC), and the International Telecommunications Union (ITU). The goal of World Standards Day is to raise awareness of the importance of global standardization to the world economy and to promote its role in helping meet the needs of business, industry, government, and consumers worldwide. Within the framework of the theme: "International Standards, Creating confidence globally", the BSJ staged: a Standards Symposium; a Technical Committee Appreciation Luncheon to pay tribute to the volunteers around the world who participated in standardization activities; the National Quality Awards Ceremony and Dinner and held a ceremony to unveil the NQA Roll of Honour. This Honour Roll contains the names of all the winners of awards since the inception of the awards programme in 2004.

World Quality Day 2011 - In celebrating World Quality Day 2011, the NCBJ (the BSJ's Management Systems Certification Unit) staged a World Quality Symposium in November under the theme "Quality and Innovation... in Pursuit of Excellence".

3.5.7 Standards and other Technical Publications

The BSJ continued to maintain an extensive collection of national, regional and international standards and related technical documents in printed and electronic formats. *Figure 11a* illustrates that during the 2011-12 financial year, the BSJ responded to 826 enquiries, 21% less than the previous financial year. Most of the enquiries were in relation to food, building materials, management system and labeling standards.

Figure 11a - Enquiries by Stakeholder Group

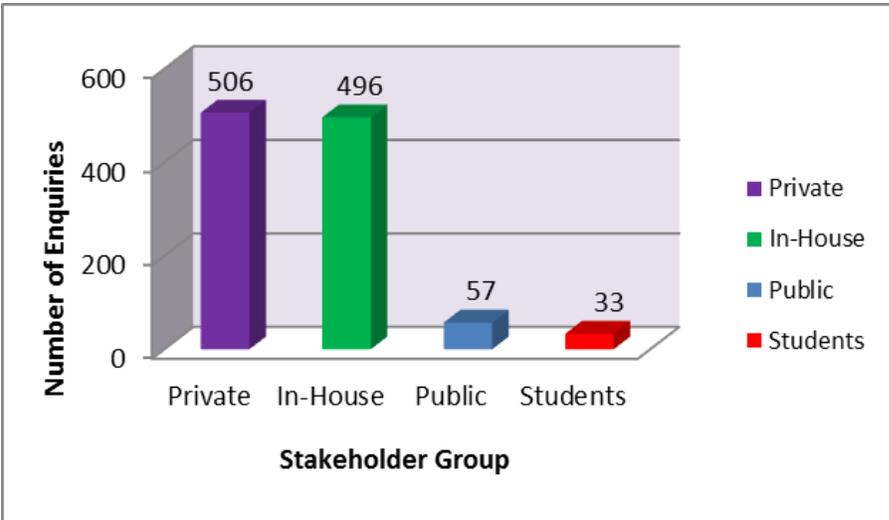
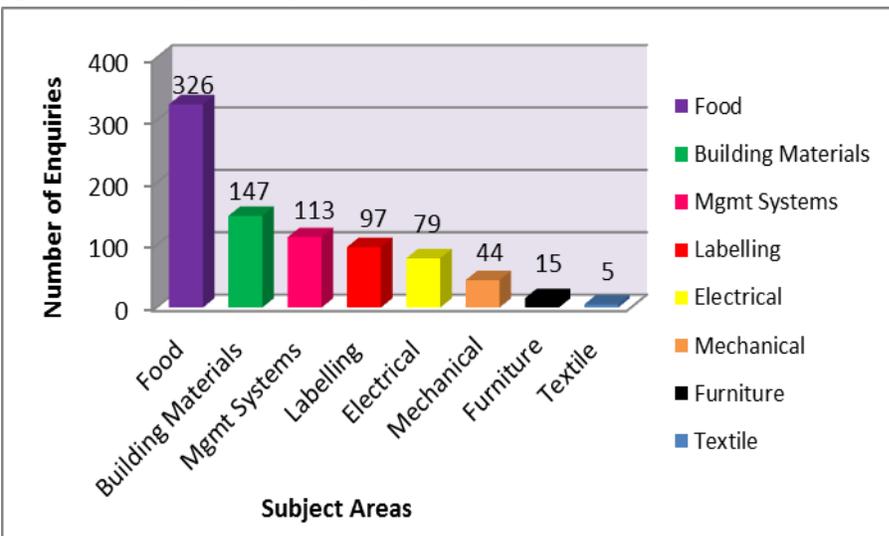


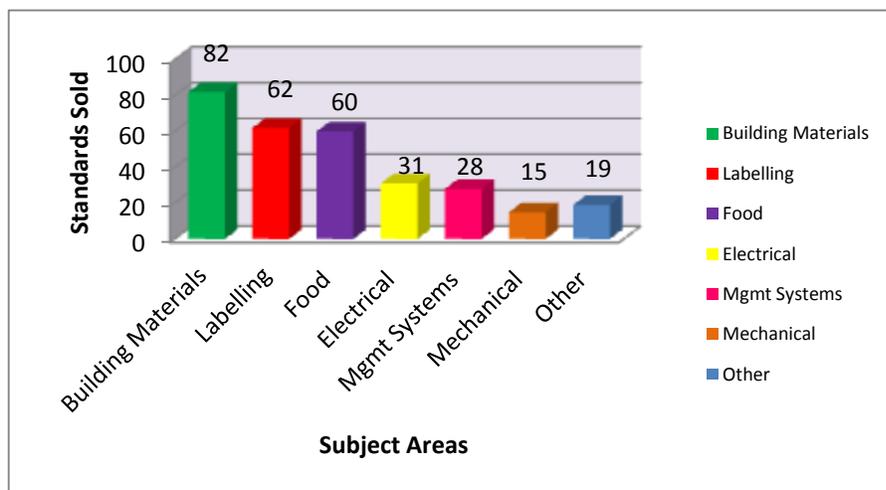
Figure 11b illustrates that the enquiries for standards and other technical information were from 1,092 persons from the public and private sectors, students and the staff of the organization; 4.5% more than the previous year. Most of the enquiries were from the private sector and from employees within the organization.

Figure 11b - Enquiries by Subject Area



The BSI sold 297 standards (national standards and those published by overseas standards organizations) to stakeholders (see Figure 11c). This was 15% less than those sold during the previous financial year. Most of the standards sold were in relation to building materials, labeling and food standards. The revenue earned from the sale of standards and other technical publications was approximately \$2.1M, which was 26% less than that earned during the previous financial year.

Figure 11c - Standards Sold



3.6 National Outcome #10: Energy Security and Efficiency

3.6.1 Expansion of Energy Efficiency Testing and Labelling Project

The National Energy Policy calls for Jamaicans to become more aware of energy conservation practices including the purchase of energy efficient appliances for reduced energy consumption in both the residential and commercial spheres. Funding in the amount of US\$1.55M was obtained from the World Bank to implement a project to expand BSJ's energy efficiency testing and labelling capacity for household appliances. The facility, which now has the capacity to test refrigerators and freezers, will be expanded to test a larger number of refrigerators and freezers and small air condition units. The project forms a part of the Energy Security and Efficiency Enhancement Project (ESEEP), which is being implemented by the Ministry of Science, Technology, Energy and Mining. Approval was obtained from the World Bank to engage a technical consultant to manage the project.

3.6.2 Promotion of Energy Management and Efficiency

In support of Jamaica's thrust to create a modern, efficient, diversified and environmentally sustainable energy sector that contributes to international competitiveness throughout all the productive sectors of the economy, the BSJ built its human capacity in the area of energy management, through the participation of an officer in a regional train-the-trainer workshop on energy management standards. With this training, the BSJ is now able to provide organizations with information on energy management and energy efficiency standards, business opportunities, existing best practices, implications and the potential impact of the ISO 50001 Energy Management Standard. In conjunction with the Ministry of Science, Technology, Energy and Mining, the BSJ will be coordinating and delivering training courses in the energy management standards to key stakeholders across Jamaica.

3.7 National Outcome #12: Internationally Competitive Industry Structures

3.7.1 Stakeholder Engagement and Collaboration

The BSJ recognized that building linkages with national public and private sector organizations was an effective means of increasing its impact in the areas of trade facilitation, maintaining and improving market access, consumer protection and business competitiveness enhancement. The location of the BSJ in the national framework is illustrated in Figure 12.

Figure 12 - BSJ within the National Framework



3.7.2 Enabling Business Development and Excellence

Recognizing that over 90% of Jamaican businesses were micro, small and medium-sized enterprises (MSMEs), specialized support to foster their growth and development was provided through initiatives such as the BSJ/Business Partnership Programme; concessions to clients of the Jamaica Business Development Corporation (JBDC) and Jamaica Promotions Corporation (JAMPRO); the Bamboo Products industry Project; and advances in respect of cassava and starch.

To enhance the competitiveness of Jamaican MSMEs, the BSJ continued its partnership with the JBDC clients and entered into Memoranda of Agreement with JAMPRO and the MSME Alliance. Under the agreement with JAMPRO (signed December 2011), the BSJ provided a 50% discount on laboratory and other technical services to exporters under JAMPRO's two-year Enterprise Development for Export Growth (Export Max) Programme. The value of the discount provided was a little over J\$850,000. A similar discount was provided to companies referred by the JBDC.

Targeting business support organizations (BSOs), the **BSJ/Business Partnership Programme** focused on enhancing the technical capacity of BSO personnel to improve the level of guidance provided in the implementation of standards. Specifically, under the programme, resources personnel in the BSOs will be trained using the 'train-the-trainer' approach to provide guidance to their membership in implementing quality management systems. A step towards implementing this programme was taken with the signing of a MOU with the MSME Alliance on 1 November. Similar agreements with the Jamaica Manufacturers' Association (JMA) and the JBDC were being negotiated during the period under review and are to be signed in the next financial year.

Bamboo Products Industry Project - In seeking to contribute to the National Outcome of creating internationally competitive industry structures, the BSJ embarked on a project to create a standards-led bamboo products industry. The goal of the project is sustainable job creation through the use of bamboo to produce quality goods and commodities that can be commercialized. To facilitate the development of the bamboo industry through the implementation of international best practices, Jamaica became the 38th member of International Network for Bamboo and Rattan (INBAR) on 01 January. In addition, a Bamboo (Indigenous Materials) Advisory Committee comprised of public and private sector stakeholders was established to guide the development process.

Development of the Cassava Industry - Resulting from extensive research, BSJ developed a reliable and accurate method for the determination of residual cyanide levels in cassava products. Products sampled from the marketplace were analysed and the results showed that there were no health issues.

Development of the Starch Industry - Given the extensive importation of various starches into Jamaica, the BSJ, in collaboration with UWI, held a Starch Conference in December with the theme “Cassava Starch – Exploring a New Economic Frontier” to promote research and to increase awareness about the opportunities for trade in the commodity.

Certification Schemes - The BSJ continued to offer product, plant and management systems certification services. Products and companies were certified or maintained their certification under two programmes: National Certification Mark Programme and the Certification of Agricultural Produce (CAP) Programme. Under the National Certification Mark Programme, 11 companies held licenses to use the Product Mark for 64 products, and five companies held licenses for the Plant Mark (see *Appendix 4*). Under the CAP Programme, one producer had earned the CAP Mark for four agricultural products (see *Appendix 2*).

Product Mark



Plant Mark



CAP Mark



Management systems certification was provided by the National Certification Body of Jamaica (NCBJ) to ISO 9001 (quality management) and ISO 14001 (environmental management) system standards. Three companies (ISO 9001 - 2 and ISO 14001 - 1) were certified during the financial year.

