CSA Group

We are about SOCIAL GOOD

A BETTER, SAFER, MORE SUSTAINABLE WORLD FOR ALL

Annual Report 2015-2016

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CEO - Welcome Message

Since I joined CSA Group last November, I have been deeply impressed by the knowledge and commitment of our members, who have built a long and established reputation for social good. I have also been impressed by the immense difference that CSA Group's standards make in our daily lives and to the growth of businesses in Canada and worldwide. I am delighted to have the opportunity to work with members, customers, employees and our board of directors in an organization with such a stellar history of creating a better, safer, more sustainable world through standards.

With great pride, I share our new mission statement for CSA Group, which underscores our key principle of contributing to social good through our members; and reflects our intention to ensure that membership-based, not-for-profit, standards development activities are once again at the forefront of CSA Group's mission and business model.

"The Mission of CSA Group is to represent the interests of its members in creating a better, safer, more sustainable world – primarily through standards development, technical research, and training in relevant fields. Through its world-class commercial subsidiaries, CSA Group engages in testing, certification, and related activities that support the organization technically and financially."

I firmly believe that the ultimate measure of our success will be our contribution to the social good. And throughout this report, you will see ways in which we have contributed to that social good over the past year. Our standards – and the application of those standards – helped improve safety, promoted sustainability and nurtured global trade.

In just three years, CSA Group will celebrate a major milestone – our 100th year of operation. I am excited to be leading this great organization at such an important time, and I look forward to working with all of you to explore new ideas and set new benchmarks for our standards leadership, excellence and performance.

David Weinstein
President & CEO
CSA Group

Safety

WE DRAW ON EXPERT KNOWLEDGE TO ADVANCE SAFETY...
HELPING PREVENT INJURY, DISEASE AND FATALITIES.

Promoting safer practices in search and rescue operations

A first for Canada, our new standard for search and rescue operations acts as a national benchmark for developing training materials and program delivery models. It helps give Canadians confidence that teams across the country have a consistent set of skills to apply when someone is lost or missing.

Protecting underground infrastructure

Buried underground across Canada is a complex maze of pipes and cables that provide electricity, telecommunications, water and sewage services, and natural gas and oil to heat our homes and businesses. CSA Group's new standard aims to help prevent damage to this infrastructure and reduce unnecessary risk to workers and the general public.

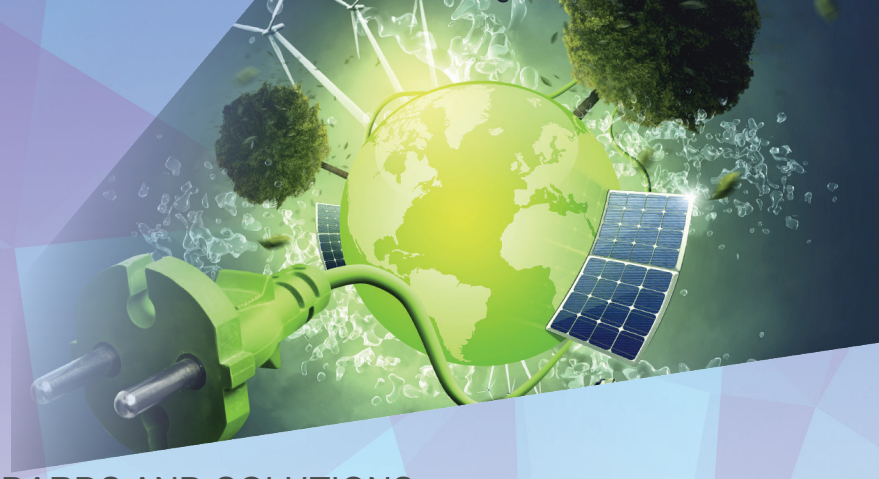
Fighting fraud and counterfeit trade around the world

In 2015-16, we detected about 2 million products at the North American borders bearing unauthorized CSA Group certification marks. In addition, CSA Group's anti-counterfeiting team investigated more than 200 incidents and issued seven public alerts for unsafe products, including hair dryers, child-resistant packaging, gas fixtures, lighting products, safety boots and more.

Incorporating the latest advances in technology

We revised Canada's primary code for safely installing gas and propane appliances and equipment, as well as the code for propane storage and handling; they are both more comprehensive and useful and we expect them to be adopted into law in every Canadian province and territory. Similarly, our oil and gas pipeline standard features expanded safety requirements, and the entire document is available in an interactive version that can be downloaded to any mobile device and accessed remotely, on the job.

Sustainability



WE DEVELOP LEADING-EDGE STANDARDS AND SOLUTIONS…
HELPING DRIVE INNOVATION AND INSPIRING GOOD STEWARDSHIP.

Leading climate change efforts

CSA Group was instrumental in organizing and moderating an official side event at the 21st UNFCCC Conference of Parties (COP 21) meetings held in Paris last December. The ISO event featured international carbon experts who discussed how to increase collaboration among international standards development organizations, and what approaches, methodologies and sectors would make the most meaningful contribution to industry and governments.

Promoting practices that reduce waste

A new guideline covers accountable management of end-of-life materials. It helps service providers and waste generators to reduce the negative environmental impacts of waste management practices, and promotes environmental performance and innovation within a consistent reporting and accountability structure.

Gaining broad consensus for sustainable appliances

Our sustainability standard for household clothes washers, jointly developed with AHAM and UL, has earned the American National Standards Institute (ANSI) accreditation as an American National Standard and also meets the requirements of the Standards Council of Canada (SCC). This signifies that the standard was developed through a consensus process and has undergone broad-based extensive public review. The new standard will help evaluate the environmental impact of household washers and is part of a series of standards that considers the lifecycle sustainability of products.

Global Trade

WE OFFER UNPARALLELED TECHNICAL SERVICES MEETING THE NEEDS OF CUSTOMERS WHEREVER IN THE WORLD THEY DO BUSINESS.

Building to serve advanced technology markets

Our new state-of-the-art laboratory in Irvine, California offers testing and certification services, including expanded services for medical devices, information technology equipment, laboratory and industrial equipment, lighting products, and fuel burning and electric appliances. Our Cleveland lab added capabilities in energy storage as well as test equipment to expand its hazardous location testing.

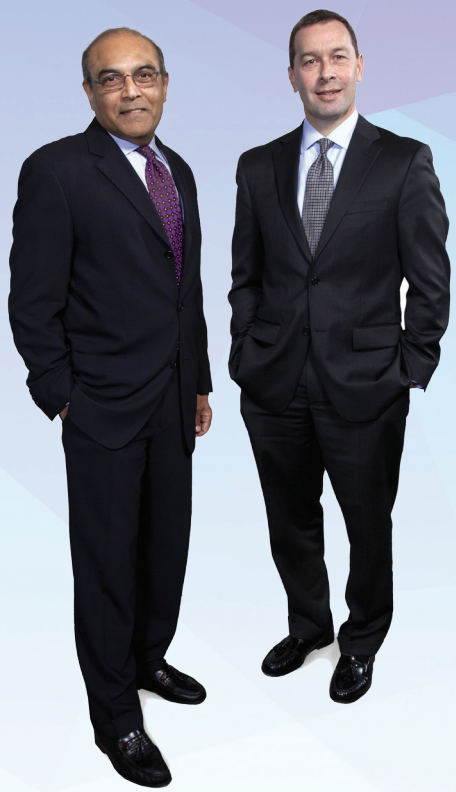
Expanding testing for transportation sector

We enlarged our facility in Leyland, UK for automotive vehicle testing, which includes environmental testing. Meanwhile, we are extending our expertise in transportation to include commercial and passenger vehicles, off-road vehicles, rail, aerospace, marine, alternative energy vehicles and infrastructure. In Langley, BC, we opened a new laboratory for the testing and certification of high-pressure fuel systems and other components used by low and zero emission vehicles. CSA Group has become a centre of excellence for hydrogen gas vehicle components and systems.

Expanding to serve important geographies

As part of our Asian growth strategy, we opened a new office in Taichung City, Taiwan, enlarging CSA Group's footprint and providing more convenient and efficient testing and certification services for our customers in central and southern Taiwan. We are also opening a new office and laboratory in Tokyo, Japan that is focused on the medical and information technology sectors.

Joint Message – Chair and CEO



STRENGTH THROUGH STANDARDS, LEADERSHIP IN SOCIAL PROGRESS.

Over 97 years, CSA Group has built an enviable record of standards leadership in Canada and internationally. The past year was no exception.

