



MAURITIUS STANDARDS BUREAU

ANNUAL REPORT

2012



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OVERVIEW

Quality Infrastructure

In today's global market, a well-developed National Quality Infrastructure comprising Metrology, Standards, Testing and Quality Assurance (MSTQ) is an essential element for re-engineering competitiveness and achieving international credibility. Developing countries have rightly embarked upon building a reliable and credible indigenous Quality Infrastructure with a view to enhancing free trade and rolling back technical barriers to trade in the form of conflicting standards and discriminating conformity assessment procedures.

Mauritian Quality Infrastructure

Mauritius is steadily opening itself to international competition bringing in its wake new opportunities and challenges. Many economic sectors are under close scrutiny to sharpen their competitiveness through quality improvements with a view to unlocking new overseas markets as well as establishing their position on the domestic market. It is widely recognized that one of the underpinnings favouring international competitiveness and international trade is a reliable and traceable measurement system, an accredited conformity assessment structure, a transparent and consensual standardization infrastructure and a widely recognized accreditation system. These are the four pillars of what is commonly termed as the Mauritian Quality Infrastructure. The Mauritius Standards Bureau is an integral part of the Mauritian Quality Infrastructure.

Institutional Development

The Mauritius Standards Bureau is a parastatal body operating under the aegis of the Ministry of Industry, Commerce and Consumer Protection. It was created in 1975 with the mandate to develop national standards and provide conformity assessment services. The Bureau became a corporate body under the Mauritius Standards Bureau Act 1993 with decision making authority vested upon a Board namely the Standards Council. The change of status unleashed a new dynamism. The organization's scope of undertakings and spectrum of activities were enlarged and brought into sharper focus while its technological capabilities were enhanced to optimize its role.

Furthermore a new strategic direction was given to the organization to fulfil its objective of catalyzing the economic growth of the country by assisting the various economic sectors maintain a high competitive base through the provision of responsive, cost-effective and reliable Metrology, Standards, Testing and Quality Assurance (MSTQ) services.

Today, the Mauritius Standards Bureau can boast of having a traceable and scientifically based comprehensive measurement system, an efficient and effective standards development process to develop standards and a modern conformity assessment structure which provides confidence to the stakeholders and the public in general that the certified and tested goods and services meet customers' and regulatory requirements. Notwithstanding the success achieved in developing a world class and reputable Quality Infrastructure, the Mauritius Standards Bureau has still a long learning curve to climb.

Report from the Acting Director

The Mauritius Standards Bureau recorded a healthy rate of growth in 2012 despite earlier forecast of a bearish domestic market and weakening European economies. In fact, the Bureau posted an operational revenue of Rs 28 million as compared to Rs 23.2 million in 2011. It is the first time that MSB crossed the psychological Rs 25 million mark which is an evident sign that MSB is on the right strategic track of attaining financial autonomy by the end of this decade if not earlier. However, the road travelled last year was full of challenges and difficulties.

The Bureau witnessed several internal changes during the period under review. First and foremost, I was placed at the head of the organization as Acting Director in the absence of the Mr K Ramful who is on leave without pay. The Standards Council was reconstituted under the chairmanship of Mr Elam Lallmahomed, and the new members are already engaged to give a fresh impetus and define a new roadmap for MSB.

I seize this opportunity to put on record the contribution and efforts of the outgoing Chairperson and Council members without whom the Bureau will not have developed into a world-class standards and certification body.

The year 2012 also marked the consolidation of MSB's testing and certification services. The Bureau embarked upon a comprehensive and coherent programme to strengthen its testing laboratories and to expand its certification schemes. The overall objective of this programme was to enable Mauritian enterprises to upgrade the quality of their products and services so as to meet local and overseas needs and demands. The Bureau also placed emphasis on improving the export readiness level of Mauritian enterprises by instilling a Quality Culture among the industry personnel and improving the processes along the entire production and supply chains.

Special efforts were geared last year towards strengthening the capability and accreditation of the Electrical and Electronics Engineering Laboratory and Civil Engineering Laboratory. Under a project funded by L'Agence Française de Développement, consultants were hired to conduct an in-depth analysis of the testing needs of business operators in the areas of electro-technology and civil engineering and to recommend pathway to diversify the activities of these laboratories. The testing of domestic and household appliances was identified as a new activity for the Electrical and Electronics Engineering Laboratory and actions were initiated to procure the necessary equipment to provide the new testing service. In addition, a High Voltage Tester was procured for the Electrical and Electronics Engineering Laboratory for the testing of cables and an investment of about Rs 5 million in equipment was made in the Civil Engineering Laboratory for the testing of plastic pipes and fittings. The Civil Engineering Laboratory also obtained funds under the African Regional Cooperative Programme (AFRA) and the technical assistance of the International Atomic Energy Agency (IAEA) to set up a NDT concrete facility for the physical assessment of concrete both during construction and the lifetime of the structures.

Eco-labeling in the agro-industry and the agriculture sector are increasingly becoming market requirements for international trade. To respond to these challenges, the Bureau initiated measures to set up an Eco-labeling Framework for agriculture and food products and the Global Gap Certification Scheme. In fact the Bureau is spearheading under the Maurice Ile Durable Fund a project for the development of an Eco-labeling Scheme for

environmental friendly local products and services in collaboration with the Ministry of Environment and Sustainable Development. Preparatory works were equally undertaken to obtain technical assistance to develop the GAP Standards and Codes of Practice for several product scopes and set up a recognized Global Gap Certification Scheme.

Another landmark event in 2012 was the signature of a Special Agreement with the Kenya Bureau of Standards for cooperation in the areas of standardization and conformity assessment services. The agreement provides for the mutual recognition of test reports and certificates for products and management systems. This will facilitate bi-lateral trade and remove unnecessary financial burdens on Mauritian exporters.

The Mauritius Standards Bureau continued to play a major role in MSTQ fora. It hosted a three-day workshop on Stakeholder Engagement and Participation in Standardization organised jointly with the International Organization for Standardization (ISO). Twenty-two delegates from various African countries and eight participants from Mauritius attended the workshop.

The Bureau organised a five day Regional Workshop on Gamma-Ray Spectrometry for the determination of Radionuclides in Food and Environmental samples in collaboration with the Radiation Protection Authority and the International Atomic Energy Agency under the African Regional Cooperative Agreement (AFRA). Nineteen participants from AFRA member states attended the regional workshop including five from Mauritius.

The Bureau conducted a case study on the “Economic Benefits of Standards” using the ISO Methodology under a pilot project driven by the International Organisation for Standardization (ISO). The study was given wide coverage in the media and has been published by ISO.

The Bureau has also mapped out several initiatives for the upcoming year. Prominent among these projects is the Eco-mark Scheme for the Tourism Sector. Preliminary works have already started which consists of elaborating a standard on eco-labeling acceptable to all interested parties.

The Bureau has kickstarted an ambitious programme with the assistance of the Northern India Textile Research Association (NITRA) to sharpen the competitiveness of the Mauritian Textile and Clothing sector. High on the agenda are measures to develop intelligent and technical textiles in Mauritius and to introduce the high-end technologies for the textile and textile related sectors.

With several other flagship projects already in the pipeline, the year 2013 is more than likely to be the harbinger of MSB’s renewal.

R Nanhuck (Mrs)
Acting Director

2013-03-25

CORPORATE GOVERNANCE REPORT

Corporate Governance

This section highlights the corporate governance at the Mauritius Standards Bureau in compliance with the Code of Corporate Governance for Mauritius and in pursuant with the Financial Reporting Act 2004 as subsequently amended. The corporate governance report describes the corporate governance structure set up at MSB and it outlines, among others, the control mechanisms established within the organization to enhance accountability, transparency, integrity and responsibility.

Legislation

The Mauritius Standards Bureau was established in 1975 as the technical wing of the Ministry of Commerce and Industry. It became a corporate body in 1993 under the Mauritius Standards Bureau Act 1993 as subsequently amended. The new legal framework extended the scope of activities of the organization and vested executive powers to the Standards Council. The Mauritius Standards Bureau currently operates under the aegis of the Ministry of Industry, Commerce and Consumer Protection.

Standards Council

The Standards Council consists of members from the industry, scientific and academic institutions, consumer organization and professional bodies. The constitution of the Standards Council is as follows:

- a Chairperson, nominated by the Minister responsible for the subject of industry;
- a representative of the Ministry responsible for the subject of industry;
- a representative of the Ministry responsible for the subject of Consumer Protection;
- a representative of the University of Mauritius;
- a representative of the Mauritius Chamber of Commerce and Industry;
- a representative of the Institution of Engineers (Mauritius);
- a representative of the Mauritius Employers' Federation;
- three members appointed by the Minister, one of whom shall be a member from a consumer organization.

The Standards Council formulates the general policies and strategies of the Bureau while the Director is responsible for executing them and managing the day-to-day activities of the organization.

The Standards Council was reconstituted for a further period of three years effective from 2 July 2012.

The composition of the Standards Council is given on page 8.

CORPORATE GOVERNANCE

Mandate of the Mauritius Standards Bureau

The statutory objects of the Bureau are to:

- promote and encourage standardization and quality assurance in industry and trade;
- prepare, frame, amend and revise standards;
- conduct tests on materials and other products;
- hold and maintain the national measurement standards;
- calibrate the secondary measurement standards;
- test precision instruments and measuring apparatus so as to determine their degree of accuracy and to calibrate them;
- assess management system for compliance to international standards;
- control the use of the certification mark; and
- provide training courses in standardization, quality assurance and related subjects

Strategic Plan 2008 – 2012

The Strategic Plan 2008-2012 was chalked out with a view to transforming the Bureau into an effective, efficient and financially sustainable organization as well as providing the necessary underpinnings to the economic, industrial and social policies of the Government. The main thrusts of the Strategic Plan are to:

- provide the necessary underpinnings to emerging growth poles such as the fish and fish product sector, the renewable energy sector, the biotechnology sector as well as support the concept of ethical trade;
- consolidate existing type activities with a renewed frame on value-addition activities of the manufacturing sector;
- extend the range of certification and testing services;
- maintain the existing accreditation status of MSB's laboratories and to extend the scopes of accreditation;
- re-engineer the activities to factor in parameters such as cost reduction, and high revenue generation;
- revamp the training activities, and
- develop capacity and capability in order to keep abreast of technological changes.

The Strategic Plan has enabled the Bureau to position itself firmly in the Mauritian market and to significantly increase its market share.

The Strategic Plan 2008 – 2012 is embedded in an annual Programme Based Budget with defined outputs and outcomes. The programmes for 2012 as highlighted in the Programme Based Budget are :

- Policy and Management at MSB
- Support to Government and Industry in Standard and Measurement Traceability
- Conformity Assessment and Training Services

Vision, Mission Statement and Quality Policy

The Bureau has spelt out a vision, mission statement and quality policy with the twin objectives of re-orienting the organization in the emerging turbulent environment and of excelling in the delivery of Metrology, Standards, Testing and Quality Assurance (MSTQ) and related services.

Vision

To be the Centre of Excellence in Standards, Metrology and Conformity Assessment Services.

Mission Statement

To promote and provide market relevant Standards, Metrology and internationally recognized Conformity Assessment Services for the Business Community, Government and Society at large.

Quality Policy

MSB's policy is to promote and provide market relevant standards, and internationally recognized conformity assessment services to all sectors of the economy in order to enhance competitiveness of both private and public institutions in meeting the challenges of globalization.