The National Quality Awards (NQA) Programme, which was developed to actively encourage businesses to use national as well as regional and international standards is renewed annually and culminates in a National Quality Awards (NQA) Ceremony. This ceremony is one of the activities to commemorate World Standards Day (celebrated on 14 October) and involved the presentation of awards to companies in the manufacturing, services and small business sectors that had demonstrated a commendable level of performance in their operations.

Awards of Excellence were presented to Dairy Industries (Jamaica) Ltd., National Council on Technical and Vocational Education and Training (NCTVET), and Indies Pharma Jamaica Ltd., representing the manufacturing, services and small business sectors respectively. Ten sectional

awards were presented to companies from the manufacturing and services sectors (see Table 3).

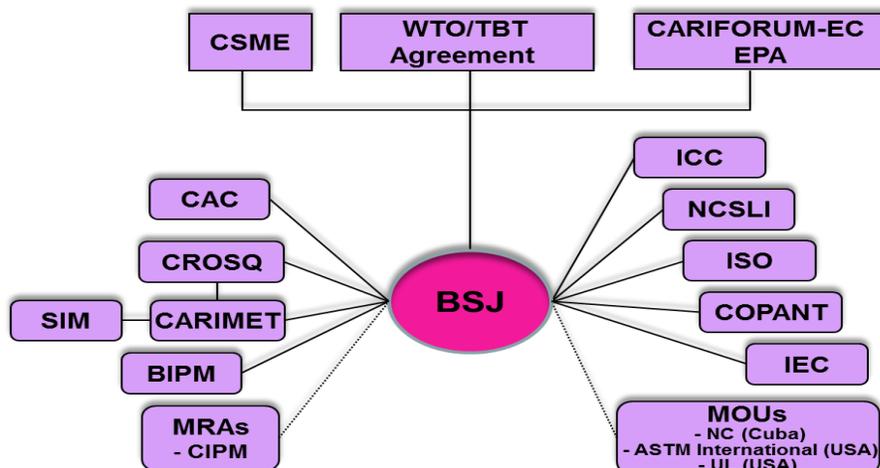
Table 3 - 2011 NQA - Recipients of Sectional Awards

	Manufacturing Sector	Services Sector
Customer Focus	Caribbean Cement Company Ltd.	Digicel Jamaica Ltd.
Human Resource Focus	JAMALCO	Digicel Jamaica Ltd.
Process Management Focus	Newport Mills Ltd.	Sandals Grande Riviera Beach & Villa Golf Resort
Organizational Focus	Grace Food Processors (Meats) Division	Altamont Court Hotel
	Dairy Industries (Jamaica) Ltd.	
Business Results Focus	Grace Food Processors Ltd.	NCTVET
	Dairy Industries (Jamaica) Ltd.	

3.7.3 Regional and International Affairs

The BSJ continued to recognize that the development of the national quality infrastructure required not only national initiatives, but engagement with, and assistance from others. To this end, the BSJ continued to work through regional and international institutions to help develop and operationalize international trading rules to ensure the protection of human, animal, ecosystem and plant life. Organizations with which the BSJ collaborated or in which it held membership is demonstrated in Figure 13. During the year under review, financial support was received from some of these overseas partners to participate in meetings, workshop and other training sessions.

Figure 13 - BSJ within the Regional and International Framework



Recognizing that active involvement in the work of regional and international standards organizations such as the Pan-American Standards Commission (COPANT), ISO, the Codex Alimentarius Commission (CAC), and the CARICOM Regional Organisation for Standards and Quality (CROSQ) provided a competitive advantage for Jamaica, the BSJ participated in 21 regional and international meetings. With the incidences of technical barriers to trade and rapid technological change, the BSJ sought to articulate positions on standards conducive to Jamaica's interests.

The BSJ represents Jamaica in **ISO** and continued to maintain Participating "P" membership in 30 Technical Committees (TCs) and Subcommittees (SCs) and Observer "O" membership in 73 TCs and SCs; and serve as the Secretariat for ISO/TC 93 Starch (including derivatives and by-products). In collaboration with the University of the West Indies, the BSJ hosted the 14th Plenary Meeting of this technical committee. Its involvement in the work of ISO included the maintenance of a 100% voting performance on standards (806 votes were submitted) and participation in six meetings including the General Assembly in India. In addition, the BSJ hosted the ISO National Workshop on Social Responsibility (ISO 26000) to provide guidance to businesses and organizations on how to operate in a socially responsible way that contributes to the health and welfare of the society.

COPANT, which is the regional standardization body for the western hemisphere, continued to provide a forum for the development of standards of relevance to the region. The BSJ maintained its "P" membership in two TCs and "O" membership in six TCs.

The **CAC** develops harmonised international food standards, guidelines and codes of practice to protect the health of the consumers and ensure fair trade practices in the food trade. The BSJ continued to service as the Codex Contact Point and administration of the Secretariat for the National Codex Committee (NCC). In addition, the BSJ served as Geographic Representative for the Coordinating Committee for Latin America and the Caribbean (CCLAC) and participated in the 34th Session of the CAC in Switzerland in July and a Codex training activity in Costa Rica in November.

Jamaica is one of the founding members of **CROSQ** and being the most advanced standards body within the region, the BSJ continued to serve in leadership positions within the organization in the management of the organization's standards development and financial activities. The BSJ represented Jamaica at ten meetings and developed its technical competence through participation in four training activities and contributed to the development/harmonization of four CARICOM standards. One significant milestone in the development of the BSJ as the lead metrology institute in the region was the designation of the BSJ's Mass Metrology Laboratory as a Caribbean Reference Laboratory (CARL) to provide internationally-recognized traceability to the national metrology institutes (NMI) in the CARICOM Members States.

The BSJ, being recognized as the most advanced standards body in the CARICOM region, was called upon to provide technical assistance and guidance to other NSBs in the areas of standardization, metrology and consumer protection.

4.0 Emoluments for Senior Executive and Compensation for Directors

Table 4 presents the emoluments for the senior executive.

Table 4 - Emoluments for Senior Executive

Position of Senior Executive	Salary (\$)	Gratuity (\$)	Performance Incentive (\$)	Travelling Allowance or Value of Fully Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Executive Director	7,500,000.00	5,959,821.43	-	120,000.00	-	1,339,285.71 (vacation)	-	14,919,107.14
Senior Director, Technical Services/ Technical Specialist	4,710,702.83	-	-	796,500.00	-	155,073.61 (vacation)	-	5,662,276.44
Director, Engineering	4,736,525.15	-	-	796,500.00	-	-	-	5,533,025.15
Director, Science & Technology	4,718,583.76	-	-	792,217.74	-	488,689.10 (vacation)	-	5,999,490.60
Director, Standards	4,612,963.66	-	-	796,500.00	-	-	-	5,409,463.66
Director, Regulatory	4,612,963.66	-	-	796,500.00	-	-	-	5,409,463.66
Director, Human Resources Management & Development	4,612,963.66	-	-	796,500.00	-	-	-	5,409,463.66
Manager, Finance & Accounting Services	3,646,793.47	741,589.94	-	796,500.00	-	27,211.66 (acting allowance)	-	5,212,095.07
Manager, Standards Development & Certification	4,008,276.70	-	-	796,500.00	-	-	-	4,804,776.70
Manager, Inspectorate	4,008,276.70	-	-	796,500.00	-	-	-	4,804,776.70
Manager, National Certification Body of Jamaica	3,575,606.54	-	-	793,346.77	-	124,586.53 (acting allowance) ²	-	4,493,539.84
						246,188.32		

¹ With the resignation of the incumbent, the Chief Accountant acted in the position from November 2011 to January 2012. The position was filled effective February 2012.

² With the resignation of the incumbent, The Team Leader, Certification Programmes acted in the position from January to March 2012.

Position of Senior Executive	Salary (\$)	Gratuity (\$)	Performance Incentive (\$)	Travelling Allowance or Value of Fully Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Manager, Marketing	3,610,762.08	-	-	796,500.00	-	(vacation)	-	4,653,450.40
Manager, Quality & Environmental Systems	3,312,625.86	-	-	796,500.00	-	-	-	4,109,125.86
Manager, Human Resources	3,312,625.86	-	-	796,500.00	-	-	-	4,109,125.86
Manager, Facilities Management/Property Projects	3,478,256.48	-	-	796,500.00	-	-	-	4,274,756.48
Manager, Civil Engineering & Maintenance (Acting) ³	474,284.84	-	-	164,125.00	-	62,550.75 (acting allowance)	-	700,960.59
								88,237,571.03

³ The substantive post of the officer who acted in this position was Team Leader, Civil Engineering Department. The total emolument reflects the sum paid to the officer for acting in the managerial position during the financial year.

Tables 5a and 5b detail the compensation for the directors (members of the Standards Council).

Table 5a - Compensation for Directors (Standards Council Members) - April 2011 – February 2012

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 (until September)	143,500.00	-	-	-	143,500.00
Vice Chairman, Standards Council (acted as Chair effective October)	260,000.00	-	-	-	260,000.00
Chairman, Executive & Finance Committee	202,500.00	-	-	-	202,500.00
Chairman, Standards & Technical Committee	200,000.00	-	-	-	200,000.00
Chairman, Audit & Risk Management Committee (until August)	58,500.00	-	-	-	58,500.00
Standards Council Member (acted as Chair, Audit & Risk Management Committee effective September)	66,500.00	-	-	-	66,500.00
Chairman, National Quality Awards Committee	309,000.00	261,800.00	-	-	570,800.00
Standards Council Member	225,000.00	-	-	-	225,000.00
Standards Council Member	165,000.00	-	-	-	165,000.00
Standards Council Member	98,500.00	-	-	-	98,500.00
Standards Council Member	40,500.00	-	-	-	40,500.00
Standards Council Member (until August)	55,000.00	-	-	-	55,000.00
Standards Council Member (until August)	36,000.00	-	-	-	36,000.00
Standards Council Member (until August)	7,500.00	-	-	-	7,500.00
Standards Council Member (from September)	73,500.00	-	-	-	73,500.00
Standards Council Member (from September)	63,000.00	-	-	-	63,000.00
Standards Council Member (from September)	54,500.00	-	-	-	54,500.00
					2,320,800.00

Table 5b - Compensation for Directors (Standards Council Members) - from February 2012

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	19,500.00	-	-	-	19,500.00
Vice Chairman, Standards Council	7,500.00	-	-	-	7,500.00
Chairman, Executive Committee	11,000.00	-	-	-	11,000.00
Chairman, Standards & Technical Committee	11,000.00	-	-	-	11,000.00
Chairman, Audit & Risk Management Committee	7,500.00	-	-	-	7,500.00
Chairman, Procurement Committee	7,500.00	-	-	-	7,500.00
Standards Council Member	7,500.00	-	-	-	7,500.00
Standards Council Member	7,500.00	-	-	-	7,500.00
Standards Council Member	7,500.00	-	-	-	7,500.00
Standards Council Member	7,500.00	-	-	-	7,500.00
Standards Council Member	7,500.00	-	-	-	7,500.00
Standards Council Member	7,500.00	-	-	-	7,500.00
Standards Council Member	7,500.00	-	-	-	7,500.00
					116,500.00

The total quantum of the compensation to Directors for the financial year 2011-12 was **J\$2,437,300.00** (2,320,800 + 116,500).

National Technical Committees

This table presents the active national technical committees (and sub-committees), the standards that were being developed, adopted or reviewed, their members and the organization/association which nominated the committee members who served during the period April 2011 to March 2012.