We grew our membership in both Canada and the U.S., and surpassed our goals for member engagement through our online Communities of Interest. Registration on those sites topped 45,700 users, a growth rate of more than 40 per cent over the previous year, with global login sessions surpassing 20 per cent. These results demonstrate the value of this ground-breaking global engagement platform.

During 2015-2016, our members developed game-changing standards in emerging areas. For example, a new guideline on whistleblowing systems is a Canadian first, which will help organizations empower employees to report suspected issues at work related to corporate ethics, compliance and occupational health and safety. Another first is our standard for home inspections. Skilfully pioneered by committee members despite initial industry resistance, this standard will greatly benefit consumers and is a true testament to the power of CSA's stakeholder engagement and consensus-building processes.

At the same time, our members developed and revised important standards that help assure public safety and confidence in such areas as underground infrastructure protection, competency in ground search and rescue operations, oil and gas pipeline systems, natural gas and propane equipment, and more.

We released 542 new publications, engaged with some 9,002 members and achieved a 33% improvement in on-time delivery of our published products. We also encouraged the successful application of those standards through innovative formats, such as our oil and gas pipeline code, which is now available in an interactive, smart device-enabled format, as well as an extensive array of training programs. We logged 18,470 learning experiences through our training courses; training for gas technicians, oil and gas pipeline workers, Canadian Electrical Code users and health

facilities that wish to audit infection control during construction were the most highly subscribed.

Beyond these metrics, other developments demonstrated the influence and value of CSA Group standards knowledge and testing expertise throughout the world. And our strategic engagement with governments and institutions across the globe achieved impressive results.

For example, we signed our first Letter of Intent with China National Institute of Standardization to promote cooperation in a number of fields. We also struck an agreement with the Trinidad and Tobago Bureau of Standards where we will share expertise and knowledge to encourage stronger relationships with business and government in that country. And through an alliance with DBI Certification a Notified Body by the Danish Maritime Authority, we are offering global testing and certification services under a directive that helps improve the safety of shipping and encourages the free movement of equipment within the European Economic Area. With a long history in the transportation industry, we are very pleased to be expanding our services to include marine equipment.

Our mission is firmly rooted in our rich heritage of standards development. However, throughout most of CSA Group's history, we have exercised a responsibility to promote the application of standards and to help businesses use testing and certification services as a way to demonstrate safety and gain market acceptance for their products and practices.

In 2015-2016, we made significant investments in our testing and certification capacity and in new offices to better serve our customers. For example, several labs opened or expanded to offer new services: in Montreal, Canada for the aerospace and personal protective equipment industries; in Cleveland, Ohio for energy storage and hazardous locations equipment; in Irvine, California for medical, information technology, laboratory and industrial equipment, lighting products, and fuel burning and electric appliances; in Langley, BC, for systems and components used by low and zero emission vehicles; and in Leyland, UK for automotive vehicle testing, including environmental testing. In Asia, we opened offices in Taichung City, Taiwan, and Tokyo, Japan.

These developments demonstrate the vast importance of standards to commercial activity around the world. In sum, CSA Group revenues totaled $351 million, an increase of 11.6 per cent against the previous year. And we can report that all regions, business units and corporate functions achieved their business objectives over the past year.

To achieve our strategic goals, we invested in employee engagement and training, including management development, leadership training, individualized professional development training for employees, and our "Cert U" that develops technical competencies. Staff members were engaged through open houses at our Rexdale and Cleveland offices and through events in Europe and Asia. In addition, we launched an awards program to nurture innovative ideas from employees.

Mindful of our social responsibility, CSA Group gave back to our communities through corporate donations to the Salvation Army, Harvest Food Bank and Habitat for Humanity, as well as through employee fund-raising events, food drives, blood drives, and charitable donations. We are proud that so many of our employees around the globe are involved in local health and well-being initiatives through such causes as the United Way, Ronald McDonald House, the Canadian Breast Cancer Foundation, prostate cancer research, child protection advocacy and support for multiple sclerosis. This speaks volumes about the passion our organization holds for social causes.

Over the next year, we intend to launch an ambitious standards development program, centered on societal needs and impact. This work will require intensive research… to uncover opportunities in emerging areas and improve the application of standards through innovation. We are now taking steps to refine and refocus, to invest in areas that support our mission.

We will also invest in research activities that can produce meaningful seed documents for use in the standards development process. Further, we will fulfill our mission on a global basis through active participation in international standards development efforts and committees.

On behalf of our members and customers, we want to heighten awareness of our work and encourage access to standards and standards activities. We want to lift the level of engagement with members and customers to ensure that we continue to meet their needs.

Critical to our success is the strong performance of our testing and certification business. Towards that end, we plan to strengthen our position in current markets through an emphasis on our deep expertise, leading service quality, and overall value – targeting key markets and sectors where our offerings are second to none. At the same time, we will expand into new markets and technologies over time, leveraging our strengths and expanding our presence, expertise and assets. We will continue to work with large global entities to achieve one-stop shopping for standards, and testing and certification services.

CSA Group has much to offer and we are confident that with the astute guidance of our Board of Directors, support and loyalty of our customers, skills and dedication of our employees, and the credentials and commitment of a membership base that truly inspires and informs our work, we will succeed and prosper… and launch our next century of business stronger than ever.

H. Roland Hosein
Chair, Board of Directors
CSA Group

David Weinstein
President and CEO
CSA Group

Board of Directors

1. **Nathalie Pilon -** Managing Director, Canada, Thomas & Betts Canada | St-Jean Richelieu, QC
2. **Greg Weeres -** Consultant | Vancouver, BC
3. **Robert J. ('R J') Falconi* -** Corporate Secretary I Bradford, ON
4. **Richmond ("Dick") Graham -** President and CEO, Regina Airport Authority Inc. (YQR) I Regina, SK
5. **Wendy Tilford -** Consultant | Toronto, ON
6. **Jimmy LaValley -** Partner/Principal, Brimstone Consulting Group, Integrated People Solutions | Cedaredge, CO
7. **Dr. David Fung -** Chairman & CEO, ACDEG Group | Vancouver, BC
8. **Dr. Robert Page -** Chair, ISO 14000, International Environmental Standards Board (Geneva) | Calgary, AB
9. **David MacKinnon -** Consultant | Wellington, ON
10. **Dr. Roland Hosein -** Chair, CSA Group Board of Directors, Corporate Governance & Nominating Committee I Unionville, ON
11. **Evan R. Gaddis -** Consultant | Austin, TX
12. **David Weinstein* -** President & CEO | Toronto, ON
13. **Anne Whelan -** President & CEO, Seafair Capital Inc. | St. John's, NL
14. **Norma McCormick -** Principal & Founder, Corporate Health Works Inc. | Winnipeg, MB

** Ex officio (non-voting) capacity*

Executive Team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1. **David Weinstein** - President and CEO
2. **Gianluca Arcari** - Vice President & Special Advisor to the CEO
3. **Esteban De Bernardis -** Executive Vice President, Finance & Administration
4. **Magali Depras -** President, Standards
5. **Robert J. ('RJ') Falconi* -** Executive Vice President, Government & Corporate Affairs, General Counsel & Corporate Secretary
6. **Frances Hung -** Regional Vice President, North & Southeast Asia
7. **Yi ('JY') Jiang -** Regional Vice President, China
8. **Nashir Jiwani -** Regional Vice President, Canada
9. **Paul Keane -** Executive Vice President, Human Resources and Chief Ethics & Compliance Officer
10. **Rajiv Rajput -** Executive Vice President, Strategic Development
11. **Ralf Schunk -** Regional Vice President, Europe
12. **Hélène Vaillancourt -** Executive Vice President, Standards Research and Planning
13. **Rich Weiser -** Regional Vice President, U.S. & Mexico

Financials

Management's Statement of Responsibility

The accompanying consolidated financial statements of the Canadian Standards Association (the Association) have been prepared by management in accordance with International Financial Reporting Standards (IFRS).

Financial statements are not precise, since they include certain amounts based on estimates and judgments. When alternative methods exist, management has chosen those which it deems most appropriate in the circumstances in order to ensure that the consolidated financial statements are presented fairly, in all material respects, in accordance with IFRS.