MSB commits itself to good professional practice and to the quality of its services

MSB understands the importance of impartiality in carrying out its activities, manages conflict of interest and ensures the objectivity of its activities

MSB commits itself to continually improve and upgrade its internal system and optimize its resources in order to add value to the services provided

CORPORATE GOVERNANCE REPORT

All staff of MSB including support services concerned with conformity assessment services should ensure that they familiarize themselves with the quality documentation system and implement the policies and procedures in their works

MSB ensures that it meets the requirements of its customers and safeguards the confidentiality of its clients' information

Composition of the Standards Council as from 2 July 2012

Mr E Lallmahomed	Chairperson
Mr A Y Bissessur	Member of Consumer Organization.
Mr G Caniah	Appointed by Minister
Mr D Deenoo	Representative of the Ministry of Industry, Commerce and Consumer Protection (Commerce Division)
Mr M S Joomun	Representative of the Ministry of Industry, Commerce and Consumer Protection (Industry Division)
Mr A Kaidoo	Representative of the Mauritius Chamber of Commerce and Industry
Mr S Tengur	Appointed by Minister
Dr A K Seebaluck	Representative of the University of Mauritius
Dr V S Ragoobur	Representative of the Mauritius Employers' Federation
Mr H Jadav	Representative of the Institution of Engineers (Mtius)

During the period 1 January to 31 December 2012 the Standards Council met nine times.

Standards Council Committees

In the conduct of its mandate, the Standards Council is assisted by four Committees namely; the Human Resource Committee, the Finance Committee, the Audit Committee and the Risk Management Committee. The membership of these committees are given below:

CORPORATE GOVERNANCE REPORT

The Human Resource Committee as from 2 July 2012

Mr M S Joomun	-	Chairperson
Mr A Y Bissessur	-	Council Member
Mr G Caniah	-	Council Member
Dr V S Ragoobur	-	Council Member

The Human Resource Committee met eight times during the period under review.

The Finance Committee as from 2 July 2012

Dr V S Ragoobur	-	Chairperson
Mr D Deenoo	-	Council Member
Mr A Y Bissessur	-	Council Member

The Finance Committee met four times during the period under review.

The Audit Committee as from 2 July 2012

Mr S Tengur	-	Chairperson
Mr M S Joomun	-	Member
Mr A Kaidoo	-	Member

The Audit Committee held two meetings during the period under review.

The Risk Management Committee as from 2 July 2012

Mr A Kaidoo	-	Chairperson
Mr S Tengur	-	Member

The Risk Management Committee held one meeting in 2012.

CORPORATE GOVERNANCE REPORT

Standards Council Members' Remuneration

The fees paid to the Chairperson and Council Members are in accordance with the recommendations of the Pay Research Bureau. The Chairperson of the Standards Council was paid Rs 21 000 per month.

The total fees paid to the Chairperson of the Standards Council and Board Members from 1 January 2012 to 2 July 2012 are given below:

	Total amount paid (Rs)
Miss R V Bunwaree	84 000
Mr M S Joomun	25 300
Dr D K Hureeram	6 000
Mr M Veeramootoo	4 000
Mr I A Tarsoo	7 300
Dr V S Ragoobur	7 600
Mr S Y Munbodh	1 000
Mr A Kaidoo	7 300
Mr D Bheekhoo	3 000

The total fees paid to the Chairperson of the Standards Council and Board Members from 2 July 2012 are given below:

	Total amount paid (Rs)
Mr E Lallmahomed	126 000
Mr M S Joomun	42 200
Mr A Y Bissessur	8000
Mr D Deenoo	2000
Mr G Caniah	5000
Dr V S Ragoobur	17 900
Dr A K Seebaluck	5000
Mr H Jadav	4000
Mr A Kaidoo	13 300
Mr S Tengur	7600

CORPORATE GOVERNANCE REPORT

Procurement of goods and services

The procurement of goods and services is conducted in accordance with the Public Procurement Act 2006. There is a 3-tier structure established within the organization to ensure compliance with procurement regulations and guidelines. The first-tier consists of a Departmental Tender Committee, which is responsible for the opening of bids and the constitution of the Bid Evaluation Committee comprising at least three staff members from the relevant divisions. These assessors evaluate the bids as per pre-determined criteria and submit their findings to the Departmental Tender Committee. This committee screens the findings and submits their reports to the Finance Committee, which comprises three Board members. The Finance Committee makes their recommendations to the Standards Council for final approval.

During the period 1 January 2012 to 31 December 2012 the Bureau awarded seven contracts for the total sum of Rs 3 780 708.

Donation

No donation was effected during the year.

Code of Ethics

The Mauritius Standards Bureau has set up a Code of Ethics and Standard of Business Practice for its staff. The aim of the document is to provide guidelines for ethical behaviour and good corporate practices.

The Bureau also provides a safe workplace for its staff together with a medical scheme and an insurance cover.

Related Party Transaction

There has not been any related party transaction during the year.

STATEMENT OF RESPONSIBILITIES OF MEMBERS OF THE STANDARDS COUNCIL OF MAURITIUS STANDARDS BUREAU

The members of the Standards Council of Mauritius Standards Bureau acknowledges its responsibilities for:

- adequate accounting records and maintenance of effective internal control systems;
- the preparation of financial statements which fairly present the state of affairs of the Mauritius Standards Bureau as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Public Sector Accounting Standards (IPSAS); and
- the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The Director of Audit of the National Audit Office is the external auditor responsible for an independent opinion on whether the financial statements show a true and fair view in accordance with the MSB Act and the Financial Reporting Act 2004.

The members of the Standards Council of Mauritius Standards Bureau report that:

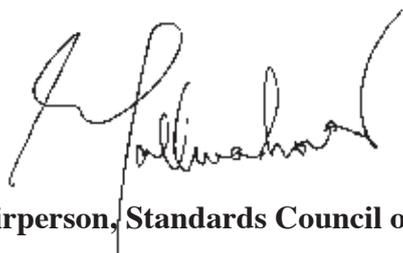
- adequate accounting records and an effective system of internal controls have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- applicable accounting standards have been adhered to; and
- the code of Corporate Governance as applicable to State-Owned Enterprises has been adhered.

Risk Management

The members of Standards Council of the Mauritius Standards Bureau are made fully aware of the various issues and risks affecting the activities of the Mauritius Standards Bureau. The members of the Standards Council of Mauritius Standards Bureau are responsible for taking appropriate action to mitigate these risks using such measures, policies and procedures and other controls that they deem fit.

Governance

The members of the Standards Council of MSB endeavour to apply principles of good governance at the level of the Mauritius Standards Bureau.



Chairperson, Standards Council of MSB



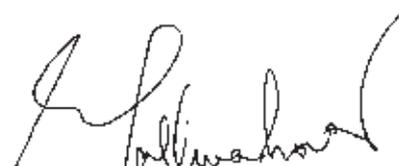
Member, Standards Council of MSB

STATEMENT OF MEMBERS OF THE STANDARDS COUNCIL OF MSB ON INTERNAL CONTROL

The members of the Standards Council of the Mauritius Standards Bureau acknowledge its responsibility for the setting up of adequate system of internal controls and for the setting up of appropriate policies to provide reasonable assurance that the control objectives have been attained. The activities are closely monitored by the members of the Standards Council of the Mauritius Standards Bureau and procedures and policies are well documented and consistently applied. Management has the relevant experience and skills to ensure proper running of the Mauritius Standards Bureau.

An Internal Auditor has been recruited to strengthen the internal control of accounting and related procedures. Furthermore, an effective and efficient system has been established, which includes:

- Proper segregation of duties whereby the different functions in process are crosschecked and verified.
- Expenditure limits for the executive Director has been fixed by the Standards Council of MSB and all purchases are duly authorized by the appropriate instances.
- Follow up and implementations of recommendation of the Director of Audit in order to improve the process and ensure proper accountability, is regularly adhered to.
- Adequate supervision of duties performed by staff members by executive Director.
- The assets of the Mauritius Standards Bureau are properly safeguarded.
- All cheques issued by the Mauritius Standards Bureau are signed by two authorised signatories.


Chairperson, Standards Council of MSB


Member, Standards Council of MSB

Operational activities

Photo

STANDARDS DEVELOPMENT UNIT

The Standards Development Unit is entrusted with the responsibility of developing Mauritian Standards (MS). Mauritian Standards are consensus-based documents prepared in an open, transparent and impartial manner in line with the prescribed Code of Good Practice for the Preparation, Adoption and Application of Standards as stipulated in Annex 3 of the WTO-TBT Agreement. Mauritian Standards are developed through the committee structure. There are thirteen standards committees and twenty eight subcommittees for the formulation of standards in various technological areas such as: building and construction, chemical technology, information technology, electrical engineering, food technology, mechanical engineering, metrology, textile and footwear, environmental management, energy management, quality management, social security and welfare and conformity assessment.

The Standards Committees and subcommittees held eighty two meetings and developed sixty- three standards bringing the portfolio of Mauritian Standards to 412.

Some of the newly developed standards have provided the economic operators with a window of opportunities for technology improvement and adoption of international best practices. The Standards Development Unit has also been an early adopter of standards and normative documents that underpin the green strategies and health and safety policies of the Mauritian Government. Some of the standards developed during the year under review cover Basmati rice, storage water tanks, polyethylene pipes for water and sewerage, portable fire-extinguishers, cement, photo-voltaic stand-alone systems.

Several Mauritian Standards have also been referenced in various legislation to enhance the safety and health of the consumers. Standards on toys, electric cables, carbon steel bars, lighters, PVC pipes and fittings, among others, have been declared as mandatory standards.

Economic benefits of standards

The Mauritius Standards Bureau also undertook a study in collaboration with the International Organization for Standardization on the economic benefits of Standards. A case study was conducted in an enterprise manufacturing plastic pipes and products and it was found that the use of standards increased its annual turnover by 4.2 per cent.

Regional Workshop on Stakeholder Engagement and Participation in Standardization

The Mauritius Standards Bureau hosted a three-day regional workshop from 16 – 18 October 2012 on Stakeholder Engagement and Participation in Standardization organized jointly by the Bureau and the International Organization for Standardization. The objective of the workshop was to provide an overview of the benefits of international standards and how to engage stakeholders and drive effective stakeholders participation. Twenty-eight participants from the African region and eight officers from Mauritius attended the workshop. A half-day seminar was also held on 16 October 2012 to mark the World Standards Day. The theme for this year being “Less waste, better results- Standards increase efficiency”.

Promotion of Standards

The Standards Development Unit maintained its Information, Education and Communication (IEC) Campaign to sensitize the economic sectors, the Government and the public in general on standards having significant trade implications or having an impact on consumers’ health and safety.

Photo

QUALITY ASSURANCE UNIT

1 Introduction

Certification is a conformity assessment tool attesting that products, processes, and systems meet the relevant requirements. The Quality Assurance Unit is responsible for operating the certification scheme at MSB. The Unit is also mandated to promote quality and to provide training in the quality and quality related subjects.

2 The Product Certification Scheme (MAURICERT)

The Product certification mark scheme known as MAURICERT was established in 1979. It is a third-party certification scheme whereby licenses to use the MSB certification mark are granted to firms when their products or processes comply with all the requirements of the relevant Mauritian Standards (MS). This provides assurance to the Mauritian consumers that the certified product is safe and reliable and meets the performance characteristics. Product certification involves Pre-Market Assessment (PMA) and Post-Market Surveillance (PMS) and includes testing of samples from the factory, monitoring of production under an approved Quality Plan as well as testing of samples purchased from the market. The product certification scheme is operated in a transparent, impartial and non-discriminatory manner and in accordance with regulations prescribed under the Mauritius Standards Bureau Act 1993. These Regulations were reviewed and promulgated this year.

