

Financial statements of

Caribbean Industrial Research Institute

September 30, 2014



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Independent Auditors' Report To the Members of Caribbean Industrial Research Institute

We have audited the accompanying financial statements of Caribbean Industrial Research Institute (the Institute), which comprise the statement of financial position as at September 30, 2014, and the statements of comprehensive income, retained earnings and changes in cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**Independent Auditors' Report
To the Members of Caribbean Industrial Research Institute**

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as of September 30, 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG

Chartered Accountants

October 14, 2015

Port of Spain

Trinidad and Tobago

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

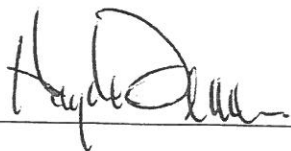
Statement of Financial Position

September 30, 2014

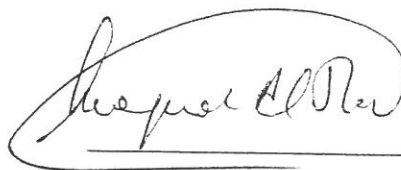
	Notes	2014 \$	Restated 2013 \$	Restated 2012 \$
ASSETS				
Non-current assets				
Property, plant and equipment	4	48,305,824	35,255,966	23,142,227
Retirement benefit asset	5	19,039,000	24,548,000	24,729,000
		<u>67,344,824</u>	<u>59,803,966</u>	<u>47,871,227</u>
Current assets				
Inventories		151,145	96,708	103,711
Trade receivables	6	5,545,636	2,174,248	2,212,548
Other receivables	7	10,402,141	15,849,455	1,652,248
Short term deposits		72,295,252	70,138,821	66,739,456
Cash and cash equivalents		7,687,693	9,336,882	3,126,843
		<u>96,081,867</u>	<u>97,596,114</u>	<u>73,834,806</u>
Total assets		<u>163,426,691</u>	<u>157,400,080</u>	<u>121,706,033</u>
EQUITY AND LIABILITIES				
Equity				
Retained earnings		102,597,405	96,056,271	82,885,866
Non-Current liabilities				
Capital grants	8	41,595,607	36,339,714	24,749,272
Current liabilities				
Deferred income	9	869,542	931,719	444,949
Accounts payable	10	18,364,137	24,072,376	13,625,946
		<u>19,233,679</u>	<u>25,004,095</u>	<u>14,070,895</u>
Total equity and liabilities		<u>163,426,691</u>	<u>157,400,080</u>	<u>121,706,033</u>

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

Signed on behalf of the Board



Director



Director

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Statement of Comprehensive Income and Retained Earnings

For the year ended September 30, 2014

	Notes	2014	Restated 2013
		\$	\$
Projects and testing revenue		<u>18,133,603</u>	<u>15,582,987</u>
Operating (expense) income			
Operating costs (Schedule 1)		(15,933,372)	(13,154,610)
Staff costs	11	(36,347,431)	(34,731,853)
Administrative expenses (Schedule 2)		(10,548,415)	(8,710,055)
Other income		3,497,764	177,994
Interest income		<u>310,878</u>	<u>304,384</u>
Net operating expenses		<u>(59,020,576)</u>	<u>(56,114,140)</u>
Loss from operations		<u>(40,886,973)</u>	<u>(40,531,153)</u>
Grants and subventions			
Government subventions		42,500,000	45,500,000
Amortisation of capital grant	8	<u>4,744,107</u>	<u>5,034,558</u>
		<u>47,244,107</u>	<u>50,534,558</u>
Net surplus for the year		6,357,134	10,003,405
Other comprehensive income for the year			
Actuarial gain on retirement benefit asset		<u>184,000</u>	<u>3,167,000</u>
Total comprehensive income for the year		<u>6,541,134</u>	<u>13,170,405</u>

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

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Statement of Changes in Retained Earnings