Management maintains adequate systems of internal accounting and administrative controls consistent with reasonable cost. Such systems are designated to provide reasonable assurance that the financial information is relevant and reliable, and that the Association's assets are appropriately accounted for and adequately safeguarded. The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an audit, finance and risk committee. This committee meets periodically with management and the external auditors to discuss internal controls, auditing matters, and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The committee reviews the consolidated financial statements, and reports to the Board of Directors. The external auditors have full and direct access to the audit committee.

Signed,

Esteban de Bernardis
Executive Vice President,
Finance & Administration
CSA Group

May 30, 2016

Independent Auditor's Report

To the Members of
Canadian Standards Association

We have audited the accompanying consolidated financial statements of Canadian Standards Association and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of changes in net assets, income, comprehensive income and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

PricewaterhouseCoopers LLP
PwC Centre, 354 Davis Road, Suite 600, Oakville, Ontario, Canada L6J 0C5
T: +1 905 815 6300, F: +1 905 815 6499

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Canadian Standards Association and its subsidiaries as at March 31, 2016 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Canadian Standards Association

Consolidated Statement of Financial Position

As at March 31, 2016

(in thousands of Canadian dollars, except as otherwise noted)

	2016 $	2015 $
Assets		
Current assets		
Cash and cash equivalents	30,417	29,410
Restricted cash (note 5)	119	21
Trade and other receivables (note 6)	77,822	75,961
Inventories (note 7)	777	635
Prepaid expenses and other assets	7,934	7,449
Short-term investments (note 8)	113,966	121,907
	231,035	235,383
Non-current assets		
Property, plant and equipment (note 9)	133,081	124,719
Accrued pension benefit asset (note 20)	-	1,826
Intangible assets (note 10)	36,147	31,800
Goodwill (note 11)	22,637	22,114
	422,900	415,842
Liabilities		
Current liabilities		
Trade and other payables (note 13)	48,328	64,453
Deferred revenue	47,761	42,690
Customer deposits	12,839	7,690
Provisions	4,847	4,183
Finance leases	233	215
Bank loans (note 12)	5,394	5,206
	119,402	124,437
Non-current liabilities		
Employee future benefits (note 20)	92,217	88,832
Accrued pension benefit liability (note 20)	12,249	-
Finance leases	579	269
Bank loans (note 12)	19,696	24,444
	244,143	237,982
Net Assets		
Invested in property, plant and equipment	133,081	124,719
Internally reserved for specific purposes	98,005	98,005
Unreserved	(3,464)	(6,335)
	227,622	216,389
Non-controlling interest	1,398	3,813
Other comprehensive income (loss)	(50,263)	(42,342)
	178,757	177,860
	422,900	415,842

Contingencies, commitments and guarantees (note 23)

Approved by the Board of Directors

_____ Director _____ Director

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

Canadian Standards Association

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2016

(in thousands of Canadian dollars, except as otherwise noted)

							2016
	Unreserved $	Internally reserved $	Invested in property, plant and equipment $	Other comprehensive income (loss) $	Total attributable to the Association $	Non-controlling interest $	Total $
Balance - Beginning of year	(6,335)	98,005	124,719	(42,342)	174,047	3,813	177,860
Net income (loss) for the year	24,990	-	(13,757)	-	11,233	183	11,416
Investment in property, plant and equipment - net	(22,119)	-	22,119	-	-	-	-
Other comprehensive income (loss)	-	-	-	(7,921)	(7,921)	-	(7,921)
Dividend paid (note 21)	-	-	-	-	-	(2,598)	(2,598)
Balance - End of year	(3,464)	98,005	133,081	(50,263)	177,359	1,398	178,757

							2015
	Unreserved $	Internally reserved $	Invested in property, plant and equipment $	Other comprehensive income (loss) $	Total attributable to the Association $	Non-controlling interest $	Total $
Balance - Beginning of year	11,373	98,005	92,760	(21,241)	180,897	2,825	183,722
Net income (loss) for the year	24,051	-	(9,800)	-	14,251	988	15,239
Investment in property, plant and equipment - net	(41,759)	-	41,759	-	-	-	-
Other comprehensive income (loss)	-	-	-	(21,101)	(21,101)	-	(21,101)
Balance - End of year	(6,335)	98,005	124,719	(42,342)	174,047	3,813	177,860

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

Canadian Standards Association

Consolidated Statement of Income

For the year ended March 31, 2016

(in thousands of Canadian dollars, except as otherwise noted)

	2016 $	2015 $
Revenue	351,103	314,861
Operating expenses		
Salaries and benefits	200,921	188,450
Professional, agency and other outside services	32,451	33,786
Travel	22,238	19,270
Property related costs	17,973	18,275
Information technology and communications	11,787	8,408
Office and laboratories	4,618	4,087
Sales and marketing	4,001	3,457
Material costs	4,829	3,819
Depreciation	13,757	9,800
Amortization	1,964	1,981
Other operating expenses (note 14)	22,094	10,609
	336,633	301,942
Income from operations	14,470	12,919
Non-operating income (expense)		
Finance income (loss) (note 15)	(1,001)	20,795
Finance costs (note 16)	(758)	(808)
Share of loss in associate	-	(172)
Restructuring costs (note 17)	-	(15,819)
Foreign income taxes	(1,295)	(1,676)
Net income for the year	11,416	15,239
Net income attributable to		
The Association	11,233	14,251
Non-controlling interests	183	988
	11,416	15,239

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

Canadian Standards Association

Consolidated Statement of Comprehensive Income

For the year ended March 31, 2016

(in thousands of Canadian dollars, except as otherwise noted)

	2016 $	2015 $
Net income for the year	11,416	15,239
Other comprehensive income (loss)		
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of net assets of foreign operations	1,319	(295)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		
Actuarial loss on employee future benefits (note 20)	(9,240)	(20,806)
Total other comprehensive income (loss)	(7,921)	(21,101)
Total comprehensive income (loss) for the year	3,495	(5,862)
Comprehensive income (loss) attributable to		
The Association	3,312	(6,850)
Non-controlling interest	183	988
	3,495	(5,862)

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

Canadian Standards Association

Consolidated Statement of Cash Flows

For the year ended March 31, 2016

(in thousands of Canadian dollars, except as otherwise noted)

	2016 $	2015 $
Cash provided by (used in)		
Operating activities		
Net income for the year	11,416	15,239
Add (deduct): Items not involving cash		
Share of loss in associate	-	281
Depreciation	13,757	9,800
Amortization	1,964	1,981
Impairment of intangible assets	-	3,426
Loss (gain) on short-term investments	941	(15,955)
Pension and employee future benefit expense	17,645	14,745
Amortization of lease inducement	-	(95)
Foreign exchange	(1,207)	(2,111)
	44,516	27,311
Net change in non-cash working capital balances related to operations (note 19)	(6,642)	4,553
Pension plan contributions	(7,474)	(7,862)
Employee future benefit payments	(1,951)	(1,633)
	28,449	22,369
Investing activities		
Purchase of property, plant and equipment	(22,087)	(42,067)
Purchase of intangible assets	(5,386)	(4,197)
Proceeds from short-term investments	7,000	30,000
Decrease (increase) in restricted cash	(98)	8,310
Acquisition of additional shares in subsidiary	-	(109)
	(20,571)	(8,063)
Financing activities		
Acquisition (repayment) of finance leases	328	(180)
Repayment of bank loans (note 12)	(5,463)	(5,182)
Dividend to non-controlling interest	(2,598)	-
	(7,733)	(5,362)
Effect of exchange rate changes on cash and cash equivalents	862	2,092
Increase in cash and cash equivalents during the year	1,007	11,036
Cash and cash equivalents - Beginning of year	29,410	18,374
Cash and cash equivalents - End of year	30,417	29,410

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

(in thousands of Canadian dollars, except as otherwise noted)

1 General information

The consolidated financial statements of the Canadian Standards Association (the Association) and its subsidiaries (together, CSA Group) for the year ended March 31, 2015 were approved in accordance with a resolution of the Board of Directors dated May 27, 2016. The Association is domiciled in Canada. The registered head office is located at 178 Rexdale Boulevard, Toronto, Ontario, Canada, M9W 1R3.

The Association was incorporated by letters patent dated January 21, 1919 under the federal laws of Canada and was continued under the Canada Not-for-profit Corporations Act (the Act) pursuant to a Certificate of Continuance issued on August 17, 2012. The Association is an independent membership based corporation without share capital, shareholders or other owners that is governed by the Act.