During the period under review five new licenses were issued bringing the total to fifty-one. The products certified under the MAURICERT Scheme include, among others, carbon steel bars, sunflower oil, edible oils and fats, bottled drinking water, emulsion paints, processed chicken, detergents, basmati rice and compost.

3. Management Systems Certification Scheme

The Quality Assurance Unit manages five management systems certification namely:

- The National Quality Management Systems Certification Scheme (NQMSCS) as per MS ISO 9001
- The National Food Safety Management Systems Certification Scheme (NFSMSCS) as per MS 133 and MS ISO 22000.
- The Environmental Management System Certification Scheme (EMSCS) as per MS ISO 14001
- The Information Security Management System Certification Scheme as per MS ISO 27001
- The National Occupational Health and Safety Management System Certification Scheme as per MS OHSAS 18001.

During the period under review fourteen certificates of registration under the various management systems certification schemes granted as listed hereunder:

<i>Management System</i>	<i>New certificates issued</i>	<i>Total operative certificates</i>
Quality Management System (MS ISO 9001)	12	76
Food Safety Management Systems (MS ISO 22000)	-	3
HACCP – (MS 133:2005)	1	8
Information Security Management System (ISO/IEC 27001)	1	3

Human resources are central to certification activities. MSB pool of auditors consists of four Lead Auditors who are registered with the International Register of Certified Auditors while six auditors are declared competent under the National Quality Management Systems Certification Scheme (NQMSCS)

4. Accreditation of Management Systems

The Quality Management Certification System (MS ISO 9001) is accredited from RVA (Dutch Council for Accreditation) and from the Norwegian Accreditation Body/ MAURITAS (NORAD/MAURITAS) while the HACCP and ISO/IEC 27001 registration scheme have been accredited by NORAD/MAURITAS. The accreditation of the Quality Management System Certification Schemes has been renewed up to 18 December 2012 while the other two schemes have been maintained by NORAD/MAURITAS up to 12 May 2014.

The impartiality of the Management Certification Schemes, is ensured by an independent committee comprising various stakeholders who meet at least once in a year.

5. Environmental Friendly Label

The Quality Assurance Unit is piloting a project for the grant of an Environmental Friendly Label for locally manufacturing sector and service sector in collaboration with the Ministry of Environment and the National Development Unit with financial assistance from Maurice Ile Durable (MID).

6 Training Courses

During the year 2012, the Quality Assurance Unit organized training courses namely on Preparing for MS ISO 9001:2008 Assessment, Internal Auditing Techniques, Food Safety Management Systems and Hazard Analysis and Critical Control Points (HACCP). One hundred and ninety-six participants attended the various courses.

7 Quality Awareness

The Quality Assurance Unit delivered lectures, held workshops and awareness courses to sensitize stakeholders and the public in general on the importance of quality and motivate organization to implement the appropriate management systems in order to satisfy their customers and meet their needs.

DOCUMENTATION AND INFORMATION CENTRE

The Documentation and Information Centre is a technical library and a resource centre for standards and other normative documents. The collection of standards are current Mauritian Standards as well as updated foreign and international standards. The stock is made up mainly of the whole set of International Standards, British Standards, Standards from American Society for Testing Materials (ASTM), South African National Standards (SANS), partial sets of Australian, Indian, Singapore and IEC standards as well as Normes Françaises (French Standards). The center is also a repository for some 2000 specialized books on management, marketing, quality, food technology and HACCP.

The Documentation and Information Centre is the WTO/TBT National Enquiry Point, that is, for Standards, Technical Regulations and Conformity Assessment procedures. Thus it has an obligation to respond to reasonable enquiries from member states on draft technical regulations, standards and conformity assessment procedures and to manage the information exchange systems on these issues. The aim is to remove technical barriers to trade (TBT) by disseminating information on draft technical regulations in a transparent manner, so as to give opportunity to all signatories to comment.

The Documentation and Information Centre is also the secretariat for the National Steering Committee for Technical Regulations whose objective is to encourage and provide a unitary approach to the formulation of technical regulations and for the diffusion of information on technical regulations.

Photo

METROLOGY UNIT

Metrology, the science of measurement, is broadly categorized under three separate and distinct fields, namely scientific, industrial and legal metrology.

The Mauritius Standards Bureau plays a crucial role in the National metrology infrastructure of Mauritius. The Legal Metrology Services which operates under the Ministry of Industry, Commerce and Consumer Protection is another important building block at the third level in the hierarchy.

National reference measurement standards

The Scientific and Industrial Metrology Unit of the Mauritius Standards Bureau is the custodian of the National measurement standards for mass, length, force, thermometry, pressure and electricity and comprise stainless steel masses, a standard metre of stainless steel, set of gauge blocks, set of dynamometric bridges, dead-weight tester, standard platinum resistance thermometer, DC voltage reference standard and standard resistors respectively. The national measurement standards are traceable to higher internationally recognized standards of measurements and are calibrated at regular intervals in overseas internationally recognized metrology institution.

Calibration services

The Metrology Unit provides traceability of measurement to all stakeholders of the economy through calibration services that are carried out “in-situ” as well as “in-house.” A wide range of working standards and measuring standards can be calibrated such as:-

- Mass – Automatic and non-automatic balances, weights
- Dimension – Micrometers, calipers, measuring tapes, rulers, thickness gauges, Dial gauges
- Temperature – Liquid-in glass thermometers, thermocouples, temperature gauges, cold rooms, ovens, furnaces, digital thermometers

- Pressure – Pressure gauges and vacuum gauges
- Force – Compression and tensile testing machines
- Electricity – Multimeters, ammeters, resistors

The Mass, Dimension and Temperature measurement laboratories have been accredited by Mauritian Accreditation Service (MAURITAS) and the South African National Accreditation Services (SANAS) and for seven calibration scopes since 2010.

Mauritius, through the Metrology Unit of the Bureau is an Associate Member of the International Bureau of Weights and Measures (Bureau International des Poids et Mesures, BIPM) and a Signatory to the CIPM/MRA- that is, the Mutual Recognition Arrangement with the CIPM for ultimate international recognition of Certificates issued. This membership is a means to promote the international recognition of the national measurement system, and hence attraction of potential investors in Mauritius.

During the year under review the six measurement Laboratories of the Metrology Unit have ensured maintenance of the National Measurement System as well as the accreditation status and have calibrated 1191 measuring standards and issued 915 calibration reports.

LABORATORY TESTING SERVICES

TESTING AND RELATED SERVICES

The testing laboratories of the Mauritius Standards Bureau have evolved and matured into sophisticated testing houses. The laboratories have witnessed two major and distinct phases of development. During the first-stage, the testing activities consisted primarily of identifying constituent elements a content of products. The aim was to ensure that the basic requirements such as the percentage of materials used are met in the manufacture of products. The equipment and apparatus used were simple and basic.

A public health, safety and security issues assumed greater importance among regulatory bodies, consumer organization and end-users, the laboratories geared themselves to meet the new testing demands of the various stakeholders. This was the second-stage of development. During that phase the tests includes among other, detectives of contaminants, micro-biological examination, verification of trace metals in food and food products, determination of impurities, adulterants, pollutants, travel agencies and non-destructive analysis.

The laboratories also acquired new skills and competence. New sophisticated analytical instrumentation was procured to improve testing sensitivity and to extend the range of testing activities. The organization set up new testing facilities such as Food Microbiology Laboratory and the Non-Destructive Testing Facility within its laboratory structure. The laboratory structure of MSB is given on page 24 to 31.

The Chemical Unit englobes testing facilities such as Chemical Technology Laboratory, the Food Microbiology Laboratory, the food and Agriculture Laboratory and the Fibre Technology Laboratory.

The Engineering Unit comprises the Mechanical/NDT Engineering Laboratory, the Civil Engineering Laboratory and the Electrical and Electronics Engineering Laboratory.

With the landslide changes occurring to-day in international trade and with the advent of the new emerging poles of investment, the third-phase of development of MSB's laboratories are on the anvil to pioneer new testing activities. The stage is set for MSB's testing laboratories to support the novel concepts of sustainable development, and for equitable and ethical commerce.

This part of the report reviews the activities of the various laboratories for the period 1 January to 31 December 2012.

Photo

The Chemical Technology Laboratory

The Chemical Technology Laboratory is among the first laboratories set up at MSB. The laboratory was initially established to support the product certification mark scheme (MAURICERT) and tests were conducted primarily on certified products to assess compliance to Mauritian Standards.

The Chemical Technology Laboratory has since then modernized and upgraded its testing activities. Nowadays, it provides testing services to the manufacturing and services sectors the Government, the regulatory bodies and the public in general. State-of-art equipment and modern techniques have been introduced to carry out tests and analyses.

The Laboratory has improved in capacity and capability to undertake a wide range of highly sensitive tests as listed below:-

- The detection of trace metals such as lead, mercury and cadmium in food and food products as well as in other materials
- The determination of nitrogen, sulphur, carbon, phosphorus, manganese, chromium, nickel, molybdenum, silicon and copper in carbon steel bars and stainless steel materials.
- The evaluation of flash-point temperature of fuel and other petroleum products
- The determination of sulphates and chlorides in building materials and
- The Chemical Technology Laboratory has strengthened in testing capability through the procurement of equipment such as:
 - Inductively-coupled plasma-optical emission spectrometer
 - Carbon/sulphur analyser
 - Nitrogen/oxygen/hydrogen analyser
 - Differential scanning calorimeter

- The Chemical Technology laboratory is accredited for various scopes and has participated in the following proficiency testing and inter-laboratory comparison programmes:
- ASTM International Proficiency Test program
- SADC MET Water Proficiency Test

During the period under review, the Chemical Technology laboratory conducted tests on 1959 samples and issued 444 test reports.

Photo

Food Microbiology Laboratory

The Food Microbiology Laboratory was set up with the view to ensuring the quality and safety of food and food products at every level of the food chain, that is, from the “Farm to the Fork”. The Food Microbiology facility is a purpose-built laboratory with adequate infrastructure and sterile environmental conditions to prevent cross-contamination during microbiological examinations. The testing activities cover detection of pathogen such as, *Escherichia coli*, *Salmonella* species, *Clostridium* species, *Staphylococcus aureus*, as well as Total Viable Counts (TVC) of micro-organisms, yeast and moulds counts. The laboratory also performs Evaluation of air microflora and Cleaning and disinfection efficacy test to assess hygiene status of food processing units. The list of tests mentioned is indicative and not exhaustive.

The Food Microbiology facility possesses basic equipment for Microbiological as such as bio-safety cabinets, autoclaves, controlled ovens, stomacher microscope and colony counter.

The laboratory carries out microbiological analysis on a wide range of food and food products such as fish and fish products, tap water, bottled drinking water, milk and dairy products, meat and animal feeds.

The Food Microbiology Laboratory is accredited for various scopes and has entered into agreement with various proficiency testing agencies and local laboratories to validate its testing methods and testing results.

Proficiency tests were carried on a regular basis with FAPAS Central Science Laboratory (UK), National Laboratory Association (South-Africa) and inter-laboratory tests with Food Technology Laboratory, Candos Hospital and Princes Tuna Mauritius Ltd.

During the period under review, the Food Microbiology Laboratory conducted tests on 475 samples and issued 201 reports.

