Trinidad and Tobago Bureau of Standards

Unconsolidated financial statements
September 30, 2018
(Expressed in Trinidad & Tobago dollars)

Contents

Trinidad and Tobago Bureau of Standards

Statement of management's responsibilities
(Expressed in Trinidad & Tobago dollars)

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Trinidad and Tobago Bureau of Standards, ('the Bureau') which comprise the unconsolidated statement of financial position as at September 30, 2018, the unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of accumulated surplus and unconsolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Bureau keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Bureau's assets, detection/prevention of fraud, and the achievement of the Bureau's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Bureau will not remain a going concern for the next twelve months from the reporting date; or up to the date; the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Derek Luk Pat
Executive Director

March 2, 2020

Omawatie Birbal
Financial Comptroller

March 2, 2020

Deloitte.

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Independent auditor's report
to the members of
Trinidad and Tobago Bureau of Standards

Report on the audit of the unconsolidated financial statements

Opinion

We have audited the unconsolidated financial statements of Trinidad and Tobago Bureau of Standards (the 'Bureau'), which comprise the unconsolidated statement of financial position as at September 30, 2018, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of accumulated surplus and unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the unconsolidated financial statements present fairly, in all material respects, the financial position of the Bureau as September 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA's). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated financial statements* section of our report. We are independent of the Bureau in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the unconsolidated financial statements

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

In preparing the unconsolidated financial statements, Management is responsible for assessing the Bureau's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bureau or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bureau's financial reporting process.

Auditor's responsibilities for the audit of the unconsolidated financial statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

Continued...

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Deloitte.

Independent auditor's report
to the members of
Trinidad and Tobago Bureau of Standards

Auditor's responsibilities for the audit of the unconsolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bureau's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bureau's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bureau to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche

Deloitte & Touche
Derek Mohammed (ICATT #864)
Port of Spain
Trinidad

August 4, 2020

Trinidad and Tobago Bureau of Standards

Unconsolidated statement of financial position
(Expressed in Trinidad & Tobago dollars)

	Notes	As at September 30, 2018 $	2017 $
ASSETS			
Non-current assets			
Property, plant and equipment	5	19,156,555	19,581,181
Capital work-in-progress-building	5	-	246,104
Post-employment benefit	6(a)	52,297,000	52,213,000
Investment in subsidiary	7	300,000	300,000
Government bonds	8	2,478,686	2,624,737
Total non-current assets		74,232,241	74,965,022
Current assets			
Taxation recoverable		27,616	182,370
Due from subsidiary	9	1,627,606	1,580,720
Government bonds	8	246,000	246,000
Trade and other receivables	10	4,088,276	3,116,079
Cash and cash equivalents	11	42,300,638	45,116,800
Total current assets		48,290,136	50,241,969
Total assets		**122,522,377**	**125,206,991**
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated surplus	12	84,276,264	92,918,639
Total capital		84,276,264	92,918,639
Non-current liabilities			
Government grants deferred	13	9,618,903	11,976,714
Total non-current liabilities		9,618,903	11,976,714
Current liabilities			
Trade and other payables	14	28,559,612	20,161,876
Due to subsidiary	9	67,598	88,486
Taxation payable		-	61,276
Total current liabilities		28,627,210	20,311,638
Total liabilities		38,246,113	32,288,352
Total equity and liabilities		**122,522,377**	**125,206,991**

The notes on pages 8 to 32 form an integral part of these unconsolidated financial statements.

On March 2, 2020, the Board of Directors of Trinidad and Tobago Bureau of Standards authorised these unconsolidated financial statements for issue.

_______________ Director _______________ Director

Trinidad and Tobago Bureau of Standards

Unconsolidated statement of profit or loss and other comprehensive income
(Expressed in Trinidad & Tobago dollars)

	Notes	Year ended September 30, 2018 $	2017 $
Income			
Testing and inspection income		37,857,961	43,443,410
Government grants	15	11,910,742	12,431,085
		49,768,703	55,874,495
Selling, general and administrative expenses	16	(59,312,330)	(54,410,733)
Other income	17	2,288,311	2,544,100
Contributed revenue-donated assets	18	-	396,208
Operating (loss)/income		(7,255,316)	4,404,070
Interest income	19	205,420	270,685
Net (deficit)/surplus for the year before taxation		(7,049,896)	4,674,755
Taxation expense	20	(93,479)	(173,931)
Net (deficit)/surplus for the year after taxation		(7,143,375)	4,500,824
Other comprehensive (loss)/income, net of taxes			
Item that will not be reclassified subsequently to profit or loss:			
Re-measurement of post-employment benefit	6(g)	(1,499,000)	2,596,000
Total comprehensive (loss)/ income for the year		**(8,642,375)**	**7,096,824**

The notes on pages 8 to 32 form an integral part of these unconsolidated financial statements.