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
Bag Juices <i>Development of Standard Specification for Bag juices/drinks</i>	Mr. Raymond Green (Chairperson)	Caribbean Brands Ltd.
	Mr. Ian Wong (Vice Chairperson)	Coldfield Manufacturing Ltd.
	Ms. Paulette Simpson	Spike Industries Ltd.
	Mr. Winston Wright	Wrights Bakery
	Mr. Andre Hinds	Homestyle Syrup
	Dr. Michael Coley	University of the West Indies (UWI), Mona
	Mr. Patrick Duncan	Jamcol Ltd.
	Mr. Lloyd Walters	Smith & Stewart Distributors
	Mr. James Anand	Caribbean Flavours and Fragrances
	Ms. Salihah Budall (Technical Secretary)	BSJ
	Ms. Acinette Rose (Recording Secretary)	
	Mrs. Vonetta Nurse Thompson (Facilitator)	
Baked Products <i>Revision of JS 145:1985 Breads and rolls</i>	Ms. Audrey Lecky (Chairperson)	AML Bakery
	Ms. Keisha Ferguson (Vice Chairperson)	Bakers Association of Jamaica
	Mr. Winston Piper (1st Technical Secretary)	University of Technology, Jamaica (UTech)
	Dr. Ian Thompson (2nd Technical Secretary)	UWI, Mona
	Ms. Winsome Harrisingh	Consumers Affairs Commission (CAC)
	Mr. Malcolm Fredrick	Nutrition Products Ltd.
	Ms. Hyacinth Bailey	Jamaica Flour Mills
	Mr. Andre Hoo	Grace Bakery
	Mr. Ryan Chen	Top Loaf
	Ms. Andrene Phillips	
Ms. Teneisha L. Williams		

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
	Mrs. Joan Henry	BSJ
	Mr. Stephen Jon-Brown	
	Mrs. Janiese Pinnock	
	Ms. Nicole James	
	Mrs. Joan Henry (Recording Secretary)	
	Ms. Kesseta Scott (Facilitator)	
Cement <i>Development of Jamaican Standard Performance Specification for General purpose hydraulic cements</i> <i>Revision of JS301:2008 Blended Cements and JS 32:2008 Portland Cements – Ordinary and Rapid Hardening</i>	Mr. Victor Douse (Chairman)	UWI, Mona
	Mr. Steve Malcolm	National Consumers League
	Mr. Richard Rowe	CAC
	Mr. Raymond Mitchell	Caribbean Cement Company Ltd.(CCCL)
	Mr. Ken Wiltshire	
	Ms. Lorraine Walters	Buying House Co. Ltd
	Mr. Homer Pinnock	
	Ms. Marianne Greaves	Tank Weld Metals
	Mr. Harri Mootoor	
	Mr. John Valentine	Jamaica Pre-Mix Ltd.(JPM)
	Mr. Clayton Lawrence	Arc Systems Ltd.
	Mr. Junior Gordon	BSJ
	Mr. David Allen (Technical Secretary)	
	Ms. Kesseta Scott (Recording Secretary & Facilitator)	
Soaps and Detergents (Phosphates) <i>Revision of JS 73:1992 Synthetic laundry detergent powder</i>	Mr. Rohan Sharpe (Interim Chair)	Consumer Packaging and Payless Distributors Ltd.
	Ms. Panzie Haylett Malcoh	Jamaica Council for Persons with Disabilities
	Mr. Haile Dennis	International Centre for Environmental and Nuclear Sciences (ICENS)
	Ms. Jordanne Keane	Versachem International Limited
	Ms. Sabrina Watson	Grace Kennedy Ltd.
	Ms. Judymay Mitchell Merrick	Cool Petroleum
	Ms. Audrey Whitely	ZEP Products Ltd.
	Mr. Andrew Frankson	Quality Chemicals
	Mr. Joseph Pennant	Water Resources Authority(WRA)
	Mrs. Bridgette Lawrence-Blake	National Water Commission (NWC)
Mr. Fernandez Edwards	Shirlhome Chemicals	

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
	Ms. Lorraine Robinson	Versachem International Ltd.
	Mr. Wayne Smith	Grace Kennedy Ltd.
	Mr. Lewis Lakeman	Jamaica Institution of Engineers (JIE)
	Mr. Leonard Smith (Interim Technical Secretary)	Ministry of Health
	Ms. Julia Brown	Scientific Research Council (SRC)
	Mr. Gary Chin	Consumer Brands
	Mr. Alrick Winter	Cool Petroleum
	Mr. Oswald Chin Koo	National Environment & Planning Agency (NEPA)
	Mrs. Paulette Kolbusch	
	Mr. Ruel Freemantle (Assistant. Facilitator)	BSJ
	Ms. Ester Williams (Facilitator)	
	Electrical Practices and Products <i>Adoption of UL 67 Panelboards and Revision of JS 20: 1987 Panelboards and panelboard enclosures</i>	Mr. Ray Campbell (Chairman)
Mr. Michael Tai (Vice Chairman)		SPECOM Ltd.
Mr. Solomon Burchell		General Electrical Inspector
Mr. Jesse H. Dunstan		J. H. Dunstan & Associates Ltd.
Mr. Wilfred Roberts		Source Technology
Mr. Al Akin		Citrad Company
Mr. Newnan Malcolm		Jamaica Public Service Company Ltd. (JPS)
Mr. Desmond Bennett (Technical Secretary)		BSJ
Mr. Garfield Morgan		
Ms. Kesseta Scott (Recording Secretary & Facilitator)		
Industrial Chemicals and Allied Products <i>Revision of JS 268 Jamaican Standard Specification for Bituminous materials</i>	Mrs. Yvonne Barrett Edwards (Chairman)	Ministry of Science, Technology, Energy and Mining
	Mr. Gladstone Ivey (Technical Secretary)	Petrojam
	Mr. Niconor Reece	Petroleum Corporation of Jamaica (PCJ) / Centre of Excellence for Renewable Energy (CERE)
	Mr. Trevor Barnes	Jamaica Gasoline Retailers Association (JGRA)
	Mr. Andrew Grahame	Esso
	Mr. Kent Lacroix	Total Jamaica Ltd.
	Ms. Joan Henry	

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
	(Recording Secretary)	BSJ
	Ms. Ester Williams (Facilitator)	
Furniture <i>Revision of JS 106: 1996 Minimum requirements for wooden, metal, plastic and upholstered accommodation furniture and craft</i>	Mr. Mortimer McPherson (Chairperson)	Jamaica Wooden Furniture Association (JaWFA)
	Mr. Owen Reeves (Vice Chairperson)	Heffes Sales Co. Ltd.
	Mr. Gladstone Rose (Technical Secretary)	BSJ
	Mr. Leon Fraser	Ministry of Education
	Mr. Owen Evelyn	
	Mr. Charles Dunkley	Forestry Department
	Mrs. Victoria Chang	National Consumers League
	Ms. Maxine Harris	Independent
	Ms. Daedre Douglas	3M
	Ms. Ava-Dawn Morris	TPD Co.
	Mrs. Andrea Jones-Bennett	NEPA
	Mr. Eric Nelson	HEART Trust/NTA
	Mr. Owen Leslie	
	Mrs. Sherryleen Pike	Singer Jamaica Ltd.
	Mrs. Charmaine Fairweather-Stewart	
	Mr. Sean Parham	Ministry of Health
	Mr. Roger Chang	Autocraft
	Mr. Horace Stephens	
	Mr. Gladstone Bennett	VGC Holdings
	Mr. Michael Thompson	Edge Chem Jamaica Ltd.
	Mr. Paul Hastings	
	Mr. Kenneth Richardson	Sherwin Williams (W.I.) Ltd.
	Mr. Desmond Hyatt	DTAB Manufacturing
	Mr. Winston Williams	Lotus Industries
	Mr. Derrick Smith	PND Ind. Ltd.
	Mr. E. McLeod	Eco Art
	Ms. Susan Hamilton	Abilities Foundation
	Ms. Rosemarie Brown	Phoenix Furnishing
Mr. Alton Davis		
Mr. Carlton Francis		
Ms. Nicole James	BSJ	
Mrs. Joan Henry (Recording Secretary)		

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
	Mrs. Gail Bailey (Facilitator)	
National Mirror Technical Committee for ISO 26000 Social Responsibility <i>Development of ISO 26000 Social Responsibility (including voting and making comments at various of its development)</i>	Mrs. Brigitte Levy (Chairperson)	Private Sector Collaborative/UWI Centre of Corporate Social Responsibility
	Mrs. Caroline Mahfood (Vice Chairperson)	Grace Kennedy Foundation
	Mr. Robert Neish	Digicel Foundation
	Ms. Yanique Rodgers	SRC
	Ms. Dawn McNeil	UTech
	Mr. Donovan McLaren	Kevoy Community Development Institute
	Ms. Jeanne Robinson	Insurance Company of the West Indies (ICWI)
	Mrs Jean Smith	Jamaica Exporters Association (JEA)
	Ms. Klao Bell-Lewis	Caribbean Management & Consultancy Partners Ltd.
	Mrs. Racquel Chambers	CAC
	Ms. Ester Williams	BSJ
	Mrs. Joan Henry (Recording Secretary)	
	Mrs. Gail Bailey (Facilitator)	
National Mirror Technical Committee for ISO/TC 93 Starch (including derivatives and by-products) <i>Re-activated in March 2011 to handle resolutions from ISO/TC 93 Meeting which was held in December 2010 in China</i>	Dr. Roy Porter	UWI
	Ms. Christine Fray-Aiken	UTECH
	Dr. Shirley Thomas	
	Mr. Jermaine Andrews	Private Interest
	Ms. Grethel Sessing	Sessing Consultancy AIBGA
	Mr. Barrington Reeves	Polydiagnostic Centre
	Mr. Johann Antoine	ICENS
	Mr. Franklin McKenzie	Federated Pharmaceutical Company Ltd. (FP)
	Gladstone Rose	BSJ
	Mrs. Joan Henry (Recording Secretary)	
	Mr. Ruel Freemantle (Facilitator)	BSJ
Labelling (CROSQ Regional Technical Committee) <i>Revision of the CARICOM Standards for the Labelling of Aerosol</i>	Mr. Wayne Stewart (Chairman)	Dunlop Corbin Communications Ltd.
	Mr. Roy Banarsee	Summit Marketing Ltd.
	Mrs. Yvonne Haynes	Independent
	Mr. Pash Fuller	CAC
	Ms. Lehonie Francis	Grace Kennedy Ltd.