Food and Agriculture Laboratory

The Food and Agriculture Laboratory together with the Food and Microbiology and Chemical Technology Laboratories provide a comprehensive range of tests which support the “Farm to Fork” concept. The Food and Agriculture Laboratory is a specialized testing facility in the chemical and physico-chemical analysis of food, food products and animal feeds and thus ensures food safety at every level of the food supply chain. It is a modern laboratory equipped with high precision analytical instruments. The major items of instrumentation are listed hereunder:

- A UV – Visible Spectrophotometer
- A Kjeldahl Digestion and Distillation System
- Fat Determination System
- Fluorometer
- Glutomatic System
- Refractometer

The testing activities of the laboratory include, among others, the determination of fat content in dried milk powder; ethanol or methanol content in alcohol; protein, phosphorus and calcium content in animal feeds, crude fibre content, ash content, kernel characteristics in cereals and cereal products, rice testing, Gluter test and water pick up in processed chicken.

The Food and Agriculture Laboratory entered into agreement for proficiency testing with Central Service Laboratory (UK) – FAPAS and Laboratoriz and inter-laboratory comparison with Mauritius Sugar Institute Research Institute, Food Technology Laboratory, Mauritius Turf Club Laboratory, National Environmental Laboratory and Government Analysis Division of Ministry of Health.

During the period under review the Food and Agriculture Laboratory carried out tests on 614 samples and issued 284 test reports.

Fibre Technology Laboratory

The Fibre Technology Laboratory was set up to support the growth of companies in the textile and clothing business with a view to strengthening their in house quality control system. The Laboratory has diversified its testing activities into other sectors such as leather, footwear, paper and paper products and toys. It provides testing for a wide range of items which include, among others, yarn analysis, yarn twist, colour fastness, flammability test, determination of tearing strength , flex resistance of tarpaulin, coated materials, grammage and moisture content on paper and paper products.

The Fibre Technology Laboratory has also acquired a Fall Hammer Testing Machine for the testing of impact resistance of safety toe cap on footwear products.

The major equipment in the Fibre Technology Laboratories are:

- The Uster Evenness Tester (to test yarn hairness)
- The Flammability Tester (to test flammability of fabrics)
- The Fall Hammer Testing Machine(to test impact resistance of toe cap of footwear)
- Flex Tester (for leather testing)
- Wascator (to determine the Dimensional Stability of fabrics/garments)

The Laboratory continued its Proficiency Testing Programme with the American Association of Textile Chemists and Colorists and LGC France for flammability tests. Inter-laboratory testing programmes were also conducted with local organizations such as, Star Knitwear, Floreal Knitwear, University of Mauritius and Intertek Laboratory.

The personnel of the Fibre Technology Laboratory also carried out documentation verification for the import and commercialization of toys, gas lighters, gas hoses, motorcycle helmets and plastic pipes.

The Fibre Technology Laboratory conducted tests on 1142 samples and issued 978 test reports.

Photo

Mechanical Engineering Laboratory

The Mechanical Engineering is a specially designed testing facility for conducting tests to determine the mechanical and physical properties of ferrous and non-ferrous materials. The Laboratory carries out tensile and compression tests, measures hardness of items and non-bend metals and determine strength of metal. It is equipped with the following equipment:

- Universal Testing Machine (100 KN)
- Hardness Testing
- Impact Testing Machine

The bulk of the Laboratory tests are carried out on behalf of the regulatory body mandated to control steel bars on the domestic market. In fact, the Mechanical Engineering Laboratory is the designated facility by the regulatory authority for the analysis of steel bars as per Steel bars and Steel wires (Mauritian Standards Specifications) Regulations 1988 made under the Fair Trading Act. Tests are also conducted for manufacturers of steel bars to strengthen their quality control system.

The Mechanical Engineering Laboratory carries out test equally for Licensees of MSB for products such as welded mesh and steel wires.

During the year under review the Mechanical Engineering Laboratory conducted tests on 6428 samples and issued 483 test reports.

Non Destructive Testing Laboratory (NDT)

Non-Destructive Testing Laboratory is a modern facility for metallurgy analysis for determining material composition and detecting material defects. It is also widely being recognized that Public Safety and Occupational Safety can be enhanced through non-destructive and hazardous equipment. The Non-Destructive Testing Laboratory provides testing facilities in four disciplines, that is, Ultrasonics Testing (UT), Radiography Testing (RT), Magnetic Particle Testing (MPT), and Liquid Penetrant Testing (LPT). The personnel has acquired competence in the four NDT disciplines from accredited training institutions and are fully qualified to issue test certificates for non-destructive testing in these four disciplines.

The Laboratory is equipped with the sophisticated state-of-the-art equipment for non-destructive testing such as the portable Ultrasonic Flaw Detector, the Portable Magnetic Particle Tester, the Radiographic (X-ray) Tester and the Portable Metal Spectroscope.

The Laboratory conducts tests on LPG cylinders, gas tanks, turbines, mechanical parts of heavy duty machines and equipment used in the sugar industry. The technical personnel of the NDT Laboratory also carries out technical investigation on equipment used in children's playground, on outboard motors and on LPG gas regulators.

During the period under review, the Non Destructive Testing Laboratory conducted tests on 204 samples and issued 102 test reports.

Photo

Civil Engineering Testing Laboratories

The Civil Engineering Testing Laboratory is a modern testing facility with a wide experience and expertise in materials testing for the construction industry and for civil engineering projects. Both laboratory and field testing are offered. Civil Engineering testing activities are crucial to guarantee that structures made from building materials are safe and meet the required technical specifications.

The Civil Engineering Testing Laboratory comprises the Concrete Technology Testing Laboratory, the Cement Testing Laboratory, the Plastic Pipes Testing Laboratory, Aggregates Testing Laboratory and NDT Concrete Laboratory.

In the Concrete Technology Testing Laboratory, tests are carried out to determine the strength of concrete from samples taken during casting as well as from existing structures. The laboratory is equipped with a Compression testing machine whereby strength of concrete, concrete building blocks and paving bricks can be determined.

Similarly, in the Cement Testing Laboratory, a wide range of tests is carried out to assess physical and mechanical properties of cement such as density, the fineness, consistency, soundness, initial and final setting time of cement. Testing on CEM II cement is also being performed in the laboratory.

The Plastic Pipes Testing Laboratory has been upgraded and is now endowed with a set of state-of-the-art equipment for the testing of plastic pipes including Polyvinyl Chloride, Polyethylene and Polypropylene pipes. It is to be noted that the testing of plastic pipes and fittings is mandatory. Tests are also performed on polyethylene water tanks as per the relevant Mauritian Standard.

A wide range of products such as coarse aggregates, fine aggregates tiles and ceramic tiles are tested in the Aggregate Testing Laboratory. The tests performed include aggregate impact test, aggregate crushing test, resistance to degradation, sieve analysis, bulk density, specific density and water absorption.

The NDT Concrete Laboratory is still in its embryonic state. Initiatives have been taken to make it operational by the end of 2013. The latest testing techniques has been acquired and efforts have been stepped up to build up capacity to offer high quality non-destructive testing on building materials.

The Civil Engineering Testing Laboratory is accredited for the testing of concrete cubes. It has recently joined the proficiency testing of cement with PTB BAM Federal Institute for Material Research Institute.

During the period under review the Civil Engineering Testing Laboratory has tested 9301 samples and issued 3955 test reports.

REPORT OF
THE DIRECTOR
OF AUDIT



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE COUNCIL OF THE

MAURITIUS STANDARDS BUREAU

Report on the Financial Statements

I have audited the financial statements of the Mauritius Standards Bureau which comprise the statement of financial position as at 31 December 2012, the statement of financial performance, statement of changes in net assets/equity and the statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards and in compliance with the Statutory Bodies (Accounts and Audit) Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 control. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Mauritius Standards Bureau as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Report on Other Legal and Regulatory Requirements

Management's Responsibility

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

Auditor's Responsibility

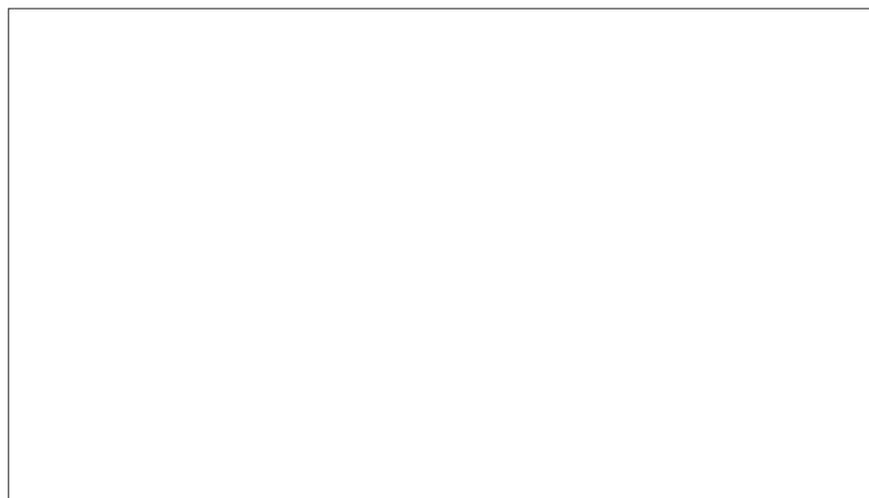
In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them. This responsibility includes performing procedures to obtain audit evidence about whether the entity's expenditure and income have been applied for the purposes intended by the legislature. Such procedures include the assessment of the risks of material non-compliance.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion on Compliance

Statutory Bodies (Accounts and Audit) Act

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.



Public Procurement Act

The Mauritius Standards Bureau is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of part V of the Act regarding the Bidding Process have been complied with.

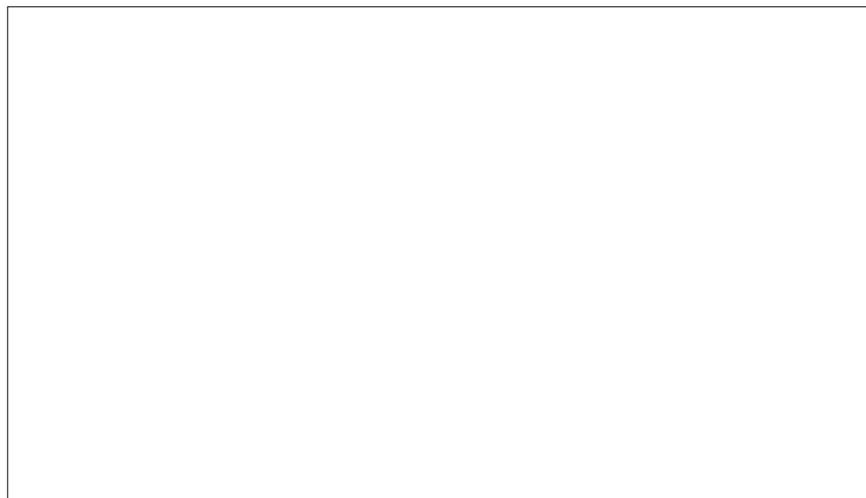
In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examinations of the relevant records.