CSA Group is engaged in the development of consensus based standards in the areas of safety, quality and performance as well as the testing and certification of conformance to various standards that serve business, industry, government and consumers. Testing, inspection and certification services extend worldwide to medical, electrical, mechanical, plumbing, gas, hazardous locations, automotive, and a variety of other products. Similarly, consumer product evaluation, inspection and advisory services are provided for retailers and manufacturers.

CSA Group's vision and purpose is "a better, safer, more sustainable world where standards work for people and business."

2 Summary of significant accounting policies

Basis of preparation

The Association prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) as issued as of May 24, 2016.

The consolidated financial statements have been prepared on an historical cost basis, except for derivative financial instruments and short-term investments, which are measured at fair value.

The Association's year-end occurs on the last Friday of March. For the current year, the actual year-end date is April 1, 2016. For the prior year, the year-end date was March 27, 2015. For the purposes of these consolidated financial statements, March 31 will refer to the actual dates mentioned above.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and its subsidiaries. Subsidiaries are those entities the Association controls. The Association controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Association and de-consolidated from the date control ceases. Intercompany transactions, balances, income and expenses, and profits and losses are eliminated.

(in thousands of Canadian dollars, except as otherwise noted)

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of net assets. Their share of net income and other comprehensive income is recognized directly in net assets. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Foreign currency translation

The Association's consolidated financial statements are presented in Canadian dollars (presentation currency), which is also the Association's functional currency.

The financial statements of subsidiaries that have a functional currency different from that of the Association are translated into Canadian dollars as follows: assets and liabilities - at the closing rate at the date of the consolidated statement of financial position; and income and expenses - at the average rate for the period (as this is considered a reasonable approximation of the actual rates prevailing at the transaction dates). All resulting foreign exchange gains and losses on translation are recognized in other comprehensive income as cumulative translation adjustments.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the exchange rate prevailing as at the consolidated statement of financial position date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in currencies other than the entities' functional currency are recognized in the consolidated statement of income.

Business combinations

CSA Group follows the acquisition method of accounting for acquisitions. The cost of an acquisition is measured as the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date. The excess of the cost of acquisitions over the fair value of the Association's share of the identifiable net assets acquired, if any, is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of income. Transaction costs are expensed as they are incurred and are included in other operating expenses within the consolidated statement of income.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, money market securities, and short-term deposits with an original maturity of three months or less.

(in thousands of Canadian dollars, except as otherwise noted)

Inventories

Inventories, which consist mainly of labels and printed copies of standards, are stated at the lower of cost, determined on a first-in, first-out basis, and net realizable value. Net realizable value is the estimated selling price less estimated selling expenses incurred in the ordinary course of business.

Financial instruments

Financial assets and liabilities are recognized when CSA Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and CSA Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

CSA Group's financial assets include cash and cash equivalents, restricted cash, short-term investments, trade and other receivables and derivative financial instruments.

CSA Group's financial liabilities include trade and other payables, bank loans, finance leases and derivative financial instruments.

At initial recognition, CSA Group classifies its financial instruments in the following categories:

a) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. This category includes forward foreign exchange contracts entered into by CSA Group that are not designated as hedging instruments in hedge relationships and are classified as held-for-trading. CSA Group has designated its short-term investments at fair value through profit or loss with the changes charged to the consolidated statement of income.

   Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of income. Gains and losses arising from changes in fair value are presented in the consolidated statement of income in the period in which they arise. Non-derivative financial assets and liabilities recognized at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond 12 months of the consolidated statement of financial position date, which are classified as long-term.

b) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. CSA Group's loans and receivables comprise trade and other accounts receivable and cash and cash equivalents, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment, if any.

(in thousands of Canadian dollars, except as otherwise noted)

c) Financial liabilities at amortized cost: Trade and other payables, bank loans and refundable customer deposits are initially recognized at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These financial liabilities are classified as current if payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

Impairment of financial assets at amortized cost

At each reporting date, CSA Group assesses whether there is objective evidence that a financial asset is impaired.

The criteria used to determine objective evidence of an impairment loss include:

- significant financial difficulty of the obligor;
- delinquencies in interest or principal payments; or
- the probability the borrower will enter bankruptcy or other financial reorganization.

If such evidence exists, CSA Group recognizes an impairment loss as the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Impairment of non-financial assets

CSA Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for a non-financial asset is required, CSA Group estimates the asset's recoverable amount. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units or CGUs). An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of a non-financial asset exceeds its recoverable amount, the non-financial asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, a discounted cash flow model may be used. Impairment losses are recognized in the consolidated statement of income in those expense categories consistent with the function and nature of the impaired asset.

(in thousands of Canadian dollars, except as otherwise noted)

Investments in associates

Associates are entities over which the Association has significant influence, but not control. The Association accounts for its investment in associates using the equity method. The Association's share of profits or losses and of other comprehensive income of associates is recognized in income from operations and in other comprehensive income, respectively.

Unrealized gains on transactions between the Association and an associate are eliminated to the extent of the Association's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in investments in associates are recognized in the consolidated statement of income.

Property, plant, and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When significant parts of property, plant and equipment are required to be replaced in intervals, CSA Group derecognizes and recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All repair and maintenance costs are recognized in the consolidated statement of income as incurred.

Depreciation is calculated over the estimated useful life of the asset as follows:

Buildings	5 to 50 years straight-line
Leasehold improvements	straight-line over expected lease term
Equipment	10% to 30% declining balance, 5 to 10 years straight-line
Computer equipment	3 to 8 years straight-line

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Leases

Finance leases, which transfer to CSA Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the consolidated statement of income.

Leased assets are depreciated over the shorter of the useful life of the asset and the lease term.

(in thousands of Canadian dollars, except as otherwise noted)

Operating lease payments are recognized as an expense in the consolidated statement of income on a straight-line basis over the lease term.

Lease inducements

Lease inducements represent leasehold improvements received from a landlord and the value of rent-free periods. Lease inducements are amortized on a straight-line basis over the estimated term of the lease and the amortization is recorded as a reduction of rent expense.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in the consolidated statement of income in the period in which they are incurred.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are capitalized if certain criteria, including technical feasibility, availability for use and probable future economic benefit, are met. Accreditation agreements are subject to regular compliance inspections and audits and requalification audits. Accreditations can be revoked in instances of unaddressed non-conformance, which have a very low probability of occurring. Hence, these assets are considered to have an indefinite life.

Definite-lived intangible assets	
Customer relationships and lists	straight-line over expected useful lives ranging from 15 to 22 years
Agency agreements	straight-line over expected useful life of 5 years
Non-compete contracts	straight-line over expected useful lives ranging from 2 to 5 years
Computer software	straight-line over expected useful lives ranging from 3 to 10 years
Proprietary technology	25% declining balance
Indefinite-lived intangible assets	
Accreditation agreements	indefinite life

Goodwill

Goodwill represents the excess of the cost of an acquired entity over the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is allocated to each CGU unit or group of CGUs that are expected to benefit from the related business combination. Goodwill is subject to an annual impairment test or whenever events or circumstances indicate the carrying amount may not be recoverable. Goodwill impairment is assessed based on a comparison of the recoverable amount (the higher of the fair value less disposal cost or value in use) of a CGU to the underlying carrying value of the CGU's net assets, including goodwill. An impairment is recognized when the carrying amount of the CGU exceeds its recoverable amount.

(in thousands of Canadian dollars, except as otherwise noted)

Provisions

Provisions are recognized when CSA Group: (i) has a present obligation, legal or constructive, as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Where CSA Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The provision is presented in the consolidated statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where CSA Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

Foreign income taxes

The Association and its US subsidiary are not subject to income taxes, while other foreign subsidiaries are subject to income tax in their respective jurisdictions.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to foreign taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in foreign jurisdictions where CSA Group operates and generates taxable income.

Current income tax relating to items recognized directly in net assets or other comprehensive income is recognized in net assets or other comprehensive income and not in the consolidated statement of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

In general, deferred income tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are recognized for all taxable temporary differences, except where the deferred taxes arise from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by CSA Group and it is probable the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable the future taxable profit will be available against which the deductible temporary differences can be utilized.

(in thousands of Canadian dollars, except as otherwise noted)

Revenue recognition

Revenue, which is principally from testing, inspection, certification, registration and other services, is recorded when the amount of revenue can be reliably measured, if it is probable that future economic benefits will flow to the entity, or when specific criteria have been met for each of the activities as described below. Revenue from the sale of goods is recognized when they are shipped. Annual fees are recorded as revenue in the period to which they relate. Standards development and other revenues are recognized based on percentage of completion. Amounts received and receivable for services not yet rendered, or annual fees relating to a future period, are included in current liabilities as customer deposits or deferred revenue, respectively, and are recognized as revenue when earned according to the Association's revenue recognition policy.