Trinidad and Tobago Bureau of Standards

Unconsolidated statement of accumulated surplus
(Expressed in Trinidad and Tobago Dollars)

	Accumulated surplus $	Total $
Year ended September 30, 2018		
Balance as at 1 October 2017	92,918,639	92,918,639
Net deficit for the year after taxation	(7,143,375)	(7,143,374)
Other comprehensive loss	(1,499,000)	(1,499,000)
Balance at September 30, 2018	**84,276,264**	**84,276,265**
Year ended September 30, 2017		
Balance at October 1, 2016	85,821,815	85,821,815
Net surplus for the year after taxation	4,500,824	4,500,824
Other comprehensive income	2,596,000	2,596,000
Balance at September 30, 2017	**92,918,639**	**92,918,639**

The notes on pages 8 to 32 form an integral part of these unconsolidated financial statements.

Trinidad and Tobago Bureau of Standards

Unconsolidated statement of cash flows
(Expressed in Trinidad & Tobago dollars)

	Notes	Year ended September 30, 2018	2017
		$	$
Cash flows from operating activities:			
Net (deficit)/surplus for the year before taxation		(7,049,896)	4,674,755
Adjustments to reconcile net cash generated from operating activities to net surplus for the year:			
Depreciation	5	3,619,551	3,857,786
Fair valuation of investment	8	(99,949)	(105,235)
Net pension cost	6(f)	197,000	307,000
Gain on disposal of property, plant and equipment	17	(69,330)	-
Operating (loss)/profit before working capital changes		(3,402,624)	8,734,306
Increase in trade and other receivables		(972,197)	(4,142)
Increase in due from subsidiary		(46,886)	(5,883)
Increase/(decrease) in trade and other payables		8,397,736	(5,335,761)
Decrease in due to subsidiary		(20,888)	(69,560)
Pension contributions paid	6(h)	(1,780,000)	(2,119,000)
Cash generated from operating activities		2,175,141	1,199,960
Taxation paid		-	-
Net cash generated from operating activities		2,175,141	1,199,960
Cash flows from investing activities:			
Redemption of investment	8	246,000	247,000
Additions to capital work in progress	5	-	(246,104)
Proceeds from sale of property, plant and equipment		69,332	-
Purchase of property, plant and equipment	5	(2,948,824)	(2,785,686)
Net cash used in investing activities		(2,633,492)	(2,784,790)
Cash flows from financing activities:			
Capital grants utilised	13	(2,710,742)	(3,147,835)
Capital grants received	13	352,931	1,150,000
Net cash used in financing activities		(2,357,811)	(1,997,835)
Net decrease in cash and cash equivalents		(2,816,162)	(3,582,665)
Cash and cash equivalents at beginning of year		45,116,800	48,699,465
Cash and cash equivalents at end of year		**42,300,638**	**45,116,800**
Represented by:			
Cash and cash equivalents	11	**42,300,638**	**45,116,800**

The notes on pages 8 to 32 form an integral part of these unconsolidated financial statements.

1. **General information**

The Trinidad and Tobago Bureau of Standards ('the Bureau') was established by an Act of Parliament number 38 of 1972, Chapter 82:03 as amended by Act 29 of 1985 and Act 18 of 1997. The principal activities of the Bureau are to promote and encourage the development and maintenance of standards and to establish standards by the testing of goods produced or used in Trinidad and Tobago: -

(i) For improvement of goods produced or used in Trinidad and Tobago;
(ii) To ensure industrial efficiency and development;
(iii) To promote public and industrial welfare, health and safety, and
(iv) For the protection of the environment.

The registered office of the Bureau is #2 Century Drive, Trincity Industrial Estate, Macoya, Tunapuna.

2. **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) **Basis of preparation**

The unconsolidated financial statements of Trinidad and Tobago Bureau of Standards have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the IFRS Interpretations Committee (IFRIC) applicable to entities reporting under IFRS.

These unconsolidated financial statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities.

Since, the Bureau was set up as an Act of Parliament, it is required to comply with the Ministry of Finance's mandate relating to the adoption of International Financial Reporting Standards.

The preparation of unconsolidated financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bureau's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the unconsolidated financial statements are disclosed in Note 4.

The Bureau also prepares consolidated financial statements using International Financial Reporting Standards, a copy of which can be requested from Bureau's management at its registered address.

b) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank advances repayable on demand and other short-term highly liquid investments, which are subject to an insignificant risk of changes in value.

c) **Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2. **Summary of significant accounting policies (continued)**

d) **Property, plant and equipment**

Property, plant and equipment is recorded at cost less accumulated depreciation at rates which are expected to apportion the cost of the assets on a systematic basis over their estimated useful lives. The estimated useful lives of assets are reviewed periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and the depreciation rates are adjusted, if appropriate.