For the year ended September 30, 2014

	Note	Retained Earnings
		\$
Year ended September 30, 2013		
Balance as at October 1, 2012, as previously stated		113,802,866
Impact of change in accounting policy	3(1)	<u>(30,917,000)</u>
Balance as at October 1, 2012, as restated		82,885,866
<i>Total comprehensive income for the year</i>		
Other comprehensive income		3,167,000
Surplus for the year		<u>10,003,405</u>
Balance as at September 30, 2013		<u>96,056,271</u>
Year ended September 30, 2014		
Balance as at October 1, 2013		96,056,271
<i>Total comprehensive income for the year</i>		
Other comprehensive income		184,000
Surplus for the year		<u>6,357,134</u>
Balance as at September 30, 2014		<u>102,597,405</u>

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

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Statement of Cash Flows

September 30, 2014

	2014	2013
	\$	\$
Cash flows from operating activities		
Net surplus for the year	6,357,134	10,003,405
Adjustments to reconcile net surplus for the year to net cash from operating activities:		
Depreciation	5,248,877	4,645,866
Gain on disposal of property, plant and equipment	(115,869)	-
Amortisation of capital grant	(4,744,107)	(5,034,558)
Retirement benefit asset	5,693,000	3,348,000
Changes in inventories	(54,437)	7,003
Changes in accounts receivable	2,075,926	(14,158,907)
Changes in accounts payable	(5,708,239)	10,446,430
Changes in deferred income	(62,177)	486,770
Net cash from operating activities	<u>8,690,108</u>	<u>9,744,009</u>
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(18,308,581)	(16,759,605)
Proceeds from disposal of property, plant and equipment	125,715	-
Net cash used in investing activities	<u>(18,182,866)</u>	<u>(16,759,605)</u>
Cash flows from financing activities		
Proceeds from capital grants	10,000,000	16,625,000
Increase in cash and cash equivalents during the year	507,242	9,609,404
Cash and cash equivalents at October 1	<u>79,475,703</u>	<u>69,866,299</u>
Cash and cash equivalents at September 30	<u>79,982,945</u>	<u>79,475,703</u>
Represented by:		
Short term deposit	72,295,252	70,138,821
Cash in hand and at bank	<u>7,687,693</u>	<u>9,336,882</u>
	<u>79,982,945</u>	<u>79,475,703</u>

The accompanying notes are an integral part of these financial statements.

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

1. Reporting Entity

The Institute is incorporated by an Act of Parliament in the Republic of Trinidad and Tobago. The Institute's registered office is situated at the University of the West Indies, St. Augustine Campus.

The principal activities of the Institute are as follows:

- 1 Provision of technology sourcing intelligence, including information search identification and evaluation and techno-economic studies.
- 2 Provision of laboratory based consultancy and testing services, including materials, science and technology and petroleum testing.
- 3 Undertaking of product and process research and development, including machinery development and technology adoption.

These financial statements were authorised for issue by the directors on September 7, 2015.

2. Basis of preparation

(a) *Statement of compliance*

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board.

(b) *Basis of measurement*

These financial statements have been prepared on the historical cost basis.

(c) *Functional and reporting currency*

The financial statements are presented in Trinidad and Tobago dollars, which is the Institute's functional currency.

(d) *Use of estimates and judgements*

The preparation of these financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

2. Basis of preparation (continued)

(d) *Use of estimates and judgements*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 3(a)	-	Property, plant and equipment
Note 3(b)	-	Retirement benefit plan
Note 3(d)	-	Accounts receivable

3. Significant accounting policies

(a) *Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

3. Significant accounting policies (continued)

(a) *Property, plant and equipment (continued)*

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Institute, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is calculated using the straight-line basis over the estimated useful lives of each item of property, plant and equipment at the following rates:

Leasehold improvements	2.5%
Equipment	10 to 25%
Furniture and fixtures	2.5 to 7.5%
Motor vehicle	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(b) *Retirement benefit plan*

The Institute operates a defined benefit pension plan covering its permanent employees. The funds of the Plan are administered by Trustees.

The Institute's net obligation in respect of the retirement benefit plan is calculated by estimating the amount of future benefit and that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets. The calculation of the defined benefit obligation is performed annually by a qualified independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Institute, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds of the Plan or reductions in future contributions to the Plan (after considering any minimum funding requirements).

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

3. Significant accounting policies (continued)

(b) *Retirement benefit plan (continued)*

Re-measurement of the net defined benefit asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any), are recognised immediately in other comprehensive income.