(Dr R. JUGURNATH)
Director of Audit

National Audit Office
Level 14, Air Mauritius Centre
Port Louis

9 October 2013



**FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2012**

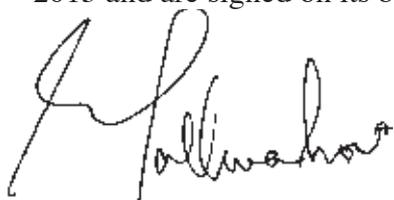
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Notes	As at 31.12.2012 MUR	As at 31.12.2011 MUR
ASSETS			
Current Assets			
Cash and cash equivalents		60,042,430	47,500,253
Trade and other receivables	8	5,016,047	9,375,167
Loan receivables from staff	9	882,892	1,252,780
		65,941,369	58,128,200
Non-current assets			
Loan receivables from staff	9	2,385,647	3,222,483
Property, plant and equipment	4	90,189,549	92,124,395
Software & Research and Development Costs	5	462,015	930,615
		93,037,211	96,277,493
TOTAL ASSETS		158,978,580	154,405,693
LIABILITIES			
Current liabilities			
Payables	13	3,058,888	6,587,700
Borrowing from Accountant General	15	882,892	1,252,780
Provisions	14	4,006,457	3,197,834
		7,948,237	11,038,314
Non-current liabilities			
Borrowing from Accountant General	15	2,385,644	3,222,483
Provisions	14	9,137,818	8,822,111
Retirement benefit obligations	10	10,869,326	7,521,495
		22,392,788	19,566,089
TOTAL LIABILITIES		30,341,025	30,604,403
NET ASSETS		128,637,555	123,801,290
NET ASSETS AND EQUITY			
Capital and reserves			
General fund		5,548,775	404,538
Revaluation reserve		48,371,525	48,371,524
Deferred capital grants	12	74,717,255	75,025,228
TOTAL NET ASSETS AND EQUITY		128,637,555	123,801,290

The notes on pages 49 to 77 form part of the financial statements.

The financial statements were approved by Standards Council members on 25 September 2013 and are signed on its behalf by:



Mr E Lallmahomed
Chairman, Standards Council



Dr V S Ragoobur
Member, Standards Council

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR 31 DECEMBER 2012**

	Notes	2012 MUR	2011 MUR
REVENUE			
Rendering of services	16	27,288,544	23,219,533
Recurrent Grants	11	30,945,536	27,000,000
Deferred Income	12	11,807,974	11,188,948
Other revenue		985,508	948,095
TOTAL REVENUE		71,027,562	62,356,576
EXPENSES			
Staff costs	17	40,381,903	38,561,506
Administrative and Operating Expenses	18-19	13,693,448	14,255,624
Depreciation		11,807,974	11,188,948
TOTAL EXPENDITURE		65,883,325	64,006,078
SURPLUS/(DEFICIT) FOR THE YEAR		5,144,237	(1,649,502)

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

	General Fund MUR	Revaluation Reserve MUR	Capital Grant Received MUR	Total MUR
Balance as at 01 January 2012	404,538	48,371,524	75,025,228	123,801,290
Received during the period			11,500,000	11,500,000
Deferred Income released	-		(11,807,974)	(11,807,974)
Gain for the period	5,144,237			5,144,237
Balance as at 2012 31 December	5,548,775	48,371,524	74,717,254	128,637,553

**STATEMENT OF CASHFLOWS
FOR THE YEAR 31 DECEMBER 2012**

	2012 MUR	2011 MUR
Cash flow from operating activities		
Surplus for the period	5,144,237	(1,649,502)
Non-cash movements:		
Depreciation	11,807,974	11,188,948
Deferred Income	(11,807,974)	(11,188,948)
Other income	(985,508)	(948,095)
Operating surplus before working capital changes	4,158,729	(2,597,597)
Movement in Working Capital:		
Decrease in loan receivable	(1,206,724)	(51,056)
Decrease in trade and other receivables	4,359,120	3,046,433
Decrease in loan payables	1,206,724	51,056
Decrease in payables	(3,528,812)	347,812
Increase in provision	1,124,330	298,464
Increase in retirement benefits obligation	3,347,830	2,935,671
Net Cash Flow from Operating Activities	9,461,197	4,030,783
Net Cash flows from investing activities		
Acquisition of fixed assets	(9,404,528)	(5,415,078)
Net cash flow from investing activities	(9,404,528)	(5,415,078)
Net Cash flow from financing activities		
Other income	985,508	948,095
Grants from local source	11,500,000	10,000,000
Net Cash flow from financing activities	12,485,508	10,948,095
Net increase (decrease) in cash and cash equivalents	12,542,177	9,563,800
Cash and cash equivalents at the beginning of the period	47,500,253	37,936,453
Cash and cash equivalents at the end of the period	60,042,430	47,500,253

Notes to the Cash Flow Statement:

- a) Cash and cash equivalents for current and previous periods consist of balances with banks only. MSB does not hold any financial instruments and does not have any borrowing facilities with any bank.
- b) During the period, MSB acquired property, plant and equipment and software with an aggregate cost of Rs 9,404,528, which was acquired by means of capital grants by the Government of Mauritius. Cash payments of Rs 9,404,528 were made to purchase property, plant and equipment and software.

**STATEMENT OF OUTTURN
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Revised Budget	Actual Received/ Paid
	MUR	MUR
REVENUE FROM RENDERING OF SERVICES		
Training	2,000,000	1,673,500
Certification & Mauricert Scheme	3,200,000	3,092,416
Testing & related services	17,600,000	20,296,536
Calibration	1,500,000	1,477,545
Sale of Standards	1,175,000	889,544
Miscellaneous income	25,000	14,309
	25,500,000	27,443,850
Recurrent Grants	29,000,000	29,000,000
Interest Income	10	952,384
TOTAL	54,500,010	57,396,234
STAFF COST		
Basic Salaries	23,110,000	22,917,514
Extra Remuneration	730,000	725,011
End of Year Bonus	1,950,000	1,927,455
Duty Allowance	0	0
Gratuity	170,000	163,320
Allowances Responsibilities/Acting	1,025,000	1,021,604
Pension/NSF/FPS	3,700,000	3,676,290
Medical Scheme	105,000	99,495
Cash in lieu of Leave	875,000	857,423
Travelling and transport	3,175,000	3,163,552
Allowances in lieu of Passages	600,000	552,931
Fees to Chairman and Members of Standards Council and Technical Committees	525,000	505,768
Overtime	325,000	303,925
TOTAL STAFF COSTS	36,290,000	35,914,288

STATEMENT OF OUTTURN (Continued)

	Revised Budget	Actual Received/ Paid
	MUR	MUR
ADMINISTRATIVE AND OPERATING EXPENSES		
Office Expenses & Incidentals	670,000	675,899
Utilities	2,450,000	2,397,496
Maintenance and running of vehicles	250,000	231,408
Maintenance of Premises & Equipment	1,560,000	1,300,778
Training of Staff	125,000	88,993
Publications Promotional Materials	100,000	51,700
Uniforms & Protective Equipment	125,000	112,511
Apparatus & supplies of laboratory	950,000	927,374
Security Services	350,000	336,000
Seminars/Courses	650,000	451,428
Expenses and allowances outside Mauritius	275,000	253,973
Consultancy Services	125,000	106,864
Insurance premium	175,000	171,317
Legal and professional fees	470,000	468,550
Membership fees/Subscriptions	225,000	328,045
Royalty	200,000	68,802
Testing overseas & Proficiency	825,000	815,574
Calibration of standards	200,000	0
Contribution to IAEA/ISO/BIPM	1,291,000	1,285,020
ARSO-US \$ 8000	75,000	0
ISO EXPENSES-RVA Accreditation & lab	1,000,000	996,635
TOTAL	12,291,000	11,068,367
GRAND TOTAL	48,581,000	46,982,655

Outturn for the fiscal year 2012 has been presented on a cash basis. Variance between budgets and outturn are explained on page 46-47.

**STATEMENT OF BUDGETS, ACTUAL CASH AND ACCRUED
BASED-AMOUNTS FOR PERIOD ENDING 31 DECEMBER 2012**

	Original Budget	Revised Budget	Actual Received/ Paid	Financial Statement
	2012 MUR	2012 MUR	2012 MUR	2012 MUR
INCOME				
Training	2,000,000	2,000,000	1,673,500	1,676,100
Certification & Mauricert Scheme	3,200,000	3,200,000	3,092,416	3,322,376
Testing & related services	17,600,000	17,600,000	20,296,536	19,502,436
Calibration	1,500,000	1,500,000	1,477,545	1,466,950
Sale of Standards	1,175,000	1,175,000	889,544	873,766
Miscellaneous income	25,000	25,000	14,309	446,916
	25,500,000	25,500,000	27,443,850	27,288,544
Recurrent Grants	29,000,000	29,000,000	29,000,000	30,945,536
Interest Income	10	10	952,384	985,508
Deferred Income	-	-	-	11,807,974
TOTAL INCOME	54,500,010	54,500,010	57,396,234	71,027,562
STAFF COSTS				
Basic Salaries	24,600,000	23,110,000	22,917,514	22,889,516
Extra Remuneration	775,000	730,000	725,011	725,011
End of Year Bonus	2,115,000	1,950,000	1,927,455	1,927,455
Duty Allowance	250,000	-	-	-
Gratuity	180,000	170,000	163,320	163,320
Allowances Responsibilities/Acting	700,000	1,025,000	1,021,604	1,030,445
Pension/NSF/FPS	3,950,000	3,700,000	3,676,290	7,024,663
Medical Scheme	105,000	105,000	99,495	91,905
Cash in lieu of Leave	1,150,000	875,000	857,423	-
Provision for sick leave allowance	-	-	-	1,607,747
Travelling and transport	3,500,000	3,175,000	3,163,552	3,205,061
Allowances in lieu of Passages	1,175,000	600,000	552,931	926,936
Fees to Chairman and Members of Council and Technical Committees	775,000	525,000	505,768	461,039
Overtime	500,000	325,000	303,925	328,805
TOTAL STAFF COSTS	39,775,000	36,290,000	35,914,288	40,381,903

STATEMENT OF BUDGETS, ACTUAL CASH AND ACCRUED BASED-AMOUNTS FOR PERIOD ENDING 31 DECEMBER 2012 (CONTINUED)

	Original Budget 2012 MUR	Revised Budget 2012 MUR	Actual Received/ Paid 2012 MUR	Financial Statement 2012 MUR
ADMINISTRATIVE AND OPERATING EXPENSES				
Office Expenses & Incidentals	1,075,000	670,000	675,899	750,625
Utilities	2,625,000	2,450,000	2,397,496	2,437,309
Maintenance and running of vehicles	400,000	250,000	231,408	224,594
Maintenance of Premises & Equipment	1,550,000	1,560,000	1,300,778	1,186,667
Training of Staff	600,000	125,000	88,993	69,994
Publications Promotional Materials	500,000	100,000	51,700	23,460
Uniforms & Protective Equipment	150,000	125,000	112,511	44,908
Apparatus & supplies of laboratory	1,000,000	950,000	927,374	1,003,743
Security Services	550,000	350,000	336,000	336,000
Seminars/Courses	650,000	650,000	451,428	451,428
Expenses and allowances outside Mauritius	350,000	275,000	253,973	253,973
Consultancy Services	175,000	125,000	106,864	106,864
Insurance premium	275,000	175,000	171,317	180,010
Legal and professional fees	375,000	470,000	468,550	194,550
Membership fees/Subscriptions	275,000	225,000	328,045	183,620
Royalty	350,000	200,000	68,802	71,184
Testing overseas & Proficiency	450,000	825,000	815,574	2,971,848
Calibration of standards	200,000	200,000	-	-
Contribution to IAEA/ISO/BIPM	1,250,000	1,291,000	1,285,020	895,079
ARSO-US \$ 8000	275,000	275,000	-	-
ISO EXPENSES-RVA Accreditation & lab	1,150,000	1,000,000	996,635	938,963
TOTAL	14,225,000	12,291,000	11,068,367	12,324,819
Bad debts w/o	-	-	-	37,821
Increase in provision for bad debts	-	-	-	1,330,808
Depreciation	-	-	-	11,807,974
TOTAL	14,225,000	12,291,000	11,068,367	25,501,422
GRAND TOTAL	54,000,000	48,581,000	46,982,655	65,883,325
CAPITAL EXPENDITURE				
Building			232,215	232,215
Plant and Equipment	10,000,000	8,000,000	8,977,486	8,977,486
IT Equipment			157,866	157,866
Furniture and Fittings			36,961	36,961
TOTAL	10,000,000	8,000,000	9,404,528	9,404,528