Property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives as follows:

Building	2.0% per annum
Plant & machinery	15.0% per annum
Motor vehicles	25.0% per annum
Office furniture & equipment & library stock	12.5%-25% per annum

The 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.

The carrying amount of property, plant and equipment is reviewed whenever events or changes in circumstances indicate that impairment may have occurred.

e) **Government grants**

Grants from the Government of the Republic of Trinidad and Tobago are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Bureau will comply with all the attached conditions. Grants that contain no vesting conditions are recognised immediately in the statement of profit or loss.

Grants with vesting conditions are deferred as liabilities and recognised in the statement of profit or loss once the vesting conditions have been met.

Grants relating to capital expenditure are deferred as liabilities and are credited to the statement of profit or loss on a systematic basis over the expected useful lives of the related assets.

f) **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

g) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the testing and inspection activities undertaken in the ordinary course of the Bureau's activities.

The Bureau recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Bureau upon performance of services and customer acceptance.

2. Summary of significant accounting policies (continued)

h) Foreign currency transactions

Items included in the unconsolidated financial statements of the Bureau are measured using the currency that best reflects the economic substance of the underlying events and the circumstances relevant to the Bureau (the functional currency). The presentation and functional currency of the Bureau is the Trinidad and Tobago dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

i) Employee retirement benefit obligations

Pension obligations

The Bureau participates in the Trinidad and Tobago Bureau of Standards Staff Pension Fund Plan. It is a defined benefit plan which covers substantially all of its permanent employees. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The assets recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past-service costs are recognised immediately in the statement of profit or loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive profit or loss in the period in which they arise.

j) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2. **Summary of significant accounting policies (continued)**

k) **Financial assets**

All financial assets are measured at amortised cost. Management determines the classification of its financial assets at initial recognition.

Financial assets – amortised cost

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are measured at amortised cost using the effective interest method, less any impairment. Interest, if applicable, is recognised by applying the effective interest rate. Trade receivables are carried at original invoice amount less an allowance made for impairment of these receivables.

Financial assets – recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Bureau has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented in the statement of profit or loss within 'Other (losses) /gains – net' in the period in which they arise.

l) **Impairment of financial assets**

The Bureau assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Bureau uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the customer;
- A breach of contract, such as a default or delinquency in payments;
- It becomes probable that the customer will enter bankruptcy or other financial reorganisation.

For loans and receivables category, the amount of the loss is measured as 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. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss.

2. **Summary of significant accounting policies (continued)**

m) **Provisions**

Provisions are recognised when the Bureau has a present obligation (legal or constructive) as a result of a past event, it is probable that the Bureau will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

n) **Investment in subsidiary**

Subsidiaries are all entities (including special purpose entities) over which the Bureau has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bureau controls another entity. The investment in subsidiary is carried at cost less any provision for impairment.

o) **Leases**

i) The Bureau as lessee

Leases of property, plant and equipment where the Bureau has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

ii) The Bureau as lessor

Rental profit or loss from operating leases is recognised on a straight-line basis over the term of the relevant lease in the statement of profit or loss.

2. **Summary of significant accounting policies (continued)**

p) **Other financial liabilities**

Other financial liabilities are initially measured at transaction price, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

q) **Taxation**

Income tax expense represents Green Fund Levy payable to the Board of Inland Revenue. Green Fund Levy is calculated as a percentage of gross receipts for the year.

a) Corporation tax

The Bureau have been exempted from corporation tax. See Note 20.

3. **Application of new and revised International Financial Reporting Standards ('IFRS')**

3.1 **New IFRS and amendments to IFRS that are mandatorily effective for the current year**

In the current year, the Bureau has applied a number of amendments to IFRS and new Interpretation issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after October 1, 2017.

- **Amendments to IAS 12, (Recognition of Deferred Tax Assets for Unrealised Losses)**

  Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

  The carrying amount of an asset does not limit the estimation of probable future taxable profits.

  Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

  An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

  The application of these amendments did not have a significant impact on the Bureau's unconsolidated financial statements.

- **Amendments to IAS 7, (Disclosure Initiative)**

  Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of unconsolidated financial statements to evaluate changes in liabilities arising from financing activities.

  The application of these amendments did not have a significant impact on the Bureau's unconsolidated financial statements.

3. Application of new and revised International Financial Reporting Standards ('IFRS') (continued)

3.1 New IFRS and amendments to IFRS that are mandatorily effective for the current year (continued)

- **Annual Improvements 2014-2016**

  IFRS 12 - Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations .