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
<i>Insecticides, Labelling of Prepackaged Goods, and Labelling of Prepackaged Foods</i>	Ms. Roxanne Miller	Dunn Cox
	Ms. Audrey Morris	Caribbean Food and Nutrition Institute (CFNI)
	Mr. Boswell Ivey	Mona School of Business (MSB), UWI
	Ms. Kolleen Russell	Consumer Brands Company Ltd.
	Mr. David Gaynair	Jamaica Manufacturers' Association (JMA)
	Mr. Ryan Strachan	W. A. Consulting
	Mr. Rolando Parkes	BSJ
	Mrs. Vonetta Nurse Thompson (Facilitator, Technical Secretary)	
National Food Standards	Ms. Leslie Hoo Fung (Chairperson)	ICENS
<i>Revision of JS 215:1998 Specification for Jerk sauces and seasoning; JS 84:1988 Ketchup; JS 276: 2000 Specification for the Production of Processed Food utilizing the HACCP Principles (General)</i>	Ms. Donna Bromfield	Southern Fruits & Food Processors/ Jamaica Agro Processors Association (JAPA)
	Ms. Lorna Lowe	Grace Kennedy Ltd.
	Dr. Donna Minott-Kates	UWI
	Ms. Sheryll Lewis	TPDCo.
	Mr. Michael Ming	Island Packers/JAPA
	Ms. Audrey Morris	CFNI
	Ms. Salihah Budall	BSJ
	Mrs. Vonetta Nurse Thompson (Facilitator)	
<i>Development of CARICOM Standard Specification for Honey</i>	Mrs. Pearlitta Lumsden (Technical Secretary)	
Paint and Surface Coatings	Mr. Ansel Mohansingh (Chairman)	Sherwin Williams (W.I.) Ltd.
<i>Revision of JS 110: 1984 - Paint: interior and exterior, emulsion type fla;; JS 111:1984 Methods of test for paints and surface coatings; and JS 123:1995 Paint: emulsion type, interior and exterior, low sheen and semi-gloss</i>	Ms. Sandra Graham (Vice Chairperson)	Brandram Henderson (W.I.) Ltd.
	Ms. Gladys Miller (Technical Secretary)	Berger Paints Jamaica Ltd.
	Dr. Henry Ellis	UWI, Mona
	Mr. Simon Todd	William Wilson Ltd T/AS The Paint Shop
	Ms. Margaret Jarrett	UTech
	Mr. Kemoy Douglas	BSJ
	Mr. Alton Davis	
	Ms. Kesseta Scott (Facilitator)	

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
Transportable Gas Containers <i>Revision of JS 41:1998 Jamaican Standard Specification for Inspection , retesting and use of transportable gas containers; and JS 3:1974 Jamaican Standard Specification for The repair and rebuilding of welded steel cylinders for containing liquefied petroleum gases</i>	Mr. Howard Chin (Chairperson)	JIE
	Mr. Paul Reid (Technical Secretary)	Independent
	Mr. Dwight Campbell	Cool Petroleum
	Mr. Carlyle Anderson	Gas Products Ltd.
	Mr. Wayne Fraser	IGL Ltd.
	Mr. Gladstone Bennett	VGC Manufacturing
	Mr. Laurence Quarrie	IGL Ltd.
	Mr. Hunston Hunter	BSJ
	Mrs. Vonetta Nurse Thompson (Facilitator)	
Composite Cylinders (sub-committee of Transportable Gas Containers) <i>Development of standard for Composite Cylinders</i>	Mr. Howard Chin (Chairperson)	JIE
	Dr. Vernon Buchanan	UTech
	Dr. Noel Brown	
	Mr. Paul Reid (Technical Secretary)	Independent
	Mr. Carlyle Anderson	Gas Products Ltd.
	Mr. Gladstone Bennett	VGC Manufacturing
	Mr. Wayne Fraser	IGL Ltd.
	Ms. Margaritta Sherwood	Ministry of Industry, Investment & Commerce (MIIC)
	Mr. David Rowe	PETCOM
	Mr. Hunston Hunter	BSJ
	Mrs. Vonetta Nurse Thompson (Facilitator)	
Construction of Playgrounds and Play/Sports Equipment <i>Established in March 2011 to develop a standard for the design, construction, maintenance and testing of playgrounds and recreational apparatuses for children</i>	Dr. Rebecca Tortello (Chairman)	Ministry of Education
	Mr. Freda Thomas (Vice Chairperson)	Private Interest
	Mr Aldredo Martin (Technical Secretary)	UTech
	Mr. Salvador Martinez	
	Mr. Carey Brown	Ministry of Education
	Mr. Andrew Reid	
	Mr. Duaine Giscombe	Giscombe Sports Warehouse – John Junior Giscombe Sales
	Ms. Georgette Wright	Ministry of Transport and Works
	Mr. Aldane Stennett	JPS / JIE
	Ms. Gloria Thompson	Organization of Children’s Advocate
	Ms. Marsha Grant	Early Childhood Commission

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
	Ms. Jacqueline Bennett	Jamaica Council for Persons with Disabilities
	Mrs. Davia Moore-Gordon	Randolph Lopez School of Hope
	Mrs. Gail Bailey	BSJ
	Mr. Ajani Blake	
	Ms. Ester Williams	
	Mr. David Allen	
	Ms. Sussitte Gordon	
	Mrs. Joan Henry (Recording Secretary)	
	Mr. Ruel Freemantle (Facilitator)	
Spa Standard Steering Committee	Mrs. Rose Marie Headley-Smith (Chairman)	UTech
<i>Development of the Draft Jamaican Standard Specifications for Spa Entities</i>	Mrs. Deanne Keating-Campbell (Vice-Chairperson)	TPDCo.
	Mrs. Kimecia Griffiths-Buchanan, (Recording Secretary)	
	Ms. Sheryll Lewis (Technical Secretary)	
	Mrs. Ava Dawn Hylton-Morris	
	Ms. Cassandra Morrison	
	Mr. Pash Fuller	CAC
	Mrs. Noriel Jacobs-Gray	Northern Caribbean University (NCU)
	Ms. Jackie Lewis	Jackie's on the Reef
	Mrs. Sharon Parris-Chambers	Caribbean Resort & Day Spa Association
	Ms. Charisse Pink	Superclubs/Breezes Resorts
	Mrs. Sharille Pink	Jamaica Tourist Board (JTB)
	Mr. Leonard Smith	Ministry of Health
	Ms. Diane Sommerville	Milk River Hotel & Spa
	Mrs. Tanya Vassell	Sandals Resorts International (SRI)
Dr. Diane Robertson	Caribbean Herbal Business Association	
Ms Ester Williams (Facilitator)	BSJ	
Tourism High Angle Techniques	Ms. Sheryll Lewis (Chair)	TPDCo
<i>Development of the Draft Jamaican Standard Specifications for Tourism Entities using High Angle Techniques</i>	Mrs. Wendy McDaniel-Thompson (Vice Chairperson)	Ministry of Tourism
	Mr. Winston Reid (Technical Secretary)	Tourism Consultant

Technical Committee & Standards	Names of Committee Members	Nominating Organization/Association
	Ms. Geraldine Roy	
	Ms. Shakira Azan	
	Mr. Canute Tyndale	NEPA
	Mr. Leon Bennett	Jamaica Defense Force
	Mr. Brian Brown	TPDCo.
	Mr. Khary Brown	
	Mr. Garfield Grant	
	Mr. David Rose	
	Mrs. Coral Williams	
	Mr. Alaric Hacker	Jamaica Fire Brigade
	Mr. Sean Martin	
	Ms. Jodi-Kay Neill	Ministry of Tourism
	Mrs. Sharille Pink	JTB
	Mrs. Joan Henry	BSJ
Miss Ester Williams (Facilitator)		
Organic Products <i>Development of the CROSQ Code of Practice for Organically Produced Foods</i>	Dr. Eustace Smith (Chair)	SRC
	Ms. Diana DaCosta (Vice Chairperson)	JTB
	Mr. Raymond Martin (Technical Secretary)	UTech, Jamaica & Jamaica Organic Agriculture Movement (JOAM)
	Mr. Trevor Brown	
	Mr. Leroy Brown	
	Dr. David Lee	
	Ms. Stacy Marie Bennett	
	Miss Ester Williams (Facilitator)	BSJ

Certification Mark Programmes

This table provides data on the companies and products for which product marks were issued. All products, except the agricultural crops produced by Devon Resource Centre, were certified under the National Certification Mark Programme. The agricultural crops were certified under the Certification and Agricultural Produce (CAP) Programme. The table also provides the names of companies to which the plant mark was issued. It is to be noted that both Marks were earned by some of the companies.

Companies	Products	Certification Period		Type of Certification (Number of Products)
Berger Paints Limited	<ul style="list-style-type: none"> ▪ Berger 303 Flat Emulsion ▪ Berger Everglow Low Sheen Emulsion ▪ Magicote Flat Emulsion ▪ Natures White Flat Emulsion ▪ Natures White Low Sheen Emulsion 	9-Dec-11	8-Dec-12	Product (5)
V.A.P. Limited	20 Flavours of Prepared Syrups	9-Dec-11	8-Dec-12	Plant & Product (20)
GK Foods and Services (Canning)	<ul style="list-style-type: none"> ▪ Orange Juice (Grace, Caribbean Choice) ▪ Pineapple Juice (Grace, Caribbean Choice) ▪ Grapefruit Juice (Grace, Caribbean Choice) ▪ Tomato Juice (Grace) ▪ Tomato Ketchup (Grace, Caribbean Choice) ▪ Hot Tomato Ketchup (Grace) 	9-Dec-11	8-Dec-12	Plant & Product (6)
Sherwin Williams (W.I.) Limited	<ul style="list-style-type: none"> ▪ Sherwil Special ▪ Kem Glow Low Sheen Emulsion ▪ Kem Gloss ▪ Kem Flat Emulsion 	6-Mar-12	5-Mar-13	Product (4)
EdgeChem Jamaica Limited	<ul style="list-style-type: none"> ▪ EdgeChem Color <i>Glow</i> Low Sheen Emulsion, ▪ EdgeChem Color Glow Flat Emulsion, ▪ EdgeChem Color Glow Gloss Paint 	20-Jun-11	19-Jun-12	Product (3)

Companies	Products	Certification Period		Type of Certification (Number of Products)
Gray's Pepper Products Limited	<ul style="list-style-type: none"> ▪ Gray's Spicy Sauce ▪ Gray's Hot Pepper Sauce 	20-May-11	19-May-12	Plant & Product (2)
Marjoblac Quarry & Block Factory	<ul style="list-style-type: none"> ▪ 100 mm Blocks ▪ 150 mm Blocks ▪ 200 mm Blocks 	20-Sep-11	19-Sep-12	Product (3)
Induglob, S.A. (Ecuador)	<ul style="list-style-type: none"> ▪ 24" Model Stoves (Barcelona, Valencia, Asis, Grandada, Venecia, Milan, San Remo, Florencia, IBIZA) ▪ 32" Model Stoves (Verona, Parma, Sevilla, Galicia, Napoles, Roma, Sicilia, Monaco, Cannes, Genova, MonteCarlo, NIZA) 	18-Jan-12	19-Jan-13	Product (21)
GK Foods and Services (Meat)	N/A	9-Dec-11	8-Dec-12	Plant
King Pepper Products Limited	N/A	9-Feb-11	8-Feb-12	Plant
Devon Resource Center (agricultural farm)	<ul style="list-style-type: none"> ▪ Sweet Pepper ▪ Tomatoes ▪ Lettuce ▪ Ginger 	20-June-11	19-June-12	Product (4)

APPENDIX 3

Audited Financial Statements

BUREAU OF STANDARDS JAMAICA

YEAR ENDED MARCH 31, 2012

CONTENTS

	Page
Independent Auditors' Report - to the members	1

FINANCIAL STATEMENTS

Statement of Financial Position	2
Statement of Comprehensive Income	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 38

ADDITIONAL INFORMATION

	Page
Report - to the directors	1
Expenses	2

INDEPENDENT AUDITORS' REPORT

To the members of

BUREAU OF STANDARDS JAMAICA

Report on the financial statements

We have audited the financial statements of Bureau of Standards Jamaica, (the Bureau) set out on pages 2 to 38, which comprise the statement of financial position as at March 31, 2012, the statement of 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 notes.

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 the requirements of the Standards Act 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.

Auditors' 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.

Report on the financial statements (Cont'd)

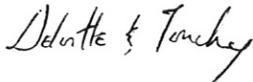
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bureau as at March 31, 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on additional requirements of the Standards Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained and the financial statements are in agreement therewith and give the information required in the manner so required.