CSA Group assesses its revenue arrangements against specific criteria in order to determine whether it is acting as principal or agent. CSA Group has concluded it is acting as a principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized:

- CSA Group has transferred to the buyer the significant risks and rewards of ownership of the goods or services;
- CSA Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods or services sold;
- the amount of revenue can be measured reliably;
- there is probability that the economic benefits associated with the transaction will flow to CSA Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Investment income (loss), which consists of interest, dividends and realized and unrealized gains and losses, is recorded as finance income in the consolidated statement of income.

Interest income

Interest income is recognized as interest accrues using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Dividend income

Dividend income is recognized when declared.

(in thousands of Canadian dollars, except as otherwise noted)

Pensions and employee future benefits

CSA Group operates defined benefit pension plans and defined contribution pension plans that require contributions to be made of them. CSA Group has also agreed to provide post-employment health-care benefits to certain employees that are unfunded.

The cost of these benefit plans is charged to the consolidated statement of income as they are earned by the beneficiary. The cost of providing benefits under these benefit plans is determined using the projected unit credit method. The related asset or liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating the terms of the related liabilities.

Actuarial gains and losses are recognized in full in the period in which they occur, in other comprehensive income. Current service costs, past-service costs and net interest expense (income) arising on the net defined benefit liability (asset) are included in the consolidated statement of income.

For funded plans, surpluses are recognized only to the extent the surplus is considered recoverable. Recoverability is primarily based on the extent to which CSA Group can unilaterally reduce future contributions to the plan.

Employee compensated balances, such as sick leave, that accumulate but do not vest are recognized in the period in which employees have earned the related benefits in return for their service. The accumulated benefit is discounted to determine its present value as at the consolidated statement of financial position date.

Internally reserved net assets

Certain net assets are restricted by the Board of Directors for specific purposes relating to the development of standards, research projects and new standards applications. Income generated from the internally reserved net assets is included in unreserved net assets.

3 Significant accounting judgments, estimates and assumptions

The preparation of the Association's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the applicable asset or liability in future periods.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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.

(in thousands of Canadian dollars, except as otherwise noted)

Impairment of non-financial assets

CSA Group reviews goodwill and indefinite-lived intangible assets at least annually and other non-financial assets when there is any indication the asset might be impaired. CSA Group has estimated the value in use for any non-financial asset or CGU to which goodwill is allocated or where there is an indication of impairment. The value in use calculation is based on a discounted cash flow model, which requires assumptions about future cash flows, margins and discount rates. Refer to note 11 for more details about methods and assumptions used in these models.

Employee future benefits

The cost of defined benefit pension plans and other post-employment medical health-care benefits and the present value of pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These assumptions include the determination of the discount rate, future salary increases, mortality rates, medical cost trend rate and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in Canada with at least an AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for Canada. Future salary increases and pension increases are based on expected future inflation rates for Canada and on management's best estimates. Refer to note 20 for more details on these assumptions.

Allowance for doubtful accounts

CSA Group must make an assessment of whether trade receivables and unbilled revenues are recoverable from clients. The allowance estimate is based on management's best assessment of the collectibility of the accounts taking into consideration client creditworthiness, current economic trends and past experience. If future collections differ from estimates, future earnings would be adjusted accordingly.

Revenue recognition

In determining the percentage of completion, management must estimate total contract costs to complete in order to assess the progress of the project, the estimated outcome and whether a provision is necessary to reflect anticipated contract losses. The estimates influence the timing of revenue recognition. The estimated costs to complete are determined using management's best estimates of the outcome of projects.

(in thousands of Canadian dollars, except as otherwise noted)

4 Accounting standards issued and adopted

Future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after April 1, 2016 or later periods. Many are not applicable or do not have a significant impact on the Association and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact, if any, on the Association:

a) IFRS 9 - Financial Instruments, effective for annual periods beginning on or after January 1, 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010 and December 2013. It replaces the parts of International Accounting Standard (IAS) 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of IAS 39's requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. Certain parts of hedge accounting have also been revised under IFRS 9. As part of IFRS 9 the IASB has introduced a new, expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognized and it lowers the threshold for recognition of full lifetime expected losses. The Association is yet to assess IFRS 9's full impact.

b) IFRS 15 - Revenue from Contracts with Customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. The Association has not yet assessed the impact of this new standard.

c) Disclosure Initiative - In December 2014 the IASB published the final standard Disclosure Initiative (Amendments to IAS 1). These amendments to IAS 1, Presentation of Financial Statements, address some of the concerns expressed about existing presentation and disclosure requirements and ensure that entities are able to use judgment when applying IAS 1. The final standard Disclosure Initiative (Amendments to IAS 1) is effective for annual periods beginning on or after January 1, 2016 with earlier application permitted.

(in thousands of Canadian dollars, except as otherwise noted)

d) The IASB issued on January 13, 2016 a new accounting standard called IFRS 16, Leases. IFRS 16, Leases replaces IAS 17, Leases. IFRS 16 requires all leases to be reported on an entity's statement of financial position as assets and liabilities. IFRS 16 is effective January 1, 2019. Early application is permitted for entities that also apply IFRS 15, Revenue from Contracts with Customers. The Association has not yet assessed the impact of this new standard.

e) The IASB published an amendment to IAS 12 in January 2016 referred to as IAS 12, Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses. The amendment is effective for reporting periods starting on or after January 1, 2017. The objective of the amendment is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendment is not expected to be relevant to the Association.

There were other pronouncements and annual improvement projects issued and not yet effective, for which there is no significant impact for the Association.

Accounting policies effective this year

During the year, the Association adopted the following IFRS amendment to the standards:

f) The IASB published narrow scope amendments to IAS 19, Employee Benefits, entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) on November 21, 2013. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The issue originated from two submissions to the IFRIC, which recommended that the IASB amend the standard. The amendments are effective from July 1, 2014 with earlier application permitted. The Association adopted the amendments effective April 1, 2015 and the impacts were not significant to the consolidated statement of financial position and the consolidated statement of comprehensive income.

Certain other IFRS, annual improvement projects, and IFRIC were issued or amended and they were not relevant to the Association.

5 Restricted cash

Restricted cash represents GBP64,000 (2015 - GBP11,000) held in escrow in respect of the construction of a building in the United Kingdom.

(in thousands of Canadian dollars, except as otherwise noted)

6 Trade and other receivables

	2016 $	2015 $
Trade and other receivables	68,216	67,191
Unbilled services	10,135	8,538
Other receivables	1,160	1,914
Allowance for doubtful accounts	(1,689)	(1,682)
	77,822	75,961

The reconciliation for the allowance for doubtful accounts is as follows:

	2016 $	2015 $
Opening balance	1,682	1,464
Additions to provisions	1,056	1,299
Amount written off	(1,049)	(1,081)
	1,689	1,682

The aging analysis of trade receivables past due but not impaired is as follows:

	31 to 60 days $	61 to 90 days $	Over 90 days $	Total $
2016	15,098	5,039	5,935	26,072
2015	15,886	7,241	8,206	31,333

7 Inventories

	2016 $	2015 $
Labels and standards	777	635

The cost of inventories recognized as an expense and included in the consolidated statement of income was $1,032 (2015 - $947).