  The application of these amendments did not have a significant impact on the Bureau's unconsolidated financial statements.

3.2 New and revised IFRS in issue but not yet effective

The Bureau has not applied the following new and revised IFRS that have been issued but are not yet effective:

- IFRS 9 Financial instruments[1]
- IFRS 15 Revenue from Contracts with Customers[1]
- IFRS 16 Leases[2]
- Amendments to IFRS Annual improvements to IFRS 2014-2016[1]
- Amendments to IFRS Annual improvements to IFRS 2015-2017[2]

[1] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.
[3] Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.

3. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

3.2 **New and revised IFRS in issue but not yet effective (continued)**

- **IFRS 9** ***Financial Instruments***

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of this IFRS was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

– all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

– with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of 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. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

– in relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

3. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

3.2 **New and revised IFRS in issue but not yet effective (continued)**

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

  - the new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

  The directors anticipate that the application of IFRS 9 in the future may not have a material impact on the amounts reported in respect of the Bureau's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Bureau undertakes a detailed review.

- **IFRS 15 Revenue from Contracts with Customers**

  In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

  The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

3. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

3.2 **New and revised IFRS in issue but not yet effective (continued)**

- **IFRS 15 *Revenue from Contracts with Customers* (continued)**

  On June 20, 2017, the IASB issued amendments in *Clarifications to IFRS 15 'Revenue from Contracts with Customers'* which addressed three of the five topics identified (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts. The IASB concluded that it was not necessary to amend IFRS 15 with respect to collectability or measuring non-cash consideration. In all its decisions, the IASB considered the need to balance helping entities with implementing IFRS 15 and not disturbing the implementation process.

  The directors anticipate that the application of IFRS 15 in the future may not have a material impact on the amounts reported and disclosures made in the Bureau's unconsolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Bureau performs a detailed review.

- **IFRS 16 *Leases***

  IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

  The Directors of the Bureau anticipate that the application of IFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the Bureau's unconsolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Bureau performs a detailed review.

3. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

3.2 **New and revised IFRS in issue but not yet effective (continued)**

- ***Annual Improvements 2014-2016***

  IFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

  The directors do not anticipate that the application of these amendments will have a significant impact on the Bureau's unconsolidated financial statements.

- ***Annual Improvements 2015-2017***

  IFRS 3 Business Combinations and **IFRS 11 Joint Arrangements** — The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

  The directors do not anticipate that the application of these improvements will have a significant impact on the Bureau's unconsolidated financial statements.

4. **Critical judgements and the use of estimates**

The preparation of unconsolidated financial statements in conformity with IFRS requires management to make critical judgements and use estimates and assumptions that affect the amounts reported in the unconsolidated financial statements and related notes to the unconsolidated financial statements. Actual results may differ from the estimates and assumptions used. Key sources of uncertainty, which requires the use of estimates, include:

Useful lives and residual values of property, plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in the property, plant and equipment policy above. These rates and the residual lives of the assets are reviewed annually taking cognizance of the forecasted commercial and economic realities and through benchmarking of accounting treatments within the industry.

Contingent liabilities

Management applies its judgement to the facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. Such judgement is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (profit or loss) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Bureau determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Bureau considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions.

5. Property, plant and equipment

	Leasehold land and building	Plant machinery and motor vehicles	Office furniture, equipment and library stock	Total
	$	$	$	$
Year ended September 30, 2018				
Opening net book amount	8,371,438	6,041,603	5,168,140	19,581,181
Additions	1,960,621	686,780	547,527	3,194,928
Disposals	-	(3)	-	(3)
Depreciation expense	(250,287)	(2,199,772)	(1,169,492)	(3,619,551)
Net book value	**10,081,772**	**4,528,608**	**4,546,175**	**19,156,555**
At September 30, 2018				
Cost	15,436,497	40,279,053	25,176,302	80,891,855
Accumulated depreciation	(5,354,725)	(35,750,445)	(20,630,127)	(61,735,300)
Net book value	**10,081,772**	**4,528,608**	**4,546,175**	**19,156,555**
Year ended September 30, 2017				
Opening net book amount	8,561,362	7,453,801	4,638,118	20,653,281
Additions	75,624	809,922	1,900,140	2,785,686
Depreciation expense	(265,548)	(2,222,120)	(1,370,118)	(3,857,786)
Net book value	**8,371,438**	**6,041,603**	**5,168,140**	**19,581,181**
At September 30, 2017				
Cost	13,475,876	39,592,276	24,628,775	77,696,927
Accumulated depreciation	(5,104,438)	(33,550,673)	(19,460,635)	(58,115,746)
Net book value	**8,371,438**	**6,041,603**	**5,168,140**	**19,581,181**

Library stock

Library stock consists of volumes of reference books on standards, manuals and magazines maintained by the Bureau.