Net interest expense (income) or the net defined benefit liability (asset) is determined using the discount rate. Net interest expense and other expenses related to the retirement benefit plan are recognised in profit or loss.

The actuary performs a full actuarial valuation every three years and any surpluses or deficits may be recognised by an adjustment of future contribution rates.

(c) *Inventories*

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

(d) *Accounts receivable*

Accounts receivable is stated net of any specific provision established to recognise anticipated losses for bad and doubtful debts. Bad debts are written off during the year in which they are identified.

(e) *Cash and cash equivalents*

For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft.

(f) *Accounts payables*

Trade and other payables are stated at amortised cost.

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

3. Significant accounting policies (continued)

(g) Provisions

A provision is recognised if, as a result of a past event, the Institute has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of finance cost is recognised as finance cost.

(h) Revenue recognition

Unconditional grants related to the ongoing operations of the Institute are recognised in the statement of revenue and expenditure as revenue when the grant becomes receivable.

Subventions that compensate the Institute for expenses incurred are recognised as revenue in the statement of revenue and expenditure on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Institute for the cost of an asset are recognised in the statement of revenue and expenditure as revenue on a systematic basis over the life of the asset.

Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risk and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs, or the possible return of goods.

All other revenue is recorded on an accruals basis.

(i) Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

3. Significant accounting policies (continued)

(j) *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(k) *Impairment*

The carrying amounts of the Institute's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of other assets is the greater of their net selling price 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

3. Significant accounting policies (continued)

(l) Change in Accounting Policy

Except for the change below, the Institute has consistently applied the accounting policies to all periods presented in the financial statements.

IAS 19 Employee Benefits

The prior year adjustment relates to a change in the accounting policy IAS 19 Employee Benefits, which requires the recognition of actuarial gains and losses in other comprehensive income. The change in accounting policy was applied retrospectively by restating the balances of the retirement benefit asset and retained earnings at September 30, 2012 and 2013.

This resulted in a credit of \$1,593,000 to the statement of comprehensive income for the year ended September 30, 2013.

The effects of the change in accounting policy are summarised as follows:

	As Previously Stated \$	Prior year adjustment \$	As Restated \$
<i>Year ended September 30, 2012</i>			
Retirement benefit asset	55,646,000	(30,917,000)	24,729,000
Retained earnings	(113,802,866)	30,917,000	(82,885,866)
<i>Year ended September 30, 2013</i>			
Retirement benefit asset	53,891,000	(29,343,000)	24,548,000
Pension costs	1,755,000	1,593,000	3,348,000
Retained earnings	(125,399,271)	29,343,000	(96,056,271)

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

4. Property, plant and equipment

	Leasehold Improvements	Equipment	Furniture and Fittings	Motor Vehicle	Work-in Progress	Total
	\$	\$	\$	\$	\$	\$
Year ended September 30, 2014						
Cost						
At October 1, 2013	7,371,448	61,209,538	14,030,677	1,977,682	14,811,408	99,400,753
Additions	2,966,907	10,670,881	2,391,426	219,294	2,060,073	18,308,581
Disposals	-	(3,150)	(114,615)	(315,363)	-	(433,128)
Transfers	13,015,329	641,037	690,174	-	(14,346,540)	-
At September 30, 2014	<u>23,353,684</u>	<u>72,518,306</u>	<u>16,997,662</u>	<u>1,881,613</u>	<u>2,524,941</u>	<u>117,276,206</u>
Accumulated depreciation						
At October 1, 2013	2,693,158	48,744,946	11,705,030	1,001,653	-	64,144,787
Charge for the year	384,064	3,946,078	629,005	289,730	-	5,248,877
Disposals	-	(2,100)	(105,819)	(315,363)	-	(423,282)
At September 30, 2014	<u>3,077,222</u>	<u>52,688,924</u>	<u>12,228,216</u>	<u>976,020</u>	<u>-</u>	<u>68,970,382</u>
Net book value						
At September 30, 2014	<u>20,276,462</u>	<u>19,829,382</u>	<u>4,769,446</u>	<u>905,593</u>	<u>2,524,941</u>	<u>48,305,824</u>
At September 30, 2013	<u>4,678,290</u>	<u>12,464,592</u>	<u>2,325,647</u>	<u>976,029</u>	<u>14,811,408</u>	<u>35,255,966</u>
Year ended September 30, 2013						
Cost						
At October 1, 2012	7,184,498	59,543,593	13,719,365	1,310,368	883,324	82,641,148
Additions	-	1,665,945	311,312	667,314	14,115,034	16,759,605
Transfers	186,950	-	-	-	(186,950)	-
At September 30, 2013	<u>7,371,448</u>	<u>61,209,538</u>	<u>14,030,677</u>	<u>1,977,682</u>	<u>14,811,408</u>	<u>99,400,753</u>
Accumulated depreciation						
At October 1, 2012	2,511,209	45,036,984	11,164,079	786,649	-	59,498,921
Charge for the year	181,949	3,707,962	540,951	215,004	-	4,645,866
At September 30, 2013	<u>2,693,158</u>	<u>48,744,946</u>	<u>11,705,030</u>	<u>1,001,653</u>	<u>-</u>	<u>64,144,787</u>
Net book value						
At September 30, 2013	<u>4,678,290</u>	<u>12,464,592</u>	<u>2,325,647</u>	<u>976,029</u>	<u>14,811,408</u>	<u>35,255,966</u>
At September 30, 2012	<u>4,673,289</u>	<u>14,506,609</u>	<u>2,555,286</u>	<u>523,719</u>	<u>883,324</u>	<u>23,142,227</u>