Chartered Accountants

Kingston, Jamaica
October 2, 2012

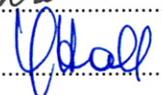
BUREAU OF STANDARDS JAMAICA

STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2012

	<u>Notes</u>	<u>2012</u> \$'000	<u>2011</u> \$'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	5	911,876	831,013
Investment properties	6	43,000	100,706
Employee benefits asset	12(a)	<u>673,583</u>	<u>606,195</u>
Total non-current assets		<u>1,628,459</u>	<u>1,537,914</u>
Current assets			
Inventories	7	4,004	4,256
Income tax recoverable		58,236	58,190
Trade and other receivables	8	86,879	73,509
Cash and bank balances	9	<u>32,051</u>	<u>76,693</u>
Total current assets		<u>181,170</u>	<u>212,648</u>
Total assets		<u>1,809,629</u>	<u>1,750,562</u>
<u>EQUITY AND LIABILITIES</u>			
Equity			
Capital reserve	10	589,509	564,382
Insurance reserve	10	11,200	9,800
Special fund	10	70,954	90,954
Revenue reserve	11	<u>924,129</u>	<u>901,893</u>
Total equity		<u>1,595,792</u>	<u>1,567,029</u>
Non-current liabilities			
Employee benefits liability	12(b)	58,318	45,077
Deferred income	13	<u>2,911</u>	<u>-</u>
Total non-current liabilities		<u>61,229</u>	<u>45,077</u>
Current liabilities			
Provisions	14	26,319	21,246
Deferred income	13	465	-
Trade and other payables	15	113,901	116,777
Bank overdraft (unsecured)	9	<u>11,923</u>	<u>433</u>
Total current liabilities		<u>152,608</u>	<u>138,456</u>
Total equity and liabilities		<u>1,809,629</u>	<u>1,750,562</u>

The Notes on Pages 6 to 38 form an integral part of the Financial Statements.

The financial statements on Pages 2 to 38 were approved and authorised for issue by the Council on October 2, 2012 and are signed on its behalf by:


)

) Council Members

BUREAU OF STANDARDS JAMAICA
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2012

	<u>Notes</u>	<u>2012</u> \$'000	<u>2011</u> \$'000
Revenue	16	704,549	675,573
Interest income	17	2,364	7,157
Other gains and losses	17	(7,579)	29,921
Administrative expenses	18	(527,163)	(495,390)
Other operating expenses		<u>(148,535)</u>	<u>(139,552)</u>
PROFIT FOR THE YEAR	19	23,636	77,709
Other comprehensive income			
Gain on revaluation of properties	5,10(a)	<u>25,127</u>	<u>39,459</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>48,763</u>	<u>117,168</u>

The Notes on Pages 6 to 38 form an integral part of the Financial Statements.

BUREAU OF STANDARDS JAMAICA
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2012

	<u>Notes</u>	<u>Capital Reserve</u> \$'000	<u>Insurance Reserve</u> \$'000	<u>Special Fund</u> \$'000	<u>Revenue Reserve</u> \$'000	<u>Total</u> \$'000
Balance at April 1, 2010		<u>524,923</u>	<u>8,400</u>	<u>119,405</u>	<u>825,584</u>	<u>1,478,312</u>
Transfer to insurance reserve	10(b)	-	1,400	-	(1,400)	-
Disbursement to Government of Jamaica	10(c)	<u>-</u>	<u>-</u>	<u>(28,451)</u>	<u>-</u>	<u>(28,451)</u>
		<u>-</u>	<u>1,400</u>	<u>(28,451)</u>	<u>(1,400)</u>	<u>(28,451)</u>
Profit for the year		-	-	-	77,709	77,709
Other comprehensive income		<u>39,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,459</u>
Total comprehensive income for the year		<u>39,459</u>	<u>-</u>	<u>-</u>	<u>77,709</u>	<u>117,168</u>
Balance at March 31, 2011		<u>564,382</u>	<u>9,800</u>	<u>90,954</u>	<u>901,893</u>	<u>1,567,029</u>
Transfer to insurance reserve	10(b)	-	1,400	-	(1,400)	-
Disbursement to Government of Jamaica	10(c)	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
		<u>-</u>	<u>1,400</u>	<u>(20,000)</u>	<u>(1,400)</u>	<u>(20,000)</u>
Profit for the year		-	-	-	23,636	23,636
Other comprehensive income		<u>25,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,127</u>
Total comprehensive income for the year		<u>25,127</u>	<u>-</u>	<u>-</u>	<u>23,636</u>	<u>48,763</u>
Balance at March 31, 2012		<u>589,509</u>	<u>11,200</u>	<u>70,954</u>	<u>924,129</u>	<u>1,595,792</u>

The Notes on Pages 6 to 38 form an integral part of the Financial Statements.

BUREAU OF STANDARDS JAMAICA
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2012

	<u>Note</u>	<u>2012</u> \$'000	<u>2011</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		23,636	77,709
Adjustments for:			
Investment revenue		(2,364)	(7,157)
Foreign exchange loss adjustment		71	997
Loss (Gain) on revaluation of investment property		7,000	(8,214)
Depreciation of property, plant and equipment		39,548	43,198
Property, plant and equipment adjustment		627	-
Impairment loss recognised on trade receivables		-	2,627
Reversal of impairment loss on trade receivables		(1,515)	-
Loss on disposal of property, plant and equipment		508	-
Amortisation of deferred income		(169)	-
Credit recognised in respect of employee pension benefits		(35,726)	(71,501)
Charge recognised in respect of other employee benefits		14,911	11,138
Provision charged		<u>21,864</u>	<u>18,968</u>
		68,391	67,765
Movements in working capital:			
Increase in receivables		(11,855)	(26,247)
Decrease (Increase) in inventories		252	(405)
(Decrease) Increase in payables		(2,876)	2,180
Provision utilised		(16,791)	(16,725)
Increase in deferred income		3,545	-
Contributions to employee pension benefits		(31,662)	(29,701)
Contributions to other employee benefits		(1,670)	(1,575)
Cash used in operations		7,334	(4,708)
Income tax (paid) refunded		(46)	45
Net cash generated by (used in) operating activities		<u>7,288</u>	(4,663)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,364	7,157
Purchases of property, plant and equipment		(45,746)	(46,319)
Proceeds from disposal of property, plant and equipment		33	-
Proceeds from securities purchased under resale agreements		<u>-</u>	<u>24,098</u>
Net cash used in investing activities		(43,349)	(15,064)
CASH FLOWS FROM FINANCING ACTIVITIES			
Disbursements from special Government of Jamaica fund		(20,000)	(28,451)
Net cash used in financing activities		(20,000)	(28,451)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(56,061)	(48,178)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		76,260	125,435
Effect of exchange rate changes on the balance of cash held in foreign currencies		(71)	(997)
CASH AND CASH EQUIVALENTS AT END OF YEAR	9	<u>20,128</u>	<u>76,260</u>

The Notes on Pages 6 to 38 form an integral part of the Financial Statements.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

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 registered office of the Bureau is 6 Winchester Road, Kingston 10.

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)

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

Standards and Interpretations affecting disclosures in the current period (and/or prior periods)

There were no Standards and Interpretations that were applied in the year that affected the presentation and disclosures in these financial statements.

Standards and Interpretations affecting the reported financial performance and/or financial position

There were no Standards and Interpretations that were applicable in the year that affected reported financial performance and/or financial position.

Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have been adopted in these financial statements. Their adoption has not had any impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

		Effective for annual periods <u>beginning on or after</u>
<u>Amendments to Standards</u>		
IAS 1, 34, IFRS 1 and 7	Amendments arising from May 2010 Annual Improvements to IFRS	January 1, 2011
IAS 24	Related party disclosures – revised definition of related parties	January 1, 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards	
	- Limited exemption from comparative IFRS 7 disclosures for first-time adopters	July 1, 2010
IAS 27 and IFRS 3	Amendments arising from May 2010 Annual Improvements to IFRS	July 1, 2010

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Standards and Interpretations adopted with no effect on financial statements (Cont'd)

		Effective for annual periods <u>beginning on or after</u>
<u>New and Revised Interpretations</u>		
IFRIC 13	Customer loyalty programme - Amendment arising from May 2010 Annual Improvements to IFRS	January 1, 2011
IFRIC 14: IAS 19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction: November 2009 amendment with respect to voluntary prepaid contributions	January 1, 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010

Standards and interpretations in issue not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not effective for the financial period being reported on:

		Effective for annual periods <u>beginning on or after</u>
<u>New Standards</u>		
IFRS 9	Financial Instruments - Classification and Measurement of financial assets - Accounting for financial liabilities and derecognition	January 1, 2015 January 1, 2015
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 11	Joint Arrangements	January 1, 2013
IFRS 12	Disclosures of Interests in Other Entities	January 1, 2013
IFRS 13	Fair Value Measurement	January 1, 2013
<u>Amendments to Standards</u>		
IAS 1, 16, 32, 34 and IFRS 1	Amendments arising from 2009 – 2011 Annual Improvements to IFRS	January 1, 2013
IAS 1	Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 1, 2012
IAS 12	Income Taxes – limited scope amendment (recovery of underlying assets)	January 1, 2012
IAS 19	Employee Benefits – Amended standard resulting from the Post-Employment Benefits and Termination Benefits projects	January 1, 2013
IAS 27	Consolidated and Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements	January 1, 2013
IAS 28	Investments in Associates - Reissued as IAS 28 Investments in Associates and Joint Ventures	January 1, 2013

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Standards and interpretations in issue not yet effective (Cont'd)

		Effective for annual periods <u>beginning on or after</u>
<u>Amendments to Standards (Cont'd)</u>		
IAS 32	Financial Instruments: - Amendments to application guidance on the offsetting of financial assets and financial liabilities	January 1, 2014
IFRS 1	First-time Adoption of International Financial Reporting Standards - Replacement of fixed dates for certain exceptions with the date of transition to IFRS - Additional exemption for entities ceasing to suffer from severe hyperinflation - Amendment for government loan with a below-market rate of interest when transitioning to IFRS	July 1, 2011 July 1, 2011 January 1, 2012
IFRS 7	Financial Instruments: Disclosures - Amendments enhancing disclosures about offsetting financial assets and financial liabilities - Amendments enhancing disclosures about transfers of financial assets - Amendments requiring disclosures about the initial application of IFRS 9	January 1, 2013 July 1, 2011 January 1, 2015 (or otherwise when IFRS 9 is first applied)
<u>New and Revised Interpretations</u>		
IFRIC 20	Stripping costs in the Production Phase of a Surface Mine	January 1, 2013

New and Revised Standards in issue not yet effective that are relevant

The Council and management have assessed the impact of all the new and revised Standards and Interpretations in issue not yet effective and have concluded that the following are relevant to the operations of the Bureau:

- Amendments specifically to IAS 1, 16 and 32 resulting from 2009 – 2011 Annual Improvements to IFRS are not expected to have a significant impact on the Bureau's financial statements on adoption at their effective date.
- The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.
- The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)

Standards and interpretations in issue not yet effective (Cont'd)

New and Revised Standards in issue not yet effective that are relevant (Cont'd)

The amendments to IAS 19 are effective for annual periods beginning on or after January 1, 2013 and require retrospective application with certain exceptions. The Council and management anticipate that the amendments to IAS 19 will be adopted in the Bureau's financial statements for the annual period beginning April 1, 2013 and that the application of the amendments to IAS 19 may have an impact on amounts reported in respect of the Bureau's defined benefit pension plan. However, the Council and management have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

- *Amendment to IFRS 7 – Enhanced Derecognition Disclosure Requirements* – The IASB introduced enhanced disclosure requirements to IFRS 7 as part of its comprehensive review of off-balance sheet activities. The amendments are designed to ensure that users of financial statements are able to more readily understand transactions involving the transfer of financial assets (for example, securitisations), including the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. Disclosures are not required for comparative periods before the date of initial application of the amendments. The application of the amendment will result in enhanced disclosures in the financial statements to the extent applicable.
- *Amendment to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* (Amendments to IFRS 7) amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosure to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. These disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. On adoption at its effective date, the standard is not expected to have a significant impact on the Bureau's financial statements.
- *IFRS 9 Financial Instruments* – The Standard introduces new requirements for the classification and measurement of financial assets and liabilities and for derecognition. IFRS 9 requires all recognised financial assets that are within scope IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. A debt instrument (e.g. loan receivable) that (1) is held within a business model whose objective is to collect the contractual cash flows and (2) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding generally must be measured at amortised cost. All other debt instruments must be measured at fair value through profit or loss (FVTPL). The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk in other comprehensive income, unless the recognition of the effects of changes 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.