Capital work in progress- building

During the financial period, in August 2017, the Bureau contracted for and commenced the construction of the Mass Calibration Building at a fixed price contract of $888,455 to be funded from the P.S.I.P Development Programme capital grant. Work in progress at September 30 is as follows:

	2018	2017
	$	$
Capital work in progress-building	-	**246,104**

6. Post-employment benefit

a) Net asset in the statement of financial position

	2018	2017
	$	$
Present value defined benefit obligation	79,998,000	76,113,000
Fair value of plan assets	(132,295,000)	(128,326,000)
Net defined benefit asset	**(52,297,000)**	**(52,213,000)**

b) Movement in present value of defined benefit obligation:

	2018	2017
	$	$
Net defined benefit obligation at start of year	76,113,000	71,943,000
Current service cost	3,127,000	3,009,000
Interest cost	4,122,000	3,889,000
Members' contribution	394,000	577,000
Re-measurements – experience adjustments	(1,383,000)	(787,000)
Benefits paid	(2,375,000)	(2,518,000)
Net defined benefit obligation at end of year	**79,998,000**	**76,113,000**

c) The defined benefit obligation is allocated between the Plan's members as follows:

- Active	60%
- Deferred members	6%
- Pensioners	34%

The weighted average duration of the defined benefit obligation is 15.8 years. 94% of the value of the benefits for active members is vested. 28% of the defined benefit obligation for active members is conditional on future salary increases.

d) Movement in fair value of plan assets:

	2018	2017
	$	$
Fair value of plan assets at start of year	128,326,000	119,748,000
Interest income	7,052,000	6,591,000
Return on plan assets, excluding interest income	(2,882,000)	1,809,000
Bureau's contributions	1,780,000	2,119,000
Members' contributions	394,000	577,000
Benefits paid	(2,375,000)	(2,518,000)
Fair value of plan assets at end of year	**132,295,000**	**128,326,000**
Actual return on plan assets	**4,170,000**	**8,400,000**

6. **Post-employment benefit (continued)**

e) **Asset allocation**

	2018	2017
	$	$
Regionally listed equities (prices quoted on regional exchanges)	31,695,000	30,231,000
Overseas equities (developed markets)	23,384,000	21,366,000
TT$ bonds (no quoted market prices)	68,297,000	68,891,000
US$ bonds (no quoted market prices)	3,034,000	1,207,000
Local equity/profit or loss mutual fund	3,954,000	2,599,000
Cash and cash equivalents	1,931,000	4,032,000
Fair value of plan assets at end of year	**132,295,000**	**128,326,000**

All asset values as at September 30, 2018 were taken from the Plan's unaudited accounts provided by the Plan's Trustee (First Citizens Trustee Services). Overseas equities have quoted prices in active markets. Local equities also have quoted prices, but the market is relatively illiquid. The Investment Manager (First Citizens Asset Management) calculates the fair value of the government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve.

The majority of the Plan's government bonds were issued by the Government of Trinidad & Tobago, which also guarantees many of the corporate bonds held by the Plan.

The Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad & Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan. The plan's financial funding position is assessed by means of triennial actuarial valuations which was completed as at September 30, 2015 and carried out by an independent actuary.

f) **Expense recognised in profit or loss**

	2018	2017
	$	$
Current service cost	3,127,000	3,009,000
Net Interest on net defined benefit asset	(2,930,000)	(2,702,000)
Net pension cost	**197,000**	**307,000**

g) **Re-measurements recognised in other comprehensive profit or loss**

	2018	2017
	$	$
Experience losses/(gains)	1,499,000	(2,596,000)
Total amount recognised in other comprehensive income	**1,499,000**	**(2,596,000)**

6. **Post-employment benefit (continued)**

h) **Reconciliation of opening and closing balances**

	2018	2017
	$	$
Opening defined benefit asset	(52,213,000)	(47,805,000)
Net pension cost	197,000	307,000
Re-measurements recognised in other comprehensive income	1,499,000	(2,596,000)
Pension contributions paid	(1,780,000)	(2,119,000)
Closing defined benefit asset	**(52,297,000)**	**(52,213,000)**

i) **Summary of principal assumptions**

	2018	2017
Discount rate	5.5%	5.5%
Salary increases	5.0%	5.0%
Future pension increases	3.0%	3.0%
Life expectancy at age 60 for current pensioner in years:		
- Male	21.0	21.0
- Female	25.1	25.1
Life expectancy at age 60 for current members age 40 in years:		
- Male	21.4	21.4
- Female	25.4	25.4