8 Short-term investments

	2016 $	2015 $
Pooled funds	113,845	121,781
Cash held by brokers	121	126
	113,966	121,907

(in thousands of Canadian dollars, except as otherwise noted)

9 Property, plant and equipment

	Land $	Buildings $	Leasehold improvements $	Equipment $	Computer equipment $	Assets under construction $	Total $
Year ended March 31, 2015							
Opening net book value	9,984	27,895	2,971	42,131	2,519	7,260	92,760
Additions	-	11,977	4,451	12,033	2,208	11,758	42,427
Disposals/ transfers	-	(9)	-	832	(15)	(1,168)	(360)
Depreciation	-	(2,272)	(821)	(6,001)	(706)	-	(9,800)
Foreign exchange	15	198	36	(466)	(21)	(70)	(308)
Closing net book value	9,999	37,789	6,637	48,529	3,985	17,780	124,719
As at March 31, 2015							
Cost or valuation	9,999	45,463	9,152	66,639	6,865	17,780	155,898
Accumulated depreciation	-	(7,674)	(2,515)	(18,110)	(2,880)	-	(31,179)
Closing net book value	9,999	37,789	6,637	48,529	3,985	17,780	124,719
Year ended March 31, 2016							
Opening net book value	9,999	37,789	6,637	48,529	3,985	17,780	124,719
Additions	-	1,215	529	6,099	2,702	13,485	24,030
Disposals/ transfers	(537)	8,511	7,974	10,097	(64)	(28,357)	(2,376)
Depreciation	-	(3,247)	(1,314)	(8,157)	(1,039)	-	(13,757)
Foreign exchange	24	(107)	42	462	33	11	465
Closing net book value	9,486	44,161	13,868	57,030	5,617	2,919	133,081
As at March 31, 2016							
Cost or valuation	9,486	55,040	17,644	82,027	8,800	2,919	175,916
Accumulated depreciation	-	(10,879)	(3,776)	(24,997)	(3,183)	-	(42,835)
Closing net book value	9,486	44,161	13,868	57,030	5,617	2,919	133,081

Included in equipment as at March 31, 2016 was an amount of $2,919 (2015 - $17,780) relating to an expenditure for plant equipment in the course of construction. These assets under construction relate to various projects for renovations and building of new laboratory equipment. No depreciation was provided on these assets since they were not available-for-use.

(in thousands of Canadian dollars, except as otherwise noted)

10 Intangible assets

	Customer lists $	Computer software $	Other $	Accreditation agreements $	Total $
Year ended March 31, 2015					
Opening net book value	12,166	7,270	1,208	10,119	30,763
Additions	-	3,913	284	-	4,197
Amortization	(670)	(940)	(371)	-	(1,981)
Impairment	(368)	(16)	(76)	-	(460)
Foreign exchange	(711)	(13)	(18)	23	(719)
Closing net book value	10,417	10,214	1,027	10,142	31,800
As at March 31, 2015					
Cost or valuation	12,647	12,769	3,605	10,142	39,163
Accumulated amortization	(2,230)	(2,555)	(2,578)	-	(7,363)
Closing net book value	10,417	10,214	1,027	10,142	31,800
Year ended March 31, 2016					
Opening net book value	10,417	10,214	1,027	10,142	31,800
Additions/transfers	-	5,819	-	-	5,819
Amortization	(694)	(1,015)	(255)	-	(1,964)
Foreign exchange	502	(11)	(2)	3	492
Closing net book value	10,225	15,007	770	10,145	36,147
As at March 31, 2016					
Cost or valuation	13,253	18,592	3,620	10,145	45,610
Accumulated amortization	(3,028)	(3,585)	(2,850)	-	(9,463)
Closing net book value	10,225	15,007	770	10,145	36,147

Included in computer software as at March 31, 2016 was an amount of $2,038 (2015 - $4,703), relating to expenditures for software under development. The software under development is not being amortized as it is not available-for-use.

(in thousands of Canadian dollars, except as otherwise noted)

11 Goodwill

Goodwill in the consolidated statement of financial position is as follows:

	2016 $	2015 $
Opening balance	22,114	25,773
Impairment	-	(2,966)
Exchange gains (losses) on translation	523	(693)
	22,637	22,114

Goodwill has been allocated to the following CGUs:

	2016 $	2015 $
Sira group of companies	4,931	4,992
CSA Bayern	8,711	8,069
Mi Technologies Group (MiTG)	7,392	7,484
Other CGUs	1,603	1,569
	22,637	22,114

Following a corporate restructuring in August 2014, $2,966 of goodwill in the lighting and wiring CGU was impaired and the remaining assets in this unit were allocated to another CGU.

In assessing the intangible assets and goodwill for impairment as at March 31, 2016 and 2015, CSA Group compared the aggregate recoverable amount of the assets included in the above CGUs to their respective carrying amounts. Recoverable amounts for CGUs tested have been determined based on the value in use of the CGUs using discounted cash flow projections approved by management. Key assumptions included the following:

	2016			2015		
	Sira %	CSA Bayern %	MiTG %	Sira %	CSA Bayern %	MiTG %
Average growth rate < first five years	1.5	4.7	9.0	8.4	5.9	10.0
Average growth rate > after five years	2.0	2.0	2.0	2.0	2.0	2.0
Discount rate	11.0	11.0	11.0	12.0	12.0	12.0

The above impairment tests resulted in no impairment as at March 31, 2016 and 2015.

(in thousands of Canadian dollars, except as otherwise noted)

12 Bank loans

During fiscal 2014, the Association and its subsidiaries entered into a GBP10,500,000 term loan with its principal bankers to assist in the acquisition of a business in the United Kingdom and other assets. Quarterly repayments of GBP328,100 are required over an eight-year term. This loan will be renewed in October 2016 at which time the Association expects to renew under new terms at that time. Interest is charged at the rate of LIBOR plus 2%.

In 2011, the Association and its subsidiaries entered into a 16,000,000 euro non-revolving reducing term loan with its principal banker to assist in the acquisition of strategic companies. Quarterly repayments of 500,000 euro are required over the eight-year term of the loan. Interest is charged at the rate of Euribor plus an agreed margin. Both of the above loans are secured by a general security agreement and a first charge on the Association's head office building located in Toronto, Canada.

Under the terms of the credit facility agreement with its lender, the Association must comply with certain financial covenants. As at March 31, 2016, the Association was in compliance with these financial covenants.

13 Trade and other payables

	2016 $	2015 $
Trade payables	20,253	21,277
Accrued expenses	28,075	43,176
	48,328	64,453

14 Other operating expenses

	2016 $	2015 $
Corporate realignment	4,176	-
Onerous lease	3,045	-
Insurance	2,562	2,521
Bad debts	1,201	1,369
Operating tools and supplies	1,270	1,076
Bank and credit card charges	1,390	1,037
Withholding and other non-refundable taxes	1,546	393
Other recoveries	(1,940)	(4,840)
Other expenses	8,844	9,053
	22,094	10,609

(in thousands of Canadian dollars, except as otherwise noted)

15 Finance income (loss)

	2016 $	2015 $
Interest income	60	45
Net foreign exchange gains	333	5,260
Gain (loss) on short-term investments, net of investment manager fees	(1,394)	15,490
	(1,001)	20,795

16 Finance costs

	2016 $	2015 $
Interest on borrowings	735	795
Interest on finance leases	23	13
	758	808

17 Restructuring costs

During the previous fiscal year and as a result of a corporate restructuring, the Association incurred $15,819 of restructuring costs, which are comprised as follows:

	$
Severance and outplacement costs	8,387
Impairment of goodwill and intangible assets	3,426
Onerous lease liability	3,081
Other	925
	15,819

18 Fair values

Due to short-term maturities and variable interest rates, the fair value of the financial assets and liabilities (except those measured at fair value) approximates carrying value.

Fair value hierarchy

The Association uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

(in thousands of Canadian dollars, except as otherwise noted)

- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

				2016
	Level 1 $	Level 2 $	Level 3 $	Total $
Short-term investments	20	113,946	-	113,966

				2015
	Level 1 $	Level 2 $	Level 3 $	Total $
Short-term investments	20	121,887	-	121,907

19 Net change in non-cash working capital balances related to operations

	2016 $	2015 $
Trade and other receivables	763	(5,819)
Inventories	(146)	(135)
Prepaid expenses	(300)	(773)
Trade and other payables	(17,443)	14,334
Deferred revenue	4,898	1,323
Customer deposits	4,929	(6,762)
Provisions	657	2,385
	(6,642)	4,553
Supplemental cash flow information		
Income taxes paid	1,271	1,438
Interest paid	706	769

20 Employee future benefits

The Association sponsors various post-employment benefit plans as follows: defined contribution pension plans, defined benefit pension plans and plans that provide extended health-care coverage. Defined benefit pension benefits are based on length of service and final average earnings. Pension payments for all defined benefit plans, except one, are partially indexed to cost of living increases after retirement.