Statement showing reasons for variances between Original and Revised Budget for the Year ended 31 December 2012

	Original Budget MUR	Revised Budget MUR	Variation Increase/ (Decrease) MUR	Comments
INCOME				
Training	2,000,000	2,000,000	-	
Certification & Mauricert Schemes	3,200,000	3,200,000	-	
Testing & related services	17,600,000	17,600,000	-	
Calibration	1,500,000	1,500,000	-	
Sale of Standards	1,175,000	1,175,000	-	
Miscellaneous income	25,000	25,000	-	
TOTAL	25,500,000	25,500,000	-	
STAFF COST				
Basic Salaries	24,600,000	23,110,000	1,490,000	Saving due to staff on leave without pay and vacancies not filled
Extra Remuneration	775,000	730,000	45,000	
End of Year Bonus	2,115,000	1,950,000	165,000	Over-provisions-Staff with salaries above Rs 30,000 not payable.
Duty Allowance	250,000	0	250,000	Saving due to staff on leave without pay and vacancies not filled
Gratuity	180,000	170,000	10,000	
Allowances Responsibilities/Acting	700,000	1,025,000	(325,000)	More acting allowance in view of vacancies not filled
Pension/NSF/FPS	3,950,000	3,700,000	250,000	
Medical Scheme	105,000	105,000	0	
Cash in lieu of Leave	1,150,000	875,000	275,000	Saving due to staff on leave without pay and vacancies not filled
Travelling and transport	3,500,000	3,175,000	325,000	
Allowances in lieu of Passages	1,175,000	600,000	575,000	
Fees to Chairman and Members of Standards Council and Technical Committees	775,000	525,000	250,000	Saving due to staff on leave without pay and vacancies not filled Less application for passage benefit than forecasted.
Overtime	500,000	325,000	175,000	
TOTAL STAFF COSTS	39,775,000	36,290,000	3,485,000	Less overtime worked in laboratories

Statement showing reasons for variances between Original and Revised Budget for the Year ended 31 December 2012

	Original Budget MUR	Revised Budget MUR	Variation Increase/ (Decrease) MUR	Comments
OTHER CHARGES				
Office Expenses & Incidentals	1,075,000	670,000	405,000	Savings were made to the item
Utilities	2,625,000	2,450,000	175,000	
Maintenance and running of vehicles	400,000	250,000	150,000	Savings were made to the item
Maintenance of Premises & Equipment	1,550,000	1,560,000	(10,000)	More repairs on laboratory equipment
Training of Staff	600,000	125,000	475,000	
Publications Promotional Materials	500,000	100,000	400,000	Savings were made to the item
Uniforms & Protective Equipment	150,000	125,000	25,000	Savings were made to the item
Apparatus & consumables of laboratory	1,000,000	950,000	50,000	
Security Services	550,000	350,000	200,000	Savings were made to the item
Seminars/Courses	650,000	650,000		Savings were made to the item
Expenses and allowances outside Mauritius	350,000	275,000	75,000	
Consultancy Services	175,000	125,000	50,000	Savings were made to the item
Insurance premium	275,000	175,000	100,000	
Legal and professional fees	375,000	470,000	(95,000)	Audit fees of 2010 & 2011 paid in 2012
Membership fees	275,000	225,000	50,000	
Royalty	350,000	200,000	150,000	Additional proficiency test done.
Testing overseas & Proficiency	450,000	825,000	(375,000)	
Calibration of standards	200,000	200,000	-	Calibration was done free of charge
Contribution to IAEA/ISO/BIPM ARSO-US \$ 8000	1,250,000	1,291,000	(41,000)	Increase in registration fee
ISO Expenses-RVA Accreditation & lab	275,000	275,000		
TOTAL	14,225,000	12,291,000	1,934,000	
GRAND TOTAL	54,000,000	48,581,000	5,419,000	

The changes between the original and the final budget are a consequence of reallocations within the budget. The difference between the original and final Budgets 2012 and the mechanism to finance the final budget are explained at notes 6.

STATEMENT SHOWING RECONCILIATION OF ACTUAL CASH FLOWS WITH FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	Year ended 31 Decembe 2012 MUR
REVENUE	
Actual revenue as per statement of outturn	57,396,234
Less decrease in debtors (Rs 4,234,962-2,742,150) (Note 8)	(1,523,936)
Add increase in provision for bad debts (note 8)	1,330,808
Add bad debts written off	37,821
TOTAL	57,240,927
Add grant from AFD	1,945,535
Add other Income	33,126
Add deferred income	11,807,974
Revenue as per Statement of Financial Performance	71,027,562
Actual Recurrent Expenditure as per statement of outturn	46,982,655
Commitment for the period	1,130,612
Prepayments as at 31 December 2012	(326,403)
Provisions	
Increase in provision for passage benefits	374,005
Increase in provision for pension benefits	3,347,831
Increase in provision for bad debts	1,330,80
Increase in provision for sick leave	750,324
Non-Cash items	
Depreciation	11,807,974
Bad debts written off	37,821
Add grant from AFD	1,945,535
Commitment of last year	(1,695,950)
Prepayment last year	198,113
Expenditure as per Statement of Financial Performance	65,883,325

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 CORPORATE INFORMATION

The Mauritius Standards bureau (Bureau) was set up in 1975 as a division of the Ministry of Commerce and Industry with the responsibility of developing national standards, dissemination of information on standards and offering calibration, testing and certification (i.e conformity assessment) services to the local industry.

The Bureau became a corporate body under the provisions of the Mauritian Standard Bureau Act 1993 which came into effect on 16 July 1993. The aim was to vest the bureau with greater operational flexibility and financial autonomy with a view to enable it to play a more dynamic role in the economic development of the country.

The Mauritius Standards Council, which comprises representatives from the various sectors of the economy, administers the Bureau. The Director, who reports to the Mauritius Standards Council, manages it.

The registered office of the Mauritius Standards Bureau is located at Villa Road, Moka. The financial statements of the Mauritius Standards Bureau have been prepared in a spirit of adherence to the good governance principles of accountability and transparency.

2 BASIS OF PREPARATION

2.1 The financial statements are presented in Mauritian Rupees rounded to nearest rupees.

The financial statements have been prepared under the historical cost convention. As at the date of approval of these financial statements, some standards and interpretations were in issue but not yet effective.

The Directors expect that the adoption of these standards and interpretations in future accounting periods will not have a material impact on the MSB's results.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

2.2 Statement of Compliance

MSB has prepared its financial statements in accordance with International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Board (IPSASB) which is a board of the International Federation of Accountants Committee (IFAC).

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs) of the International Accounting Standards Board (IASB) are applied.

The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the period. They have been prepared on the historical cost basis, except for the revaluation of the premises of MSB.

The preparation of financial statements in conformity with IPSAS and generally accepted accounting practices requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

In the application of the MSB's accounting policies, which are described in note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the estimate affects only that period or in the period of the revision and future periods if the revision affects both current and future receivables, accrued charges, contingent assets and liabilities, and degree of impairment of property, plant and equipment.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Estimated useful lives and residual values of property, plant and equipment.

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets.

The estimates of the useful lives and residual values thereof are made for the purpose of calculating depreciation. The estimates of the useful lives and residual values carry a degree of uncertainty. The Council has used historical information in order to best determine the useful lives and residual values of property, plant and equipment.

ii Retirement benefit obligations

The determination of employee benefit costs and related provisions as described in note 3 (f) and detailed in note 6 to the financial statements, requires the use of actuarial calculations or other assumptions that include significant estimates in respect of, inter-alia, the discount rate, the expected return on plan assets, future salary increases, future medical cost increases and future pension increases. Differences between actual and estimates are recorded as actuarial gains and losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

2.3 Adoption of new and revised International Public Sector Accounting Standards.

MSB has adopted relevant new and revised International Public Sector Accounting Standards (IPSASs) that are relevant to its operations for accounting periods 01 January 2012 to 31 December 2012, namely:

IPSAS 1- Presentation of Financial Statements which sets out the overall considerations for the presentation of financial statements, guidance for the structure of those statements and minimum requirements for their content under the accrual basis of accounting.

IPSAS 2- Cash Flow Statement, requiring the provision of information about changes in cash and cash equivalents during the period from operating, investing and financing activities.

IPSAS 3- Accounting Policies, Changes in Accounting Estimates and Errors which specifies the accounting treatment for changes in accounting estimates, changes in accounting policies and the correction of fundamental errors, defines extraordinary items and requires the separate disclosure of certain items in the financial statements.

IPSAS 9: Revenue from Exchange Transactions

IPSAS 17- Property, Plant and Equipment

IPSAS 19: Provisions, Contingent Liabilities and Contingent Assets

IPSAS 21- Impairment of Non-cash-Generating Assets

IPSAS 24- Presentation of Budget Information in Financial Statements

IPSAS 25- Employee Benefits

IPSAS 26- Impairment of Cash-Generating Assets

IPSAS 31- Intangible Assets

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the accounting periods beginning on or after 1 April 2011 or later periods but which have not been early adopted. These new standards, amendments and interpretations are either not relevant to MSB's operations or are not expected to have a material effect on the accounting policies and disclosures.

The following standards have not been applied because they are not relevant to the MSB affairs:

IPSAS 4: The Effects of Changes in Foreign Exchange Rates

IPSAS 5: Borrowing Costs

IPSAS 6: Consolidated and Separate Financial Statements

IPSAS 7: Investment in Associates

IPSAS 8: Interest in Joint Ventures

IPSAS 10: Financial Reporting in Hyperinflationary Economies

IPSAS 11: Construction Contracts

IPSAS 12: Inventories

IPSAS 13: Leases

IPSAS 14: Events after the Reporting Date

IPSAS 15: Financial Instruments: Disclosures and Presentation

IPSAS 16: Investment Property

IPSAS 18: Segment Reporting

IPSAS 20: Related Party Disclosures

IPSAS 23: Revenue from Non-Exchange Transactions (Taxes and Transfers)

IPSAS 27: Agriculture

IPSAS 28: Financial Instruments: Presentation

IPSAS 29: Financial Instruments: Recognition and Measurement

IPSAS 30: Financial Instruments: Disclosures.

IPSAS 32: Service Concession Arrangements: Grantor

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

2.4 Measurement Base

The accounting principles recognized as appropriate for the measurement and reporting of the financial performance, cash flows, and financial position on an accrual basis using historical cost are followed in the preparation of financial statements

2.5 Reporting Period

The Financial Statements for the current period have been prepared for the 12 months ended 31 December 2012 with comparative information for the 12 months ended 31 December 2011.

3 ACCOUNTING POLICIES

The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied:

(a) Revenue recognition

MSB has a variety of sources of revenue, some of which become receivable in respect of financial years and some of which become receivable as a result of expenditure incurred by MSB. Sources of revenue receivable in respect of financial period comprises of government grants, revenue from services provided, bank interest and other income.

Revenue from services provided in terms of conformity assessment, calibration, certification and training activities are being recognised when the services have been performed and are billable.

Interest and other income are being recognised as they accrue. It is measured at fair value of the consideration received.

Capital Grants

Revenue, in terms of capital grants, which contributes towards the purchase of property, plant and equipment is accounted for as deferred income and is credited to the Statement of Comprehensive Income over the expected useful life of the relevant non-current assets on the basis consistent with the depreciation policy applied in respect of the related assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Other Grants

Other government grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Bureau with no future related costs are recognized in the Statement of Financial Performance in the period in which they become receivable.