j) **Sensitivity analysis**

	1%p.a higher 2018	1%p.a lower 2018
	$	$
Discount rate	(10,730,000)	13,564,000
Future salary increases	3,624,000	(3,252,000)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at September 30, 2018 by $1.885 million (2017 - $1.7 million). These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

k) **Funding**

The Bureau meets the balance of the cost of funding the defined benefit pension plan by paying contributions at least equal to 18% of members' pensionable pay, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the plan and the assumptions used to determine the funding required may differ from those set out above. The Bureau expects to pay contributions of $1.6 million to the pension plan during 2018/19 (2017/18 - $1.7 million). However, this amount can increase if outstanding pay negotiations are completed during the year.

7. Investment in subsidiary

This represents an investment in a fully owned subsidiary Premier Quality Service Limited ('PQSL') which was incorporated in Trinidad and Tobago on January 4, 2000. PQSL's registered address is #2 Century Drive, Trincity Industrial Estate, Macoya, Tunapuna and provides training and consultancy services to organisations.

	2018	2017
	$	$
300,000 ordinary shares of $1.00 each	**300,000**	**300,000**

The results of the subsidiary are not included in these unconsolidated financial statements. Copies of the consolidated financials are available on request from the Bureau's secretary at the registered office address set out in note 1.

8. Government bonds

	2018	2017
	$	$
Opening value	2,870,737	3,012,502
Increase in fair valuation of investment	99,949	105,235
Redemption of investment during the year	(246,000)	(247,000)
	2,724,686	**2,870,737**
Current portion	246,000	246,000
Non-current portion	2,478,686	2,624,737
	2,724,686	**2,870,737**

The fair value of the bond as of September 30, 2018 was $2,724,686 (2017: $2,870,737).

9. Related party transactions

The Trinidad and Tobago Bureau of Standards ('the parent') has a wholly owned subsidiary Premier Quality Services Limited ('PQSL' or 'the subsidiary') which is incorporated in Trinidad and Tobago.

Parties are related, if one party can control the other party or exercise significant influence over the other party in making financial or operational decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Bureau.

Many transactions are entered with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

9. **Related party transactions (continued)**

Balances and transactions with related parties and key management personnel during the year were as follows:

	2018	2017
	$	$
Assets		
Due from Premier Quality Services Limited	**1,626,203**	**1,580,720**
Liabilities		
Due to Premier Quality Services Limited	**63,070**	**88,486**
Inter-company sales and purchases		
Intercompany purchases	**103,375**	**30,201**
Intercompany sales	**658,028**	**633,964**
Rental of property to subsidiary	**405,024**	**405,024**
Key management remuneration for the year		
Key management remuneration	2,957,818	3,809,800
	2,957,818	**3,809,800**
Board remuneration-Directors' fees	**621,000**	**582,605**
Liabilities		
Government grants deferred-subventions from Ministry of Trade and Investment (MTI)	**9,618,903**	**11,976,714**
Income		
Recurrent expenditure subvention from MTI	9,200,000	9,283,250
Project capital expenditure subvention from MTI	2,401,631	2,310,128
Project revenue expenditure subvention from MTI	309,111	837,707
	11,910,742	**12,431,085**

10. **Trade and other receivables**

	2018	2017
	$	$
Trade receivables	3,048,574	2,388,570
Allowance for doubtful debts	(548,840)	(1,210,258)
Trade receivables (net)	2,499,734	1,178,312
Other receivables	114,862	513,516
Interest receivable	51,114	50,587
Advances and prepaid expenses	1,422,566	1,373,664
	4,088,276	**3,116,079**

Trade receivables are aged as follows:

At September 30, 2018	**0 – 30 days**	**31-60 days**	**61- 90 days**	**> 90 days**	**Total**
Receivables	1,117,232	663,415	127,759	1,140,168	3,048,574
Allowance	-	-	-	(548,840)	(548,840)
Net receivable	1,117,232	663,415	127,759	591,328	2,499,734

At September 30, 2017	**0 – 30 days**	**31-60 days**	**61- 90 days**	**> 90 days**	**Total**
Receivables	656,029	45,548	237,930	1,449,063	2,388,570
Allowance	-	-	-	(1,210,258)	(1,210,258)
Net receivable	656,029	45,548	237,930	238,805	1,178,312

11. **Cash and cash equivalents**

Cash and cash equivalents comprise the following:

	2018	2017
	$	$
Cash in hand	6,299	39,127
Cash at bank:		
First Citizens Bank Limited	20,871,835	20,035,378
Republic Bank Limited	3,717,127	7,447,178
RBC Royal Bank (Trinidad and Tobago) Limited	673,560	674,100
Money market fund accounts	1,945,060	1,927,492
Short term investments	15,086,757	14,993,525
	42,300,638	**45,116,800**

There are no restrictions on the use of cash and cash equivalents. During the year, interest was earned at an average rate of 0.49% (2017: 0.60%).