Management anticipates that IFRS 9 will be adopted in the Bureau's financial statements for the annual period beginning January 1, 2015 and that the application of IFRS 9 may impact the amounts reported in respect of the Bureau's financial assets and liabilities. However, management has not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the likely impact.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Cont'd)*****Standards and interpretations in issue not yet effective (Cont'd)*****New and Revised Standards in issue not yet effective that are relevant (Cont'd)**

- IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRS require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 *Financial Instruments: Disclosures* will be extended by IFRS 13 to cover all assets and liabilities within its scope. The Council and management have not yet assessed the impact of this IFRS on the financial statements on adoption at its effective date.

3. SIGNIFICANT ACCOUNTING POLICIES**Statement of compliance**

The Bureau's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Standards Act.

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.

These principal accounting policies are set out below.

Foreign currencies

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Bureau operates (its functional currency). In preparing the financial statements, transactions in currencies other than Jamaican dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

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.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Property, plant and equipment (Cont'd)**

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in capital 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 capital 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 capital 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.

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.

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.

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 derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Impairment of tangible and intangible 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.

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.

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 independent actuarial valuations being carried out at the end of the reporting period. Actuarial gains and losses that exceed 10% of the greater of the present value of the Bureau's obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Post employees 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.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Employees' benefits (Cont'd)***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.

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.

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.

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.

A financial asset of the Bureau is any asset that is:

- (a) cash
- (b) an equity instrument of another entity
- (c) a contractual right:
 - (i) to receive cash or another financial asset from another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Bureau.

A financial liability of the Bureau is any liability that is a contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Bureau.

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 liabilities are added to or deducted from the fair value of the financial assets or financial liabilities or are recognised immediately in profit or loss, as appropriate, on initial recognition.

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

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Financial instruments (Cont'd)**

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

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.

(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 collateralised 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.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

(b) *Impairment of financial assets (Cont'd)*

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 asset, 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.

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 allowance 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.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Financial instruments (Cont'd)*****Financial assets (Cont'd)******(c) Derecognition of financial assets (Cont'd)***

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.

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.

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 and deferred income.

Derecognition of financial liabilities

The Bureau derecognises financial liabilities when, and only 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.

Capital grants

Grants are recognised 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.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Capital grants (Cont'd)**

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.

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.

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.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Related party balances and transactions**

A party is related to the Bureau if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with the Bureau (this includes parent, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the entity that gives it significant influence over the Bureau; or
 - (iii) has joint control over the Bureau;
- (b) the party is an associate of the Bureau;
- (c) the party is a joint venture in which the Bureau is a venturer;
- (d) the party is a member of the key management personnel of the Bureau or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Bureau, or of any entity that is a related party of the Bureau.

Related party transactions are recorded in accordance with normal policies of the entity.

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

- (a) Pension obligations

As disclosed in Note 12 (a), the Bureau participates in a defined benefit pension plan. The amount shown in the statement of financial position of the plan of approximately \$673.6 million (2011: \$606.2 million), in respect of the defined benefits plan, is subject to estimates in respect of periodic costs which are dependent on returns on assets, future discount rates, rates of salary increases and the inflation rate.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)****Key sources of estimation uncertainty (Cont'd)***Employee benefit obligations (Cont'd)*

(a) Pension obligations (Cont'd)

The estimated return on pension assets assumption is determined by considering asset allocation and future estimates of long-term investment returns. The Bureau, on advice of actuaries, estimates the appropriate discount rate annually which is used to determine the present value of estimated cash outflows expected to be required to settle any future pension obligation.

To determine the appropriate discount rate in the absence of high quality corporate bonds, the interest rate on government bonds that have maturities approximating the related pension liabilities were considered.

Some history of experience adjustments to plan assets and liabilities is given at Note 12(c)(i).

(b) Post employment medical benefits

As disclosed in Note 12(b), the Bureau participates in a post retirement medical plan. The amount shown in the statement of financial position of a liability of approximately \$58.3 million (2011: \$45.1 million) in respect of the medical plan is subject to estimates in respect of periodic costs, which are dependent on returns on future discount rates, medical claim, growth and the inflation rate.

The Bureau, on the advice of the actuaries, estimates the appropriate discount rate annually, which is used to determine the present value of estimated cash outflows expected to be required to settle any future medical benefit obligation.

Some history of experience adjustments to the liability of medical benefits and the sensitivity to the changes in the medical inflation rates are described at Notes 12(b)(vi) and 12(c)(ii) respectively.

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 \$701 million (2011: \$626 million) (Note 5) and Investment Properties with a carrying amount of \$43 million (2011: \$100.7 million) (Note 6) at fair value as determined by an external valuator.

In determining the fair values, the external valuator utilised the market value approach having assessed the office accommodation and assessed the potential capital value of such rental. Further, the external valuator considered the likely redevelopment value.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land at <u>at Fair Value</u> \$'000	Freehold Buildings <u>at Fair Value</u> \$'000	Motor Vehicles <u>at Cost</u> \$'000	Plant & Equipment <u>at Cost</u> \$'000	Furniture & Fittings <u>at Cost</u> \$'000	<u>Total</u> \$'000
At cost/valuation						
April 1, 2010	406,676	171,831	30,822	328,777	34,020	972,126
Additions	-	13,565	-	31,759	995	46,319
Revaluation (Note 10(a))	<u>20,419</u>	<u>13,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,722</u>
March 31, 2011	427,095	198,699	30,822	360,536	35,015	1,052,167
Transfer from investment property (Note 6(a))	31,945	18,761	-	-	-	50,706
Additions	-	-	-	44,034	1,712	45,746
Disposals	-	-	-	(9,753)	(3,681)	(13,434)
Revaluation (Note 10(a))	(11,040)	36,167	-	-	-	25,127
Adjustment (Note 5(a))	<u>-</u>	<u>(627)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(627)</u>
March 31, 2012	<u>448,000</u>	<u>253,000</u>	<u>30,822</u>	<u>394,817</u>	<u>33,046</u>	<u>1,159,685</u>
Depreciation						
April 1, 2010	-	-	21,327	143,892	18,474	183,693
Charge for year	-	5,737	4,087	31,160	2,214	43,198
Eliminated on revaluation (Note 10(a))	<u>-</u>	<u>(5,737)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,737)</u>
March 31, 2011	-	-	25,414	175,052	20,688	221,154
Charge for year	-	-	3,232	33,854	2,462	39,548
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,631)</u>	<u>(3,262)</u>	<u>(12,893)</u>
March 31, 2012	<u>-</u>	<u>-</u>	<u>28,646</u>	<u>199,275</u>	<u>19,888</u>	<u>247,809</u>
Net Book Value						
March 31, 2012	<u>448,000</u>	<u>253,000</u>	<u>2,176</u>	<u>195,542</u>	<u>13,158</u>	<u>911,876</u>
March 31, 2011	<u>427,095</u>	<u>198,699</u>	<u>5,408</u>	<u>185,484</u>	<u>14,327</u>	<u>831,013</u>

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

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

Land and buildings included at valuation were based on fair market value (see Note 4) as expressed by external professional valuers, Langford & Brown, Valuers and Real Estate Dealers, on March 31, 2012 (2011: May 10, 2011).

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

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

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Freehold land	4,938	4,938
Freehold buildings	133,071	133,698

(a) These represents amounts previously capitalised now written off.

6. INVESTMENT PROPERTIES

The analysis and movement in investment property are as follows:

	\$'000
At April1, 2010	92,492
Increase in fair value	<u>8,214</u>
At March 31, 2011	100,706
Transfer to property, plant and equipment (Note 6(a))	(50,706)
Decrease in fair value	<u>(7,000)</u>
At March 31, 2012	<u>43,000</u>

This represents 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 expressed by external professional valuers, Langford & Brown, Valuer and Real Estate Dealers, on March 31, 2012 (2011: May 10, 2011).

The property rental income earned by the Bureau from its investment property which is leased under operating leases amounted to \$1,000 (2011: \$442,000). Direct operating expenses arising on the investment property during the year amounted to approximately \$2,009,000 (2011: \$1,402,000).

(a) During the year, the decision was taken to a transfer property previously held for long-term rental to Property, Plant and Equipment for use for administrative purposes (Note 5).

7. INVENTORIES

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

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

8. TRADE AND OTHER RECEIVABLES

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Trade receivables	8,532	12,240
Less: Allowance for doubtful debts (Note 8(a))	<u>(5,648)</u>	<u>(7,163)</u>
	2,884	5,077
Compliance fee income receivable (Note 16(a))	55,075	42,374
Staff loans (net of deferred interest income of \$940,000 (2011: \$1,125,000))	9,825	12,483
Deposits on property, plant and equipment	12,017	6,343
GCT recoverable	6,230	6,230
Other receivables	<u>848</u>	<u>1,002</u>
	<u>86,879</u>	<u>73,509</u>

The average credit period for receivables is 15 days. Trade receivables outstanding for over 45 days have been provided for in full.

Before accepting new customers an assessment is made of the potential customer's credit quality and credit limits are defined. 92% of the trade receivables, that 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 \$2.684 million (2011: \$5.392 million) is due from 4 of the 159 customers (2011: 5 of the 160 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 \$0.736 million (2011: \$2.638 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

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
16 – 30 days	469	984
31 – 45 days	<u>267</u>	<u>1,654</u>
	<u>736</u>	<u>2,638</u>

Ageing of impaired trade receivables

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Over 45 days	<u>5,648</u>	<u>7,163</u>

(a) Movement in allowance for doubtful debts

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Balance at beginning of year	7,163	5,316
Impairment losses recognised during year	-	2,627
Impairment loss reversed	(1,515)	-
Amounts written off as uncollectible	<u>-</u>	<u>(780)</u>
Balance at end of year	<u>5,648</u>	<u>7,163</u>

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

8. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Movement in allowance for doubtful debts (Cont'd)

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.

9. CASH AND BANK BALANCES

	<u>2012</u> \$'000	<u>2011</u> \$'000
Bank balances (Note 9(a))	3,061	14,693
Short-term deposits (Note 9(b))	28,903	61,928
Cash in hand	<u>87</u>	<u>72</u>
Cash and bank balances	32,051	76,693
Bank overdraft (unsecured) (Note 9(c))	<u>(11,923)</u>	<u>(433)</u>
Cash and cash equivalents (Note 9(d))	<u>20,128</u>	<u>76,260</u>

- (a) Bank balances include foreign currency savings accounts totalling approximately US\$5,000 (2011: US\$112,000) at interest rate(s) of 0.45% (2011: 0.35% and 0.60%). Jamaican dollar deposits totalling (\$0.443 million) (2011: \$3.664 million) are at an interest rate of 0.5% (2011: 1%).
- (b) There are no short-term foreign currency deposits as at March 31, 2012 (2011: US\$126,000, at interest rates of 3.9% and 4%). Jamaican dollar short-term deposits are at interest rates of 5.25% to 6.15% (2011: 3.75% to 7%).
- (c) This is an unsecured facility which bears interest at a rate of 10% per annum.
- (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.