- (b) The cash flows arising from contributions and the related expenses take place in current and future accounting periods.

(c) **Trade and Other Receivables**

Accounts receivable are recorded at their estimated realizable value after providing for irrecoverable and uncollectible debts.

(d) **Leased assets**

MSB has never contracted any finance lease.

(e) **Foreign currency transactions**

Transactions in foreign currencies are translated to Mauritian rupees at the exchange rate ruling at the date of transaction. MSB has no monetary assets and liabilities denominated in foreign currencies that needs to be translated at balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(f) Employee entitlements

Employee entitlements to salaries, pension costs, and other benefits are recognized when they are earned. Employees are allowed to accumulated sick leaves not taken at the end of each calendar year up to a maximum of 110 days, in a sick leave bank as at 31 December 2012. The balance of banked sick leave is valued at the end of the financial year and is recognized as long term payables. Beyond this ceiling of 110 days, officers are refunded part of the annual entitlement of sick leaves not taken at the end of every calendar year and is expensed to the Statement of Financial Performance.

A provision is made for the estimated liability for passage benefits. The passage benefit for each staff is valued at year end and is included as short-term liabilities. The annual increase in passage benefits is expensed to the Statement of Financial Performance.

Other Post-Employment Benefits

- **Provision for accrued Vacation Leaves:**
No provision is made for the estimated liability for vacation leave as employee benefits for accumulated vacation leave can only be cashed in extremely rare cases.
- **Defined Benefit Pension Plan**
Provision for retirement pension benefits is made under the Statutory Bodies pension Funds Act of 1978 as amended. The scheme is a defined benefit plan and the State Insurance Company of Mauritius Ltd manages its assets. The cost of providing benefits is actuarially determined using the projected unit credit method. (See Note 10)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

The present value of the funded obligations is recognized in the balance sheet as a non-current liability after adjusting for the fair value of plan assets, any unrecognized actuarial gains and losses and any unrecognized past service cost. The valuation of these obligations is carried out on a regular basis by the actuarial services of SICOM Ltd.

The current service cost and any recognized past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

A portion of the actuarial gains and losses will be recognized as income or expense if the net cumulative unrecognized actuarial gains and losses at the end of the previous accounting period exceeded the higher of 10% of the present value of the defined obligation at that date or 10% of the fair value of plan assets at that date.

(g) Property, plant and equipment (PPE)

Recognition and measurement

Tangible assets are stated at historical cost less accumulated depreciation or fair value. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Depreciation is calculated on the straight-line method to write off the cost of each asset or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each asset are as follows:

Buildings	4%
Furniture, fixtures and fittings	20%
Plant and equipment	20%
Computers	33%
Motor vehicles	25%

On 9 June 1988, the Ministry of Housing, Lands and the Environment vested part of Crown land Tatayah, of an extent of 12,113.92 m² (2A80) to the Ministry of Industry and Industrial Technology for the construction of the new building of the Mauritius Standards Bureau. Since the land has not been vested to the Mauritius Standards Bureau, no recognition has been made in the Financial Statements.

(h) Intangible Assets

Intangible Assets is accounted and disclosed in accordance with provision of IPSAS 31. Intangible Assets refers to:

- a) Research and Development Cost amounting to Rs 1,047,090 under the AFD Project has been capitalized and amortised at the rate of 20% per annum on straight line method over their estimated useful life considered to be 5 years.
- b) Software cost which has been capitalized and amortised at the rate of 33.3% per annum on straight line method over the estimated useful life considered to be 3 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

The amortization charge is recognized in the Statement of Comprehensive income within operational expenditure as an expense in the current period.

The grant from AFD for the research and development project has been amortised on same basis and rate.

(i) Impairment

At each Statement of Financial Position date, the Bureau reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of the fair value less costs to sell, and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognized as an expense immediately. Following an impairment survey carried out, no impairment charge has been recognized during the current financial period.

(j) Financial Instruments

Financial assets and liabilities are recognised on the Statement of Financial Position when the Bureau has become a party to the contractual provisions of the instrument.

(k) Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

(l) Trade Receivables

Trade receivable and other receivables do not carry any interest and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Financial Performance when there is objective evidence that the asset is impaired.

(m) Cash and cash equivalent

Cash and cash equivalents comprise of bank balances and cash in hand.

(n) Car Loans

Car loans are disbursed by the Accountant General on applications by eligible employees as part of their conditions of service. The loans are executed by way of a registered agreement between the Mauritius Standards Bureau and the employees with a lien in favour of the Mauritius Standards Bureau are place on the cars during the duration of the loans. Loan repayments are effected monthly over a period of five to seven years and balances of principal amounts are shown as short-term and long-term loans. Corresponding carrying amounts are shown under loan to staff.

(o) Capital Grant

Capital grant received to finance acquisition of property, plant and equipment is recognized as deferred income and is released to the Statement of Financial Performance.

(p) Statement of Cash Flows

The Statement of Cash Flows is prepared using the indirect method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

(q) Risk management Policies

Financial Risks

MSB continues to develop risk management policies. The Bureau, as a statutory entity, is not much exposed to financial risk.

MSB does not use derivatives financial instruments to hedge risk exposures.

Credit risk

In the normal course of business, MSB incurs credit risk from trade accounts receivable. MSB manages its exposure to credit risk by minimizing the incidence of debtors and operating an effective computerized debtors reporting system and maintaining credit control procedures over trade accounts receivable.

MSB does not require any collateral or security to support financial instruments and other receivables it holds due to the low risk associated with the realization of these instruments.

Currency risk

MSB is not exposed to any currency risk.

Interest rate risk

MSB is not exposed to any interest rate risk on car loans to staff as it is government secured. The interest rate risk associated with car loans to staff is considered minimal. MSB has not contracted any loan obligations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

(r) Reclassifications

Certain reclassifications have been made to the financial statements for the statements for the fiscal year ended 31 December 2012 to conform to the current period presentation. The reclassifications had no effect on the current period presentation. The reclassifications had no effect on the previously reported financial performance.

(s) Employee Disclosure

As at 31 December 2012, MSB had 72 full-time employees, out of which 31 are non-technical staff and 2 were on leave-without-pay.

(t) Key Management Personnel

MSB is governed by a management with key personnel that includes the Director, the Acting Deputy Director, the Financial Manager, the Administrative Officer, the Senior Human Resource Officer, the Internal Auditor, five Heads of Units and one Manager who are responsible for the management of the various activities of the Bureau. They are remunerated by MSB. The aggregate remuneration of key management personnel was Rs 8.45 million for the fiscal year 2012.

(u) Comparative Figures

Comparative figures have been regrouped or restated, where necessary to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

4 PROPERTY, PLANT AND EQUIPMENT

FIXED ASSETS

	Land & Building MUR	Furniture, Fixtures & Fittings MUR	Plant & Equipment MUR	Computers MUR	Motor Vehicles MUR	TOTAL MUR
COSTS						
At 01 Jan 2012	88,948,093	5,803,024	90,995,503	12,488,390	2,369,295	200,604,305
Additions	232,215	36,961	8,977,486	157,866	-	9,404,528
Revaluation Adjustment						
At 31 Dec 2012	89,180,308	5,839,985	99,972,989	12,646,256	2,369,295	210,008,833
DEPRECIATION						
At 01 Jan 2012	8,948,093	5,778,447	79,777,886	12,142,213	1,833,271	108,479,910
Dep for the 12 months	3,567,212	24,051	7,042,335	348,426	357,350	11,339,374
Adjustment						
At 31 Dec 2012	12,515,305	5,802,498	86,820,221	12,490,639	2,190,621	119,819,284
NET BOOK VALUE						
At 31 Dec 2012	76,665,003	37,487	13,152,768	155,617	178,674	90,189,549
At 01 Jan 2012	80,000,000	24,577	11,217,617	346,177	536,024	92,124,395

4.1 The building occupied by the Bureau at Villa Road, Moka was revalued at Rs 50.5m.in the year ended 30 June 2008 by an independent chartered valuation surveyor firm. A second revaluation exercise was conducted by an independent valuation surveyor and the new revalued amount stand at Rs 80m as at 31 December 2011. No revaluation was undertaken in the current financial year.

4.2 If MSB's building was to be measured on historical cost basis, its carrying amount would have been as follows:

	As at 31.12.2012	As at 31.12.2011
	MUR	MUR
Building	28,229,991	30,746,258

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

5 INTANGIBLE FIXED ASSETS

	SOFTWARE COST (MUR)	RESEARCH AND DEVELOPMENT COST (MUR)	TOTAL (MUR)
COSTS			
At 01 January 2012	2,767,832	1,047,090	3,814,922
Additions	-	-	-
Adjustment	-	-	-
As at 31 December 2012	2,767,832	1,047,090	3,814,922
DEPRECIATION			
At 01 January 2012	2,360,762	523,545	2,884,307
Adjustment			
Depreciation for period	259,182	209,418	468,600
At 31 December 2012	2,619,944	732,963	3,352,907
NET BOOK VALUE			
At 31 Dec 2012	147,888	314,127	462,015
At 01 January 2012	407,070	523,545	930,615

6 FINANCING OF APPROVED ORIGINAL AND FINAL BUDGET

The Approved and Final Budget 2012 were as follows:

	MUR Original Approved Budget	MUR Final Budget
Total Budgeted Recurrent Cost	54,000,000	48,581,000
Financed by		
Recurrent grant	29,000,000	29,000,000
Revenue generated by activities	25,500,000	25,500,000
TOTAL	54,500,000	54,500,000
Capital Budget	8,000,000	8,000,000

An amount of Rs 2.8m is being brought forward to Financial Year 2013 to finance projects of 2012 in pipeline.

**NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 31 December 2012**

7 FUTURE COMMITMENTS

MSB is a beneficiary of a grant from L'Agence Francaise de Development for the consolidation and upgrading of its laboratories and for the strengthening of its institutional capacity. Four projects have been approved by L'Agence Francaise de Development as listed hereunder:

- (a) Upgrading of Electrical Engineering Laboratory (46,070 Euros);
- (b) Setting up facilities for testing of footwear and Leather Testing (33,400 USD)
- (c) Upgrading of testing facilities for PVC pipes and fittings (50,910 Euros)
- (d) Setting up of a National Technical Regulatory Framework in Mauritius (37,930 Euro)

Future commitments under the projects as at 31 December 2012 are as follows:

- (a) Upgrading of Electrical Engineering Laboratory (20,731 Euros);
- (b) Setting up facilities for testing of footwear and Leather Testing (10,020 USD)
- (c) Upgrading of testing facilities for PVC pipes and fittings (15,273 Euros)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

AFD PROJECTS AS AT 31 DECEMBER 2012

SN	PROJECT	AMOUNT ALLOCATED	CONVERSION RATE	MUR	AMOUNT DISBURSED BY AFD	MUR	AMOUNT LEFT	MUR
					\$ 23,380			
1	Setting up facilities for testing of footwear and leather testing	\$ 33,400	31.35	1,047,090	€ 17,286	732,963	\$.10,020	314,127
2	Upgrading of Testing facilities for PVC pipes and fittings	€ 50,910	42.23	2,149,930	€ 35,637	1,504,950	€ 15,273	644,978
3	Setting up of National Technical Regulatory Framework in Mtius	€ 37,930	42.23	1,601,783	€ 37,930	1,601,783	0	0
4	Upgrading of Electrical Engineering Laboratory	€ 46,070	42.23	1,945,536	€ 25,338	1,070,023	€ 20,732	875,513
	TOTAL							1,834,618

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8. TRADE AND OTHER RECEIVABLES

	As at 31.12.2012 MUR	As at 31.12.2011 MUR
Trade Debtors	2,711,026	4,234,962
Grant receivable under AFD Project	1,834,618	4,798,092
Prepayments	326,403	198,113
Deposits CEB	144,000	144,000
	5,016,047	9,375,167

MSB is recognizing a provision for irrecoverable debts amounting to MUR 1,330,808 as at 31 December 2012, relating mainly to services rendered for the half- year ended 31 December 2009.