12. **Accumulated surplus**

The reserves of the Bureau comprise an accumulation of surpluses over its years of operations. Section 5 of the Standards Act exempts any member of the Bureau from personal liability, under Section 26 (2) with the approval of the Minister; the Bureau may build up reserves with a limit that shall be determined by the Minister.

13. Government grants deferred

	2018	2017
	$	$
Balance as at October 1, 2017	11,976,714	13,974,549
Capital grants received from the Government of the Republic of Trinidad & Tobago	352,931	1,150,000
Capital grants utilised for the year (Note 15)	(2,710,742)	(3,147,835)
Balance as at September 30, 2018	**9,618,903**	**11,976,714**

Capital grants utilised for the year

	2018	2017
	$	$
Capital expenditure:		
PSIP 214- Central Services - Bureau of Standards	645,021	632,620
PSIP 216:-Procurement of equipment for the Implementation of the Metrology Act 2004	784,659	716,233
PSIP 210:- Procurement of testing materials and equipment	971,951	961,275
	2,401,631	**2,310,128**
Revenue expenditure:		
PSIP 212:-Providing reliability to quality infrastructure	280,318	488,296
PSIP 216:-Procurement of equipment for the Implementation of the Metrology Act 2004	10,639	147,844
PSIP 218:- TTBS-Building capability for sustaining export led growth	18,154	201,567
PSIP 214:- Central Services - Bureau of Standards	-	-
PSIP 210:- Procurement of testing materials and equipment	-	-
	309,111	**837,707**
Total project expenditure (Note 15)	**2,710,742**	**3,147,835**

14. Trade and other payables

	2018	2017
	$	$
Trade payables	2,788,763	2,210,908
Other payables and accruals	10,439,629	7,046,103
Payroll liabilities-Salary, Travelling & Gratuity arrears	10,604,964	6,886,905
Performance deposits	4,726,256	4,017,960
	28,559,612	**20,161,876**

The average credit period is 30 days.

15. Government grants

	2018	2017
	$	$
Amortisation of capital grants (Note 13)	2,710,742	3,147,835
Government grants with no vesting conditions	9,200,000	9,283,250
	11,910,742	**12,431,085**

16. Expenses by nature

a) Selling, general and administrative expenses

	2018	2017
	$	$
Employee benefit expenses	42,402,064	37,920,137
Utilities and insurance	2,391,689	2,440,912
Depreciation	3,619,553	3,857,786
Expense of capital grants	296,111	837,707
Contract services	2,906,370	1,913,163
Fees	962,958	1,132,711
Repairs and maintenance	733,906	829,046
Promotions and publicity	555,682	477,601
Training	551,378	376,001
Office Supplies	524,733	452,135
Rentals	672,613	657,388
Board fees	621,000	582,605
Bad debt (recovery)/expense	(87,797)	256,289
Other expenses	3,162,070	2,677,252
Total selling, general and administrative expenses	**59,312,330**	**54,410,733**

b) Employee benefit expense

	2018	2017
	$	$
Contract employees	21,943,090	21,183,812
Wages and salaries	13,421,892	12,231,892
Travelling and uniforms	638,118	551,570
National insurance	2,409,706	2,427,531
Retirement and termination benefits (Note 6 (f))	197,000	307,000
Arrears of remuneration-Salary & Travelling	3,792,258	1,218,332
	42,402,064	**37,920,137**

17. Other income

	2018	2017
	$	$
Certification	1,566,275	1,448,112
Other income	406,485	507,154
Standards information	246,221	588,834
Gain on disposal of property, plant and equipment	69,330	-
	2,288,311	**2,544,100**

18. Contributed revenue-donated assets

The Bureau was the recipient of several Donated Assets from an International Donor to facilitate the Bureau being the regional centre for certain specific calibration services in 2017. These assets were recorded at its fair market value as Recurrent Fixed Assets and the corresponding amounts treated as Contributed Revenue in the statement of profit or loss. No assets were received in 2018.

	2018	2017
	$	$
Contributed revenue-donated assets	-	**396,208**

19. Interest income

	2018	2017
	$	$
Interest income	105,471	165,450
Bond interest income	99,949	105,235
	205,420	**270,685**

20. Taxation

The Bureau is a registered Government owned non-profit organisation in Trinidad and Tobago. Under the Profit or loss Tax Ordinance non-profit entities are exempted from corporation tax and business levy. Based on the Profit or loss Tax and Corporation Tax Acts (2009), the Bureau is subject to green fund levy on its gross revenue or receipts, even though it is exempt from business levy and corporation tax.