10. RESERVES

	<u>2012</u> \$'000	<u>2011</u> \$'000
Capital reserve (Note 10(a))	589,509	564,382
Insurance reserve (Note 10(b))	11,200	9,800
Special fund (Note 10(c))	<u>70,954</u>	<u>90,954</u>
	<u>671,663</u>	<u>665,136</u>

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

10. RESERVES (Cont'd)

(a) *Capital reserve*

	<u>2012</u> \$'000	<u>2011</u> \$'000
Balance, beginning of year	564,382	524,923
Property revaluation surplus (Note 5)	<u>25,127</u>	<u>39,459</u>
Balance, end of year	<u>589,509</u>	<u>564,382</u>

The property revaluation surplus arises on the revaluation of freehold land and buildings.

(b) *Insurance reserve*

	<u>2012</u> \$'000	<u>2011</u> \$'000
Balance, beginning of year	9,800	8,400
Increase in reserve	<u>1,400</u>	<u>1,400</u>
Balance, end of year	<u>11,200</u>	<u>9,800</u>

Insurance reserve represents a self insurance fund established to meet the cost of damages to the head office building in the event of a disaster. Transfers are made from the revenue reserve to the insurance reserve on the basis of the estimated annual premium which would have been payable to external insurers. The insurance reserve is unfunded.

(c) *Special fund*

	<u>2012</u> \$'000	<u>2011</u> \$'000
Balance, beginning of year	90,954	119,405
Disbursements to GOJ (Note 10(c)(i))	<u>(20,000)</u>	<u>(28,451)</u>
Balance, end of year	<u>70,954</u>	<u>90,954</u>

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

11. REVENUE RESERVE

	<u>2012</u> \$'000	<u>2011</u> \$'000
Revenue reserve	1,615,129	1,592,893
Less: Funds allocation	<u>691,000</u>	<u>691,000</u>
Balance, end of year	<u>924,129</u>	<u>901,893</u>

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

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****11. REVENUE RESERVE (Cont'd)**

The equity obligations relating to Cabinet Decisions which have accumulated year to date amount to \$691 million of which \$620.046 million (including a disbursement of \$20 million to GOJ during 2011/12) has been disbursed as follows:

<u>Year</u>	<u>Funds Allocated</u> \$'000
2003	20,000
2005	380,000
2006	47,000
2007	20,000
2010	<u>224,000</u>
	691,000
Disbursement to date	<u>(620,046)</u>
Balance, Special Fund March 31, 2011	<u>70,954</u>

There were no equity obligations during the year.

12. EMPLOYEE BENEFITS**(a) Defined benefit pension plan**

The Bureau operates a defined benefit pension plan for qualifying employees of the Bureau. The plan is funded by contributions from the employee at a rate of 5% of pensionable salaries for compulsory contributions and an additional voluntary contributions of up to 5% of pensionable salaries. The employer contributes at a rate of 10% of members' pensionable salaries.

The most recent valuation of plan assets and the present value of the defined benefit obligation at March 31, 2012 was carried out on May 18, 2012 by Constance Dalmadge Hall, Fellow of the Society of Actuaries, (Coke & Associates/Eckler Partnership). 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) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	<u>Valuation at</u>	
	<u>2012</u>	<u>2011</u>
	%	%
Discount rate at beginning of year	10.5	11.5
Discount rate at end of year	10.0	10.5
Expected return on assets	9.0	10.0
Expected rate of salary increases	7.0	7.5
Future pension increases	6.0	6.5
Inflation	6.0	6.5

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

12. EMPLOYEE BENEFITS (Cont'd)

(a) Defined benefit pension plan (Cont'd)

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Present value of funded obligation	(909,738)	(803,747)
Fair value of plan assets	<u>1,589,949</u>	<u>1,481,596</u>
	680,211	677,849
Unrecognised actuarial gains	(<u>6,628</u>)	(<u>71,654</u>)
Net asset in the statement of financial position	<u><u>673,583</u></u>	<u><u>606,195</u></u>

(iii) Amounts recognised in the statement of comprehensive income in respect of the plan is as follows:

	<u>2012</u> \$'000	<u>2011</u> \$'000
Current service cost	26,743	42,268
Interest costs	86,443	101,438
Expected return on plan assets	<u>(148,912)</u>	<u>(135,065)</u>
	(35,726)	8,641
Change in income not eligible for recognition due to limit	<u>-</u>	<u>(80,142)</u>
Total included in employee benefits expense (Note 18)	<u>(35,726)</u>	<u>(71,501)</u>
Actual return on plan assets	<u>125,617</u>	<u>125,207</u>

The charge for the year has been included in administration expenses.

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Balance, at beginning of the year	606,195	504,993
Amounts credited (charged) to income	35,726	(8,641)
Contributions	<u>31,662</u>	<u>29,701</u>
	673,583	526,053
Change in income not eligible for recognition due to limit	<u>-</u>	<u>80,142</u>
Balance, at end of the year	<u><u>673,583</u></u>	<u><u>606,195</u></u>

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Opening defined benefit obligation	(803,747)	(839,914)
Service cost	(26,743)	(42,268)
Interest cost	(86,443)	(101,438)
Actuarial (loss) gain on obligation	(41,731)	161,654
Contributions – employee	(19,632)	(17,989)
Benefits paid and administrative expenses	<u>68,558</u>	<u>36,208</u>
Closing defined benefit obligation	<u><u>(909,738)</u></u>	<u><u>(803,747)</u></u>

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

12. EMPLOYEE BENEFITS (Cont'd)

(a) Defined benefit pension plan (Cont'd)

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Opening fair value of plan assets	1,481,596	1,344,907
Contributions – employer	31,662	29,701
Contributions – employees	19,632	17,989
Expected return on plan assets	148,912	135,065
Benefits paid and administrative expenses	(68,558)	(36,208)
Actuarial (loss) gain on plan assets	<u>(23,295)</u>	<u>(9,858)</u>
Closing fair value of plan assets	<u>1,589,949</u>	<u>1,481,596</u>

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Equity fund	349,740	318,090
Fixed income fund	942,159	920,620
Mortgage and real estate	178,870	186,370
Net current assets	44,370	44,540
Other	<u>74,810</u>	<u>11,976</u>
Closing fair value of plan assets	<u>1,589,949</u>	<u>1,481,596</u>
Estimated return on plan assets	<u>9%</u>	<u>10%</u>

The overall expected rate of return is a weighted average of the expected return of the various categories of plan assets held. The Council's assessment of the expected return is based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation.

The plan assets do not include any of the Bureau's own financial instruments, nor any property occupied by or other assets used by the Bureau.

(b) Other post-employment benefit obligations

The Bureau sponsors an insured health plan covering its full-time employees and retirees.

The most recent valuation was carried out on May 18, 2012 by Constance Dalmadge Hall, Fellow of the Society of Actuaries (Coke & Associates/Eckler Partnership). 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.

	<u>2012</u> \$'000	<u>2011</u> \$'000
Post-employment medical benefits	<u>58,318</u>	<u>45,077</u>

(i) Post-employment medical benefits

	<u>2012</u> \$'000	<u>2011</u> \$'000
Present value of the obligations	101,147	88,122
Unrecognised actuarial losses	<u>(42,829)</u>	<u>(43,045)</u>
Liability recognised in statement of financial position	<u>58,318</u>	<u>45,077</u>

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

12. EMPLOYEE BENEFITS (Cont'd)

(b) Other post-employment benefit obligations (Cont'd)

(ii) Movements in post-employment medical benefits

	<u>2012</u> \$'000	<u>2011</u> \$'000
Balance at beginning of year	45,077	35,514
Contributions paid	(1,670)	(1,575)
Expense recognised in the statement of comprehensive income	<u>14,911</u>	<u>11,138</u>
Balance at end of year	<u>58,318</u>	<u>45,077</u>

(iii) Expense recognised in the statement of comprehensive income

	<u>2012</u> \$'000	<u>2011</u> \$'000
Current service costs	3,037	4,124
Interest on obligations	9,484	6,478
Net actuarial loss recognised in year	<u>2,390</u>	<u>536</u>
Total included in employee benefits expense (Note 18)	<u>14,911</u>	<u>11,138</u>

The expense recognised is included in administrative expenses.

(iv) Assumed health care cost trend rates have a significant effect on the amounts recognised in the statement of income. A one percentage point change in assumed health care cost trend rates would have the following effect:

	<u>2012</u>		<u>2011</u>	
	Inflation at 6.5% \$'000	Inflation at 8.5% \$'000	Inflation at 8% \$'000	Inflation at 10% \$'000
Revised service cost	2,254	4,130	3,178	5,446
Revised interest cost	8,101	11,343	5,424	7,888
Revised defined benefit obligation	75,731	104,731	44,778	63,867

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

	<u>2012</u> %	<u>2011</u> %
Discount rate at start of year	10.5	11.5
Discount rate at end of year	10.0	10.5
Medical claims growth	7.5	8.0

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

12. EMPLOYEE BENEFITS (Cont'd)

(c) Historical information

(i) Defined benefit pension plan

	<u>2012</u> \$'000	<u>2011</u> \$'000	<u>2010</u> \$'000	<u>2009</u> \$'000
Present value of the defined benefit obligation	909,738	803,747	839,914	545,981
Fair value of plan assets	<u>(1,589,949)</u>	<u>(1,481,596)</u>	<u>(1,344,907)</u>	<u>(1,037,724)</u>
Gain	<u>(680,211)</u>	<u>(677,849)</u>	<u>(504,993)</u>	<u>(491,743)</u>
Experience adjustment on plan asset – Gain (Loss)	<u>(23,295)</u>	<u>(9,858)</u>	<u>178,983</u>	<u>(150,474)</u>
Experience adjustment on plan liabilities – (Gain) Loss	<u>(11,139)</u>	<u>(76,108)</u>	<u>(4,482)</u>	<u>51,516</u>

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

	<u>2012</u> \$'000	<u>2011</u> \$'000	<u>2010</u> \$'000	<u>2009</u> \$'000
Present value of the post-employment benefit obligation and deficit in the Plan	<u>101,147</u>	<u>88,122</u>	<u>53,006</u>	<u>23,955</u>
Experience adjustments arising on plan liabilities – (Gain) Loss	<u>(5,944)</u>	<u>(21,835)</u>	<u>13,914</u>	<u>(4,004)</u>

No information was available in respect of the experience adjustments for the year 2008.

13. DEFERRED INCOME

	<u>2012</u> \$'000	<u>2011</u> \$'000
Additions during the year	3,545	-
Amortised during the year (Note 16)	<u>(169)</u>	<u>-</u>
Balance at end of the year	<u>3,376</u>	<u>-</u>
Comprising:		
Current	465	-
Non-current	<u>2,911</u>	<u>-</u>
	<u>3,376</u>	<u>-</u>

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

<u>Year donated</u>	<u>Type of asset</u>	<u>Value of donated asset</u> \$'000	<u>Period of amortisation</u>
2012	Computer equipment	734	4 years
2012	Laboratory equipment	2,811	10 years

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****14. PROVISIONS**

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Employee benefits (Note 14(a))	23,522	21,246
Legal costs (Note 14(b))	<u>2,797</u>	<u>-</u>
	<u>26,319</u>	<u>21,246</u>

- (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:

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Balance at beginning of the year	21,246	19,003
Charged to income for the year	21,864	18,968
Utilised during the year	<u>(16,791)</u>	<u>(16,725)</u>
Balance at end of the year	<u>26,319</u>	<u>21,246</u>

15. TRADE AND OTHER PAYABLES

The analysis of trade and other payables is as follows:

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Trade payables	25,865	18,530
Gratuity and incentive payable	21,683	22,352
Deposits	1,549	1,614
Statutory deductions	54	8,332
Staff welfare including retroactive salaries accrual	55,435	55,242
Deposit on jobs	6,221	7,617
Other payables and accruals	<u>3,094</u>	<u>3,090</u>
	<u>113,901</u>	<u>116,777</u>

16. REVENUE

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

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Compliance fee income (Note 16 (a))	605,025	580,749
Other fees	96,918	91,128
Rental income	1	442
Deferred income (Note 13)	169	-
Miscellaneous	<u>2,436</u>	<u>3,254</u>
	<u>704,549</u>	<u>675,573</u>

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

16. REVENUE (Cont'd)

- (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 a 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 87.3% of the gross collected.