The Trade Debtors' figure is reconciled is as follows:

	MUR
Gross Debtors as at 31.12.2012	4,850,905
Less receipt unapplied	(809,071)
Net Debtors as at 31.12.2012	4,041,833
Less provision for irrecoverable debts	1,330,808
Trade Debtors after provision for irrecoverable debts as at 31.12.2012	2,711,026

During the year ending 31 December 2012, a total amount of Rs 1,294,603 was written off as bad debts for irrecoverable services of period January to June 2009 and other debts of previous periods that had not already been written off. These debts were migrated from previous World Financial System which crashed and source documents and processing thereon could not be retrieved.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

9. LOANS RECEIVABLES FROM STAFF

Loans receivable relates to car loans provided to eligible staffs who work for the Bureau. Loans bears interest at the current rate of 7.5% and secured over the vehicles. Current amounts relate to those receivable within a year. Non-current amounts relate to those receivable after more than a year. Non-outstanding amount recoverable from staff under loan agreement are as follows:

	2012 MUR	2011 MUR
Opening balance	4,475,263	4,526,319
New car loans to staff	300,000	1,400,000
Car loan instalments received	(1,506,727)	(1,451,056)
	3,268,536	4,475,263

	NON-CURRENT		CURRENT	
	As at 31.12.2012	As at 31.12.2011 MUR	As at 31.12.2012	As at 31.12.2011 MUR
Car loans to staff	2,385,644	3,222,483	882,892	1,252,780
	2,385,644	3,222,483	882,892	1,252,780

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

10. RETIREMENT BENEFIT OBLIGATIONS

The Bureau operates funded defined benefit plans for qualifying employees. Under the plans, the employees are entitled to retirement benefits varying between 40% and 45% of final salary on attainment of a retirement age of 65. No other post-retirement benefits are provided to these employees. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out in February 2013 by Mr. V J Seeroo, Manager (Actuarial and Pension) for the period ended 31 December 2012. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

FIGURES FOR IPSAS 25 ADOPTION FOR: Mauritius Standards Bureau For period ending 31 December 2012

Amounts recognised in balance sheet at end of year:	Year ending 31 December 2012 Rs	Year ending 31 December 2011 Rs
Present value of funded obligation (Fair value of plan assets)	89, 623, 768 (51, 783, 932)	83, 940, 669 (47, 069, 495)
Present value of unfunded obligation	37, 839, 836	36, 871, 174
Unrecognised actuarial gain/(loss)	0	0
Unrecognised transition amount	(26, 970, 509) 0	(29,349, 678) 0
Liability recognised in balance sheet at end of year	10, 869, 327	7, 521, 496
Amounts recognised in income statement:		
Current service cost	2, 707, 558	2,511, 402
(Employee contributions)	(1, 321, 535)	(1, 388, 370)
Fund expenses	86, 342	84, 773
Interest cost	8, 394, 067	8, 287, 064
(Expected return on plan assets)	(4, 742, 969)	(4, 801,245)
Actuarial loss/(gain) recognised	1, 164, 201	1, 099, 298
Past service cost recognised	0	0
Transition effect of adopting IPSAS 25	0	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Total, included in staff costs	6, 287, 664	5, 792, 922
Movements in liability recognised in balance sheet:		
At start of year	7,521, 496	4, 585, 824
Total staff cost as above	6, 287, 664	5, 792,922
(Actuarial reserves transferred in)	0	(6,959)
(Contributions paid by employer)	(2, 939, 833)	(2, 850, 291)
At end of year	10, 869, 327	7, 521, 496
Actual return on plan assets:	3, 994, 054	1, 176, 708
Main actuarial assumptions at end of year:		
Discount rate	10.00%	10.50%
Expected rate of return on plan assets	10.00%	10.50%
Future salary increases	7.00%	7.50%
Future pension increases	5.00%	5.50%

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.

The discount rate is determined by reference to market yields on bonds.

FIGURES FOR IPSAS 25 ADOPTION FOR:

Mauritius Standards Bureau

For period ending 31 December 2012	Year ending 31 December 2012 MUR	Year ending 31 December 2011 MUR
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period		
Current service cost	83, 940, 669	78, 924, 422
Interest cost	2, 707, 558	2, 511, 402
(Benefits paid)	8, 394, 067	8, 287, 064
Liability (gain)/loss	(3, 454, 643)	(3, 827, 555)
	(1, 963, 883)	(1, 954, 664)
Present value of obligation at end of period	89, 623, 768	83, 940, 669
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period		
Expected return on plan assets	47, 069, 495	45, 559, 495
Employer contributions	4, 742, 969	4, 801, 245
Employee contributions	2, 939, 833	2, 850, 291
Actuarial reserves transferred in	1, 321, 535	1, 388, 370
(Benefits paid) + other outgo	-	6, 959
Asset gain/(loss)	(3, 540, 985)	(3, 912, 328)
	(748, 915)	(3, 624, 537)
Fair value of plan assets at end of period	51, 783, 932	47, 069, 495
Distribution of plan assets at end of period		
Percentage of assets at end of year		
Government securities and cash	2012	2011
Loans	58.8%	50.6%
Local equities	6.6%	7.8%
Overseas bonds and equities		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	21.0%	23.2%
	12.8%	17.5%
	0.8%	0.9%
	100%	100%
<i>Additional disclosure on assets issued or used by the reporting entity</i>		
	2012	2011
Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0
<i>History of obligations, assets and experience adjustments</i>		
Year	2012	2011
Currency	MUR	MUR
Fair value of plan assets	51, 783, 932	47, 069, 495
(Present value of defined benefit obligation)	(89,623, 768)	(83, 940, 669)
Surplus/(deficit)	(37, 839, 836)	36, 871, 174)
Asset experience gain/(loss) during the period	(748, 915)	(3, 624, 537)
Liability experience gain/(loss) during the period	1, 963, 883	1, 954, 664
Year	2013	
Expected employer contributions	3, 565, 714	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11. RECURRENT GRANTS

Recurrent Grants received are as follows:

	MUR 2012 12 months	MUR 2011 12 months
From Government	29,000,000	27,000,000
From Agence Francaise de Development	1,945,536	-
TOTAL	30,945,536	27,000,000

12. DEFERRED CAPITAL GRANTS/INCOME

	2012 12 months MUR	2011 12 months MUR
Opening Balance 1 Jan 2012	75,025,228	76,124,176
Received/appropriated in 2012	11,500,000	10,090,000
	86,525,228	86,214,176
Released during the year to I& E	(11,807,974)	(11,188,948)
Closing balance 31 Dec 2012	74,717,254	75,025,228

13. PAYABLES

PAYABLES

	As at 31.12.2012 MUR	As at 31.12.2011 MUR
Accrued Expenses	1,130,612	1,695,950
Accrued Expenses under AFD Project	1,834,618	4,798,092
Payment on account – bid bonds	93,658	93,658
	3,058,888	6,587,700

TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

14. PROVISIONS

Provisions are recognized 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, 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 such as SICOM, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Movements on provisions are as follows:

	Sick Leave		Passage Benefits	
	2012 12 months MUR	2011 12 months MUR	2012 12 months MUR	2011 12 months MUR
Opening Balance	9,680,588	9,048,596	2,339,358	2,672,885
Increase during the period	1,783,793	1,475,553	927,007	926,692
provisions paid out	(1,033,469)	(843,561)	(553,002)	(1,260,219)
	10,430,912	9,680,588	2,713,363	2,339,358

	Non-Current		Current	
	As at 31.12.2012 MUR	As at 31.12.2011 MUR	As at 31.12.2012 MUR	As at 31.12.2011 MUR
Employees benefits-Leaves	9,137,818	8,822,111	1,293,094	858,477
Employees benefits-Passages	-	-	2,713,363	2,339,358
	9,137,818	8,822,111	4,006,457	3,197,835

**TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

15. BORROWINGS FROM ACCOUNTANT GENERAL

BORROWINGS	2012 12 months MUR	2011 12 months MUR
Opening balance	4,475,263	4,526,319
Loan proceeds for staff received	300,000	1,400,000
Repayments to Accountant General	(1,506,727)	(1,451,056)
Closing balance	3,268,536	4,475,263

	Non-Current		Current	
	As at 31.12.2012 MUR	As at 31.12.2011 MUR	As at 31.12.2012 MUR	As at 31.12.2011 MUR
Loan from Accountant General	2,385,644	3,222,483	882,892	1,252,780
	2,385,644	3,222,483	882,892	1,252,780

Current amounts relate to those payable within a year. Non-current amounts relate to those payable after more than a year.

**TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

16. RENDERING OF SERVICES

	2012	2011
	12 months	12 months
	MUR	MUR
Training	1,676,100	888 , 5 0 0
Certification & Mauricert Schemes	3,322,376	2,678,002
Testing & related services	19,502,436	17,562,343
Calibration	1,466,950	1,254,770
Sale of Standards	873,766	782,762
Miscellaneous services	446,916	53,156
	27,288,544	23,219,533

17. STAFF COSTS

	2012	2011
	12 months	12 months
	MUR	MUR
Personnel Emoluments		
Salary	22,889,516	22,262,709
Compensation	725,011	465,610
Bonus	1,927,455	1,901,445
Overtime allowance	328,805	307,630
Other Allowances	1,030,445	811,204
Fees to members of Council & Technical Committees	461,039	552,066
Pension contributions-SICOM	6,287,664	5,785,963
Pension contribution-NPF	40,366	38,583
Passage benefits	926,936	926,692
Provision for sick leave	1,607,747	1,475,553
National Savings Fund	247,780	233,555
Family Protection Scheme	448,853	440,013
Gratuity	163,320	156,580
Medical Scheme	91,905	90,420
Total Personnel Emoluments	37,176,842	35,448,023
Travelling & Transport	3,205,061	3,113,483
Total Staff Costs	40,381,903	38,561,506

**TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

18. ADMINISTRATIVE EXPENSES

	2012	2011
	12 months	12 months
	MUR	(restated)
	MUR	MUR
Office expenses	730,252	838,124
Advertising and Publications	23,460	10,235
Utilities	2,437,309	2,393,207
Motor vehicle running expenses	224,594	272,209
Uniforms	44,908	118,496
Training	69,994	103,528
Seminar	3,298	77,125
Legal & professional fees	194,550	330,050
Security charges	336,000	464,425
Insurance	180,011	206,336
Consultancy	106,864	70,000
Courses	448,130	114,174
Bank charges	20,373	39,882
Bad debt written-off	37,821	2,033,717
Increase in provision for irrecoverable debts	1,330,808	1,256,783
TOTAL	6,188,372	8,328,291

**TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

19. OPERATING EXPENSES

	2012 12 months MUR	2011 12 months MUR
Testing	2,971,848	421,032
Documentation	51,131	71,904
Registration of assessors	14,783	9,737
Maintenance of premises & equipment	1,186,667	1,115,020
Apparatus and consumables	1,003,743	670,533
Missions	253,973	216,683
Subscription to international organisations	895,079	1,315,317
Promotional activities	47,200	368,076
Purchase of standards/calibration	70,507	104,469
Royalties	71,185	181,387
ISO 9000 expenses	938,963	1,453,176
TOTAL	7,505,079	5,927,334