(in thousands of Canadian dollars, except as otherwise noted)

The amounts recognized in the consolidated statement of financial position and consolidated statements of income and comprehensive income are as follows:

	2016 $	2015 $
Consolidated statement of financial position		
Accrued pension benefit asset (liability)	(12,249)	1,826
Employee future benefit liability	92,217	88,832
Consolidated statements of income and comprehensive income		
Defined benefit pension plans	21,549	15,846
Defined contribution pension plans	1,491	1,234
Employee future benefit plans	5,336	19,705

The amounts recognized in the consolidated statement of financial position are determined as follows:

	2016		2015	
	Defined benefit pension plans $	Other benefit plans $	Defined benefit pension plans $	Other benefit plans $
Present value of obligations	(341,893)	(92,217)	(349,516)	(88,832)
Fair value of plan assets	331,139	-	364,793	-
Effect of pension asset limit	(1,495)	-	(13,451)	-
	(12,249)	(92,217)	1,826	(88,832)

(in thousands of Canadian dollars, except as otherwise noted)

The movement in the accrued pension benefit asset (liability) and the employee future benefits liability over the year is as follows:

	2016		2015	
	Defined benefit pension plans $	Other benefit plans $	Defined benefit pension plans $	Other benefit plans $
Opening balance	1,826	(88,832)	9,810	(70,760)
Current service cost	(9,201)	(5,347)	(7,522)	(4,211)
Interest cost	202	(3,250)	674	(3,214)
Employer contributions	7,474	-	7,862	-
Remeasurements				
Return on plan assets (excluding interest income)	(35,084)	-	28,953	-
Effect of changes in				
Demographic assumptions	-	-	(5,847)	-
Financial assumptions	10,621	3,207	(45,869)	(12,057)
Experience adjustments	(474)	54	(1,299)	(223)
Benefits paid	-	1,951	-	1,633
Past service costs	(49)	-	(472)	-
Effect of pension asset limit - excluding interest	12,436	-	15,536	-
	(12,249)	(92,217)	1,826	(88,832)

The movement in the defined benefit obligation over the year is as follows:

	2016		2015	
	Defined benefit pension plans $	Other benefit plans $	Defined benefit pension plans $	Other benefit plans $
Opening balance	349,516	88,832	290,739	70,760
Current service cost	8,476	5,347	6,797	4,211
Past service cost	49	-	472	-
Interest cost	12,253	3,250	13,044	3,214
Benefits paid	(20,010)	(1,951)	(16,424)	(1,633)
Employee contributions	1,756	-	1,873	-
Remeasurements				
Effect of changes in				
Demographic assumptions	-	-	5,847	-
Financial assumptions	(10,621)	(3,207)	45,869	12,057
Experience adjustments	474	(54)	1,299	223
	341,893	92,217	349,516	88,832

(in thousands of Canadian dollars, except as otherwise noted)

The movement in the fair value of plan assets over the year is as follows:

	Defined benefit pension plans	
	2016	**2015**
	$	**$**
Opening balance	364,793	328,269
Interest income	12,935	14,985
Remeasurements		
Return on plan assets - excluding interest income	(34,933)	29,530
Employer contributions	7,474	7,862
Employee contributions	1,756	1,873
Benefits paid	(20,010)	(16,424)
Administration expenses	(876)	(1,302)
	331,139	364,793

The amounts recognized in the consolidated statement of income are as follows:

	2016		2015	
	Defined benefit pension plans	**Other benefit plans**	**Defined benefit pension plans**	**Other benefit plans**
	$	**$**	**$**	**$**
Current service cost	9,201	5,347	7,522	4,211
Interest cost	(202)	3,250	(674)	3,214
Past-service cost	49	-	472	-
	9,048	8,597	7,320	7,425

The amounts recognized in the consolidated statement of comprehensive income are as follows:

	2016		2015	
	Defined benefit pension plans	**Other benefit plans**	**Defined benefit pension plans**	**Other benefit plans**
	$	**$**	**$**	**$**
Actuarial (gain) loss	24,937	(3,261)	24,062	12,280
Limit on pension asset	(12,436)	-	(15,536)	-
	12,501	(3,261)	8,526	12,280

(in thousands of Canadian dollars, except as otherwise noted)

The principal actuarial assumptions used were as follows:

	2016		2015	
	Defined benefit pension plans %	Other benefit plans %	Defined benefit pension plans %	Other benefit plans %
Discount rate	3.80	3.90	3.59	3.70
Inflation rate	2.00	n/a	2.20	n/a
Pension increases	0.20	n/a	0.20	n/a
Future salary increases	3.50	3.50	3.50	3.50
Ultimate health-care cost trend rate	n/a	4.50	n/a	4.50
Mortality table used: 90% of CPM2014 (2014 - 90% of CPM2014)				

Defined benefit plan assets comprise the following:

	2016 %	2015 %
Equity instruments	59	68
Debt instruments	34	30
Cash and cash equivalents	7	2
	100	100

The Association's risk management program seeks to minimize adverse effects of risk on the defined benefit plan assets. Defined benefit plan assets are well diversified, such that the failure of any single investment would not have a material impact on the overall value of assets.

The effect of a 0.25% change in the composite discount rate for all pension plans would increase or decrease the defined benefit obligation by $10,255 or $(9,729), respectively.

The effect of a 0.25% change in the rate of inflation would increase or decrease the defined benefit obligation by $9,920 or $(8,175), respectively.

The effect of a 0.45% increase in the pension growth rate for all pension plans would increase the defined benefit obligation by $6,968.

The effect of a 1% change in the health-care cost trend rate on the employee future benefits would increase or decrease the related liability by $18,847 or $(14,906), respectively.

The addition of one year to the mortality rate would increase the defined benefit obligation by $5,805.

Estimated employer contributions and payments for the year ending March 31, 2017 are $5,564 for the defined benefit pension plans and $3,080 for the other benefit plans.

(in thousands of Canadian dollars, except as otherwise noted)

	Next actuarial valuation date	Last actuarial valuation date
Defined benefit pension plans		
Salaried employees	December 31, 2016	December 31, 2013
Members of Local 967 of the Canadian Union of Public Employees	December 31, 2016	December 31, 2013
Members of Local 4559 of the Canadian Union of Public Employees	December 31, 2016	December 31, 2013
Designated executive employees	December 31, 2016	December 31, 2013

21 Related party disclosures

The consolidated financial statements include the financial statements of the Association, its subsidiaries and an associated company. The major operating entities are:

			% Ownership	
	Incorporation country	Functional currency	2016 %	2015 %
Canadian Standards Association	Canada	CAD	-	-
CSA America, Inc.	United States	CAD	100.0	100.0
OnSpeX, Inc.	United States	CAD	100.0	100.0
CFV Solar Test Laboratory, Inc.	United States	USD	75.0	75.0
Canadian Standards Association de Mexico S.A. de C.V.	Mexico	CAD	100.0	100.0
CSA Servicios, S.A. de C.V.	Mexico	CAD	100.0	100.0
Grupo CSA Servicios de Mexico, S.C.	Mexico	CAD	100.0	n/a
CSA India Private Limited	India	CAD	100.0	100.0
Canadian Standards Association (Far East Operations) Ltd.	Hong Kong	CAD	100.0	100.0
OnSpeX Shanghai Co., Ltd.	China	CAD	100.0	100.0
CCIC-CSA International Certification Co., Ltd.	China	CAD	65.0	65.0
CSA Group Europe Holdings Limited (formerly, CSA Certification UK Ltd.)	United Kingdom	GBP	100.0	100.0
Sira Consulting Limited	United Kingdom	GBP	Dissolved	100.0
Sira Test and Certification Limited	United Kingdom	GBP	100.0	100.0
Sira Environmental Limited	United Kingdom	GBP	Dissolved	100.0
Sira Certification Service	United Kingdom	GBP	100.0	100.0
CSA Group Capital UK Limited	United Kingdom	GBP	100.0	100.0
CSA Group Switzerland GmbH	Switzerland	Swiss franc	100.0	100.0
CSA Group Europe GmbH	Germany	Euro	100.0	100.0
CSA Group Italy S.r.l.	Italy	Euro	100.0	100.0
CSA Group Bayern GmbH (formerly mikes-testing partners GmbH and emitel GmbH)	Germany	Euro	100.0	100.0
MI Technology Investments Limited	United Kingdom	GBP	100.0	100.0
MI Technology Group Holdings Limited	United Kingdom	GBP	100.0	100.0
MI Automotive Technology Limited	United Kingdom	GBP	100.0	100.0
CSA Group Testing UK Limited (formerly, MI Technology Group Limited)	United Kingdom	GBP	100.0	100.0

(in thousands of Canadian dollars, except as otherwise noted)

	Incorporation country	Functional currency	% Ownership 2016 %	% Ownership 2015 %
CSA Group Test and Certification Singapore Pte. Ltd	Singapore	Singapore Dollar	100.0	100.0
CSA Group Japan Ltd.	Japan	Japanese yen	100.0	100.0

During the current year, CCIC-CSA International Certification Co. Ltd. paid a dividend, of which $2,598 was paid to the non-controlling party. There were no dividends paid by this entity in the prior year.