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

	2014	2013
	\$	\$
5. Retirement Benefit Pensio		
Present value of defined benefit obligations	(180,358,000)	(173,873,000)
Fair value of plan assets	199,397,000	198,421,000
Recognised asset for defined benefit obligation	<u>19,039,000</u>	<u>24,548,000</u>
(a) Change in defined benefit obligations		
Defined benefit obligation at the beginning of the year	173,873,000	158,276,000
Current service cost	5,534,000	4,560,000
Interest cost	8,509,000	8,542,000
Members' contributions	1,000	1,000
Past service cost	1,224,000	-
Experience adjustment	(1,292,000)	(3,350,000)
Actuarial loss	-	11,845,000
Benefits paid	<u>(7,491,000)</u>	<u>(6,001,000)</u>
Defined benefit obligation at the end of the year	<u>180,358,000</u>	<u>173,873,000</u>
(b) Change in plan assets		
Plan assets at the beginning of the year	198,421,000	183,005,000
Expected return on plan assets	(1,108,000)	11,662,000
Interest income	9,732,000	9,899,000
Employer contribution	1,000	1,000
Employee contributions	1,000	1,000
Benefits paid	<u>(7,491,000)</u>	<u>(6,001,000)</u>
Expense allowance	<u>(159,000)</u>	<u>(146,000)</u>
Plan assets at the end of the year	<u>199,397,000</u>	<u>198,421,000</u>
	2014	2013
	%	%
(c) Asset allocation		
Equity securities	44	46
Debt securities	50	52
Other	<u>6</u>	<u>2</u>
	<u>100</u>	<u>100</u>

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

		2014	2013
		\$	\$
5.	Retirement Benefit Pension (continued)		
	<i>(d) Expense recognized in profit or loss</i>		
	Current service cost	5,534,000	4,560,000
	Interest cost	(1,223,000)	(1,357,000)
	Expense allowance	159,000	146,000
	Past service cost	1,224,000	-
	Total, included in staff costs	<u>5,694,000</u>	<u>3,349,000</u>

(e) The actual return on the plan assets was \$8,624,000 (2013: \$21,561,000).

(f) The Institute expects to contribute \$1,000 to its defined benefit pension plan in 2014. Both members and the Institute are on a contribution holiday.

		2014	2013
<i>(g)</i>	Summary of principal assumptions		
	Discount rate	5%	5%
	General salary increases	4%	4%
	Future salary increase	2%	2%
	Future pension increase	3%	3%

		2014	2013
		\$	\$
6.	Accounts Receivable		
	Trade accounts receivable	6,053,315	3,525,612
	Less provision for doubtful debts	(507,679)	(1,351,364)
		<u>5,545,636</u>	<u>2,174,248</u>

During the year \$(651,428) (2013: \$192,257) was (credited) charged to the statement of comprehensive income as bad debt (recoveries) expense.