For the period 2018, an amount of $ Nil (2017 - $ Nil) was made as payment of green fund levy for the tax year.

In addition, the Bureau had applied for and received the Board of Inland Revenue's permission to apply all future quarterly Green Fund Levy liability due against the green fund recoverable arising from the earlier periods over-payment, until fully settled.

During the period 2018, the Quarterly Green Fund liability due for the financial year was applied against the balance of the Green Fund Levy recoverable outstanding, which amounted to $ 93,479 (2017- $141,887) and agreed to by the Board of Inland Revenue certification.

Income tax expense consists of the following:

	2018	2017
	$	$
Green fund levy credit applied against overpayment	93,479	141,887
Under accrual of expense	-	32,044
Taxation expense	**93,479**	**173,931**

The current rate of green fund levy is 0.3% (2017:0.3%).

21. **Financial instruments**

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2018	2017
	$	$
Loan and receivables		
Trade and other receivables, excluding prepayments	3,354,488	2,187,172
Government bonds (Note 8)	2,724,686	2,870,737
Cash and cash equivalents	42,300,638	45,116,800
	48,379,812	**50,174,709**
Other financial liabilities at amortised cost		
Trade and other payables, excluding statutory liabilities	**28,627,212**	**20,250,362**

22. **Financial risk management**

a. **Financial risk factors**

The Bureau's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors.

(i) **Market risk**

(a) Foreign exchange risk

The Bureau is not exposed to foreign exchange risk since it does not operate internationally nor maintain holdings of foreign currency.

(b) Cash flow and fair value interest rate risk

As the Bureau has no significant interest-bearing assets and liabilities other than deposits held at banks, the Bureau's profit or loss and operating cash flows are substantially independent of changes in market interest rates.

(c) Price risk

The Bureau is not exposed to equity securities price risk since there are no investments held as available for sale or at fair value through profit or loss.

(ii) **Credit risk**

Credit risk arises from cash and cash equivalents, financial instruments as well as credit exposures to customers. The Bureau has credit risk; however, the Bureau has policies in place to ensure that use of its services is made to customers with an appropriate credit history and the financial instruments held are issued by the Government of Trinidad and Tobago and are regarded as risk free investments. Credit risk arises primarily from outstanding receivables.

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance by counterparties in excess of the provision made. Cash and deposits are held with reputable financial institutions. The maximum exposure to credit risk at the reporting date is the fair value of cash and cash equivalents, and government bonds as well as each class of receivables.

22. **Financial risk management (continued)**

a. **Financial risk factors (continued)**

(iii) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds.

The table below analyses the Bureau's non-derivative financial liabilities based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances.

	Less than one year	
	2018	**2017**
	$	**$**
Trade and other payables	**28,559,612**	**20,161,876**

b. **Capital risk management**

The Bureau's objectives is to safeguard its ability to continue as a going concern, in order to fullfill its mandate based on the Standards Act No. 18 of 1997.

The Bureau monitors liquidity to ensure that sufficient funds are available or requested from the line Ministry to meet its operations cost.

23. **Commitments**

Operating lease commitments

The Bureau leases various equipment under non-cancellable operating lease agreements. Total lease rental income for the year was $405,024 (2017: $405,024).

24. **Contingencies**

The Bureau is a defendant in various Industrial Relations matters and also involved in legal proceedings arising in the normal course of business at the reporting date. Management believes that, based on the advice of legal counsel, the outcome of these proceedings will not give rise to any significant loss and have any adverse material effect on the Bureau's unconsolidated financial statements and as such no provisions were required.

The Trade Disputes before the Industrial Court are generally for declarations and orders rather than specific sums whilst the matter before the Civil Appeal Court, if successful, may require the Bureau to refund the legal costs of the Appellant and be liable for legal costs referable to two-thirds (2/3rds) of the costs in the High Court. These costs are indeterminate at the reporting date and as such no provisions were required.

25. Events after the end of the reporting period

Management is currently evaluating the potential impact of the coronavirus disease 2019 (COVID-19) that occurred subsequent to year end, particularly on the operations of the Company. This disease was declared a pandemic by the World Health Organisation on March 11, 2020. The extent of the impact on the financial position and performance of the Company depends on future developments, including but not limited to

(i) the duration and spread of the outbreak,
(ii) the extent of restrictions and advisories, and
(iii) the effects on the local and global financial and economic markets, all of which are highly uncertain and cannot be predicted.

The continuation of these circumstances could have a negative impact on the Company's financial condition and results.