Key management compensation

Aggregate compensation paid to executives and members of the Board of Directors of CSA Group who have the authority and responsibility for planning, directing and controlling the activities of CSA Group was $6,270 (2015 - $12,401).

22 Financial risk management objectives and policies

CSA Group's activities are exposed to a variety of financial risks: market risk (including interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk. The Association's overall risk management program seeks to minimize potential adverse effects of risk on CSA Group's financial performance.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate due to changes in market conditions. The market comprises several types of risk: interest rate risk, foreign currency risk and other price risk.

- Interest rate risk

  Interest rate risk refers to the effect on the fair value or future cash flows of an investment due to fluctuations in interest rates. CSA Group's variable interest bank loan is exposed to interest rate risk. CSA Group is not exposed to significant interest rate risk on its other monetary current assets and current liabilities due to their short-term maturities.

  CSA Group invests surplus cash in bank deposits and short-term money market securities which, due to their short-term nature, do not expose the Association to significant interest rate risks.

  - Interest rate sensitivity

    The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the bank loan. With all other variables held constant, the Association's consolidated statement of income is affected through the impact on bank interest as follows:

(in thousands of Canadian dollars, except as otherwise noted)

	Increase/ decrease %	Effect on net income and net assets $
March 31, 2016		
Variable interest rate	+1	251
Variable interest rate	-1	(251)
March 31, 2015		
Variable interest rate	+1	(297)
Variable interest rate	-1	297

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- Foreign currency risk

Foreign currency risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure to the risk of changes in foreign exchange rates relates primarily to CSA Group's operating activities, when revenue or expenses are denominated in a different currency from the Association's functional currency. CSA Group operates globally with significant revenue and expenses denominated mainly in US dollars, Great British pounds and euro. This gives rise to the risk that some of its revenue and cash flows may be impacted by fluctuations in foreign exchange rates between these currencies and the Canadian dollar. CSA Group uses derivative financial instruments as part of its overall risk management policy to manage exposures to foreign exchange risk that result from operations. As at March 31, 2016, the consolidated statement of financial position includes amounts denominated in US dollars, Great British pounds and euro, which represent the following percentages of current assets and current liabilities:

	2016 %	2015 %
Current assets		
US dollars	20	21
Great British pounds	5	6
Euro	11	69
Current liabilities		
US dollars	10	16
Great British pounds	7	5
Euro	14	11

As at March 31, 2016 and March 31, 2015, the Association did not have any outstanding forward foreign exchange contracts. During the year, the Association entered into and exercised on a contract for US$3,000,000, which resulted in a net gain in the consolidated statement of income of $72.

- Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in the foreign exchange rates of the US dollar, Great British pound and euro with all other variables held constant,

(in thousands of Canadian dollars, except as otherwise noted)

of CSA Group's net income (due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives) and the Association's net assets. CSA Group's exposure to other foreign currencies is not material.

			2016
	US$	GBP	Euro
+5%	1,682	155	507
-5%	(1,682)	(155)	(507)

			2015
	US$	GBP	Euro
+5%	1,562	394	352
-5%	(1,562)	(394)	(352)

- Other price risk

CSA Group has exposure to price risk from short-term investments that are invested in pooled funds. Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Price risk exposure relates to pooled funds and equities whose unit values will fluctuate as a result of changes in market prices, principally investment securities.

	Increase/ decrease in market prices %	Effect on net income and net assets $
March 31, 2016		
Change in unit price	+5	5,692
Change in unit price	-5	(5,692)
March 31, 2015		
Change in unit price	+5	6,089
Change in unit price	-5	(6,089)

Credit risk

Credit risk on financial instruments is the risk of financial loss occurring as a result of default or insolvency of a customer or counterparty on its obligations to CSA Group. For CSA Group, credit risk arises from cash and cash equivalents on deposit with banks, short-term investments with investment management companies and credit exposure to customers. Credit risk from balances with banks and financial institutions is managed in accordance with the Association's policy. Derivative transactions are executed only with approved banks. Credit

(in thousands of Canadian dollars, except as otherwise noted)

risk for short-term investments is managed by dealing only with counterparties that have a minimum investment rating of A as determined by a recognized rating agency and by regular monitoring.

CSA Group monitors and manages its concentration of counterparty risk on an ongoing basis. Counterparty credit limits are reviewed by the Association's Board of Directors on an annual basis, and may be updated throughout the year subject to the approval of the Association's Finance, Audit and Risk Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

The carrying values of these instruments represent the maximum credit risk exposure at the consolidated financial statement date. Trade receivable credit risk is mitigated through established credit monitoring activities. These activities include conducting financial and other assessments to establish and monitor a customer's creditworthiness, setting customer limits, monitoring exposure against these limits, and in some instances moving the customer to cash-in-advance terms. The requirement for an impairment is analyzed throughout the year on an individual basis for major clients. The calculation is based on actually incurred historical data.

Liquidity risk

Liquidity risk is the risk of being unable to settle or meet commitments as they come due. Liquidity risk is managed by keeping operational funds separate from investment funds in accordance with the Association's statement of investment policies and procedures. Also, liquidity risk is further managed by ensuring CSA Group invests in high-quality investments easily disposed of in an active market.

The following table summarizes the amount of contractual undiscounted future cash flow requirements for financial instruments as at March 31:

				2016
	Less than 3 months $	3 months to 1 year $	1 year to 5 years $	Total $
Contractual obligations				
Bank loan	1,349	4,046	19,695	25,090
Finance leases	54	179	579	812
Trade and other payables	48,328	-	-	48,328
	49,731	4,225	20,274	74,230

(in thousands of Canadian dollars, except as otherwise noted)

				2015
	Less than 3 months $	3 months to 1 year $	1 year to 5 years $	Total $
Contractual obligations				
Bank loan	1,302	3,904	24,444	29,650
Finance leases	56	159	269	484
Trade and other payables	64,453	-	-	64,453
	65,811	4,063	24,713	94,587

Capital management

The Association's objectives when managing capital are to safeguard CSA Group's mission of providing a better, safer and more sustainable environment where standards work for people and business. The capital resources are managed to seek growth through development and expansion of existing assets and programs and to ensure the financial covenants related to its bank loans are met. The Association considers net assets and debt as its capital structure and through the Board of Directors has developed several internal requirements to review and monitor this metric. The overall objectives for managing capital are unchanged from the previous year.

23 Contingencies, commitments and guarantees

Operating lease commitments

The Association has entered into operating leases, as the lessee, requiring rental payments as follows:

	2016 $	2015 $
Within one year	8,685	8,127
After one year but not more than five years	23,761	24,423
More than five years	15,076	19,316
	47,522	51,866

Capital commitments

At March 31, 2016, CSA Group had commitments of $4,280 (2015 - $2,360) relating to the purchase and installation of laboratory and test equipment, building and building improvements for the following fiscal year. There are no other capital commitments extending beyond fiscal 2017 as at March 31, 2016.

Litigation and contingent liabilities

CSA Group has been named in a number of legal actions in the normal course of operations. In the opinion of management and legal counsel, the outcome of these actions cannot be determined with a reasonable degree of assurance at this time. CSA Group carries insurance for such actions, and any loss, to the extent that it is not

(in thousands of Canadian dollars, except as otherwise noted)

fully covered by these insurance policies, is charged to operations in the period in which the liability is determined.

Guarantees

In accordance with the terms of a lease agreement, the Association has guaranteed the future lease commitment to a lessor with respect to a lease assigned to the purchaser of the QMI division. The lease commitment as at March 31, 2016 amounts to $1,750 (2015 - $2,164) and expires in 2020. The fair value of the guarantee is not determinable.

24 Comparative figures

The comparative consolidated financial statements have been reclassified from the consolidated financial statements previously presented to conform to the presentation of the 2016 consolidated financial statements.

We contribute to...

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FOR OUR PLANET

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CSA Group is an independent, not-for-profit membership association dedicated to safety, social good and sustainability. Its knowledge and expertise encompass standards development; training and advisory solutions; global testing and certification services across key business areas including hazardous locations and industrial, plumbing and construction, medical, safety and technology, appliances and gas, alternative energy, lighting and sustainability; as well as consumer product evaluation services. The CSA certification mark appears on billions of products worldwide.

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