17. INVESTMENT AND OTHER REVENUE

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
<i>Interest Income (at amortised cost)</i>		
Interest on bank deposits	<u>2,364</u>	<u>7,157</u>
<i>Other Gains and Losses</i>		
<u>At amortised cost</u>		
Foreign exchange loss on deposits	(71)	(997)
<u>Other</u>		
(Loss) Gain arising on changes in fair values of investment properties	(7,000)	8,214
Loss on disposal of property, plant and equipment	(508)	-
Liabilities written back to income (See Note 17(a))	<u>-</u>	<u>22,704</u>
	<u>(7,579)</u>	<u>29,921</u>

- (a) The amount written back to income in 2011 represented accruals and provisions previously made no longer deemed necessary,

18. ADMINISTRATIVE EXPENSES

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Salaries and wages	389,839	409,898
Statutory contributions	27,484	24,509
Group and health insurance	13,192	13,215
Pension and post-employment medical plan income (Note 12)	(20,815)	(60,363)
Travelling and subsistence	37,602	35,342
Staff welfare	8,518	8,468
Utilities	44,314	36,552
Advertising	7,334	9,782
Other	<u>19,695</u>	<u>17,987</u>
	<u>527,163</u>	<u>495,390</u>

19. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Directors' fees and expenses	2,974	2,197
Depreciation	39,548	43,198
Audit fees	1,473	2,008

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT

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:

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Financial Assets		
Loans and receivables (<i>at amortised cost</i>)		
- Cash and bank balances	32,051	76,693
- Trade and other receivables	<u>80,649</u>	<u>67,279</u>
	<u>112,700</u>	<u>143,972</u>
Financial Liabilities (at amortised cost)		
- Payables	35,140	37,947
- Bank overdraft (unsecured)	<u>11,923</u>	<u>433</u>
	<u>47,063</u>	<u>38,380</u>

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, fair value interest rate risk, cash flow 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.

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.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT (Cont'd)

Financial risk management policies and objectives (Cont'd)

(b) Foreign exchange risk management (Cont'd)

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

	<u>Assets</u>	
	<u>2012</u> \$'000	<u>2011</u> \$'000
United States dollars	435	20,451

Foreign currency sensitivity

The following table details the sensitivity to a 1% revaluation or devaluation (2011: 1% revaluation or 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 year end for the percentage changes in foreign currency rates as described above.

If the Jamaican dollar strengthens or weakens by 1% (2011: strengthens or weakens by 1%) against the relevant foreign currency, profit will decrease or increase by:

	<u>2012</u>				<u>2011</u>			
	<u>%</u>	<u>Increase</u> \$'000	<u>%</u>	<u>Decrease</u> \$'000	<u>%</u>	<u>Increase</u> \$'000	<u>%</u>	<u>Decrease</u> \$'000
United States dollars	<u>-1</u>	<u>4</u>	<u>+1</u>	<u>4</u>	<u>-1</u>	<u>205</u>	<u>+1</u>	<u>205</u>

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

The Bureau's sensitivity declined during the year due to the reduction in foreign currency bank and deposit holdings.

(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 liabilities

	<u>Jamaican Dollar Instruments</u>		
	<u>Effective</u> <u>Interest Rate</u> %	<u>Within 1 year</u> \$'000	<u>Total</u> \$'000
March 31, 2012			
Variable interest rate instrument	10	<u>11,923</u>	<u>11,923</u>
March 31, 2011			
Variable interest rate instrument	24.75	<u>433</u>	<u>433</u>

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT (Cont'd)

Financial risk management policies and objectives (Cont'd)

(c) Interest rate risk management (Cont'd)

Non-derivative financial assets

	<u>Jamaican Dollar Instruments</u>		
	Effective		
	<u>Interest Rate</u>	<u>Within 1 year</u>	<u>Total</u>
	%	\$'000	\$'000
March 31, 2012			
Fixed interest rate instruments	5.65	<u>28,903</u>	<u>28,903</u>
Variable interest rate instruments	0.5	<u>443</u>	<u>443</u>
March 31, 2011			
Fixed interest rate instruments	5.68	<u>51,150</u>	<u>51,150</u>
Variable interest rate instrument	1.0	<u>3,664</u>	<u>3,664</u>
	<u>United States Dollar Instruments</u>		
	Effective		
	<u>Interest Rate</u>	<u>Within 1 year</u>	<u>Total</u>
	%	\$'000	\$'000
March 31, 2012			
Variable interest rate instruments	0.45	<u>435</u>	<u>435</u>
March 31, 2011			
Fixed interest rate instruments	3.95	<u>10,778</u>	<u>10,778</u>
Variable interest rate instruments	0.40	<u>9,673</u>	<u>9,673</u>

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 decrease and for US\$ instruments, a 50 basis points increase or 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.

If interest rates had been 100 basis points higher or lower for J\$ instruments and a 50 basis points higher or lower for US\$ instruments (2011: 100 basis points higher or lower for J\$ instruments and a 50 basis points higher or lower for US\$ instruments) and all other variables were held constant, the Bureau's profit for the year ended March 31, 2012 would decrease/increase by approximately \$0.113 million (2011: increase/decrease by \$0.081 million). This is mainly attributable to the Bureau's exposure to interest rate risk on its bank deposits.

The Bureau's sensitivity to interest rates has decreased during the period mainly due to reduced holdings of interest bearing bank deposits as well as increased bank overdraft balances.

(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.

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT (Cont'd)

Financial risk management policies and objectives (Cont'd)

(d) Credit risk management (Cont'd)

Financial assets that potentially subject the Bureau to 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 \$112.7 million (2011: \$143.972 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 five (5) customers for settlement which accounts for 31% (2011: 44%) 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 by continuously monitoring future cash flows and liquidity.

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. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Bureau may be required to pay.

	Within 1 year \$'000
March 31, 2012	
Non-interest bearing	35,140
Interest bearing	<u>13,115</u>
	<u>48,255</u>
March 31, 2011	
Non-interest bearing	37,947
Interest bearing	<u>540</u>
	<u>38,487</u>

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT (Cont'd)

Financial risk management policies and objectives (Cont'd)

(e) Liquidity risk management (Cont'd)

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 <u>1 year</u> \$'000
March 31, 2012	
Non-interest bearing	82,919
Interest bearing	<u>29,867</u>
	<u>112,786</u>
March 31, 2011	
Non-interest bearing	68,708
Interest bearing	<u>75,591</u>
	<u>144,299</u>

(f) Fair value of financial assets and financial liabilities

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 the fair value of a financial instrument. Where market prices are not available for the financial assets and liabilities of the Bureau, 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 of financial assets and financial liabilities:

- 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.

Fair value measurements recognised in the Statement of Financial Position

There were no financial instruments that were measured subsequent to initial recognition at fair value.

BUREAU OF STANDARDS JAMAICA**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2012****20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT (Cont'd)*****Capital risk management***

Management 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 risk management committee reviews the capital structure of the Bureau.

The capital structure of the Bureau consists of equity of the Bureau (revaluation reserves and insurance reserves) (see Note 10).

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

21. OTHER DISCLOSURES – EMPLOYEES

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Staff costs incurred during the year were:		
Salaries and wages (including retroactive and terminal payments)	389,839	409,898
Statutory contributions	27,484	24,509
Pension credit and post-employment medical plan cost	(20,815)	(60,363)
Group and health insurance	13,192	13,215
Staff welfare	<u>8,518</u>	<u>8,468</u>
	<u>418,218</u>	<u>395,727</u>

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:

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Within one year	1	1
In the second to third years inclusive	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

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.

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Payments recognised as an expense	<u>5,028</u>	<u>5,818</u>

BUREAU OF STANDARDS JAMAICA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

23. RELATED PARTY BALANCES AND TRANSACTIONS

Compensation of Key Management Personnel

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

	<u>2012</u> \$'000	<u>2011</u> \$'000
Short-term benefits	88,238	94,311
Directors' fees	<u>2,133</u>	<u>1,526</u>
	<u>90,371</u>	<u>95,837</u>

Loans to related parties

	<u>2010</u> \$'000	<u>2011</u> \$'000
Loans to key management personnel	<u>2,065</u>	<u>1,332</u>

24. COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

	<u>2012</u> \$'000	<u>2011</u> \$'000
Authorised but not contracted for	<u>20,000</u>	<u>16,254</u>

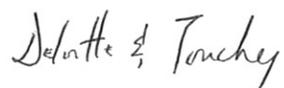
Capital commitments are in respect of the acquisition of property, plant and equipment.

Contingent liabilities

Legal proceedings have been filed against the Bureau. The Bureau has filed its defence 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.

**REPORT TO THE COUNCIL OF
BUREAU OF STANDARDS JAMAICA
ON
ADDITIONAL INFORMATION**

Our examination of the financial statements of the Bureau for the year ended March 31, 2012 was intended primarily for the purpose of formulating an opinion on those financial statements taken as a whole. The additional information presented in page 2 has been taken primarily from accounting and other records of the Bureau and is not necessary to give a true and fair view of the financial position of the Bureau at March 31, 2012 or the results of its financial performance or cash flows for the year then ended. Such information has not been subjected to sufficient tests and other auditing procedures to enable us to express an opinion as to the fairness of all the details included therein and accordingly we do not express an opinion on the additional information.



Chartered Accountants

Kingston, Jamaica
October 2, 2012

BUREAU OF STANDARDS JAMAICA

EXPENSES

YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
Administrative		
Salaries and wages	379,966	360,966
Provision for retroactive	9,873	48,932
Statutory contributions	27,484	24,509
Group and health insurance	13,192	13,215
Pension and post-employment medical plan (income) cost	(20,815)	(60,363)
Tea and small supplies	1,063	847
Pest control and janitorial	7,314	7,612
Travelling and subsistence	37,602	35,342
Staff welfare	8,518	8,468
Utilities	44,314	36,552
Stationery and other supplies	6,284	5,347
Courier and postage	1,477	1,481
Board expense	841	671
Bank charges	583	503
Directors' fee	2,133	1,526
Advertising	<u>7,334</u>	<u>9,782</u>
	<u>527,163</u>	<u>495,390</u>
Other Operating		
Motor vehicles	6,785	5,898
Repairs and maintenance		
- Buildings	2,656	3,998
- Furniture and equipment	5,802	3,001
- Other	4,979	2,803
General insurance	6,993	5,341
Audit and accounting fees	1,473	2,008
Impairment loss (reversed) recognised on trade receivables	(1,515)	2,627
Depreciation	39,548	43,198
Professional fees	14,747	13,767
Litigation expense	2,397	-
Security	11,123	9,762
Lab supplies	5,120	4,990
Entertainment	1,069	472
Local and international membership fees and contributions	16,714	15,185
Conferences and seminars	2,878	2,049
Canteen expenses	12,728	10,202
Rental	5,028	5,818
National Quality Awards	4,316	4,553
Books and publications	834	1,179
Miscellaneous	<u>4,860</u>	<u>2,701</u>
	<u>148,535</u>	<u>139,552</u>