		2014	2013
		\$	\$
7.	Other Receivables		
	Prepayments	8,369,148	12,202,265
	VAT recoverable	1,508,799	3,086,736
	Other receivables	524,194	560,454
		<u>10,402,141</u>	<u>15,849,455</u>

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

	2014	2013
	\$	\$
8. Capital Grant		
Balance at October 1	36,339,714	24,749,272
Capital grant received	10,000,000	16,625,000
Amortisation of capital grant	<u>(4,744,107)</u>	<u>(5,034,558)</u>
Balance as at September 30	<u>41,595,607</u>	<u>36,339,714</u>

The capital grant relates to a grant to purchase property, plant and equipment under the Public Sector Investment Programme from the Ministry of Finance.

	2014	2013
	\$	\$
9. Deferred income		
Balance at October 1	\$ 931,719	444,949
Grant transferred from other payables	1,323	-
Capital grant received	-	575,000
Amortisation of deferred income	<u>(63,500)</u>	<u>(88,230)</u>
Balance as at September 30	\$ <u>869,542</u>	<u>931,719</u>

Funding received for projects is recognised through the statement of comprehensive income based on the percentage of completion of the related research project for which the funding was received

	2014	2013
	\$	\$
10. Accounts Payable		
Programme funds	6,774,973	10,109,971
Other payables	1,489,332	2,438,726
Accrued expenses	<u>10,099,832</u>	<u>11,523,679</u>
	<u>18,364,137</u>	<u>24,072,376</u>

11. Staff Costs		
Wages and salaries	26,377,152	27,168,591
National insurance	1,339,135	1,196,939
Gratuity costs	691,178	1,040,711
Other costs	2,246,966	1,977,612
Pension	<u>5,693,000</u>	<u>3,348,000</u>
	<u>36,347,431</u>	<u>34,731,853</u>

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Notes to Financial Statements

September 30, 2014

12. Key management personnel

Key management personnel receive compensation in the form of short-term, employee benefits and post-employment benefits. Compensation amounted to \$1,668,437 (2013: \$1,584,000) for the year and was included in salaries and wages.

13. Operating Leases

Non cancellable operating lease rentals are payable as follows:

	2014	2013
	\$	\$
Less than one year	\$ 72,950	72,950
Between one and five years	291,800	291,800
Later than five years	<u>1,386,050</u>	<u>1,459,000</u>
	\$ <u>1,750,800</u>	<u>1,823,750</u>

During the year, \$72,950 (2013: \$72,950) was recognised as an expense in the statement of comprehensive income in respect of operating leases.

14. Contingent liability

The Institute has a contingent liability for performance bonds held with a financial institution in Trinidad and Tobago in the amount of \$10,000.

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Schedule 1

Operating Costs

September 30, 2014

	2014	2013
	\$	\$
Consultants' fee	1,789,845	1,457,443
Contracted services	1,708,378	1,537,879
Facilities maintenance	1,944,911	1,377,812
Laboratory supplies	2,145,836	1,222,113
Maintenance of equipment	1,701,600	1,151,333
Maintenance of systems	466,057	228,537
Project direct expenses	5,172,855	5,262,272
Rent	1,003,890	917,221
	<u>15,933,372</u>	<u>13,154,610</u>

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE

Schedule 2

Administrative Expenses

September 30, 2014

	2014	2013
	\$	\$
Advertising	1,076,957	579,840
Audit fee	75,000	75,000
Bad debts (recoveries) expense	(651,428)	192,257
Board members' allowance	263,500	378,600
Communication	761,286	281,125
Depreciation	5,248,877	4,645,866
Insurance	821,845	660,096
Legal	119,782	27,836
Miscellaneous expenses	231,062	133,123
Motor vehicle expenses	199,323	184,178
Office supplies	900,388	658,316
Publications	155,401	118,338
Research and development	60,707	-
Transport and handling of equipment	357,453	294,140
Utilities	928,262	481,340
	<u>10,548,415</u>	<u>8,710,055</u>