



CONSUMER AFFAIRS COMMISSION

An Agency of the Ministry of Industry, Commerce, Agriculture and Fisheries
"Protecting Your Rights, Securing Our Future"

Annual Report
2017/2018

Mission

*To make Jamaica a better place
by facilitating ethical relations
between Providers and Consumers.*

Vision

*In 2020, the CAC is an objective, proactive, responsive and
technologically driven Agency that has forged strategic
alliances with key stakeholders resulting in responsible
consumers and providers understanding
and exercising their rights and responsibilities
in the Jamaican marketplace.*

The Consumer Affairs Commission's role and function
are driven by consumers' rights and strategic objectives
which are as follows:

Promote

Promote and protect Consumers' socio-economic interest to facilitate sustainable consumption.

Protect

Ensure Consumers' access to adequate information to enable informed choices according to individual wishes and needs.

Educate

Provide consumer education.

Advocate

Ensure effective and timely consumer redress.

Support

Provide support for the formation of consumer groups and foster the opportunity for such organisations to present views in decision-making processes, which affect Consumers.



Charter of Rights

The rights of the consumer are derived from the Charter of Rights of the Consumer and the United Nations Guidelines for Consumer Protection to which Jamaica became a signatory in 1985. There are eight (8) basic Consumer Rights which the Consumer Education Programme of the Commission is based on, and these are the right to:



Performance Summary...

COMPLAINTS
HANDLED

1704

REQUESTS
FOR
ADVICE

730

PRICE
SURVEYS

28

TRADITIONAL
MEDIA
EXPOSURES

722

SOCIAL
MEDIA

1,481

REFUNDS AND COMPENSATION

\$24.73 Million

COMPLAINTS
RESOLVED

1454

PARTICIPATED
IN
458
ACTIVITIES

RESEARCH
PROJECTS

9

NEW
MEDIA
EXPOSURES

9,344

WEBSITE
VISITS

40,925

RESOLUTION RATE

85.32%

Testimonials

“This was such a stressful time for me having this uncharacteristically large monthly bill hanging over my head and not knowing if this problem would be sorted out amicably with the NWC, but you and your team at the CAC have made me very proud about your excellent service. I’ll also not soon forget your kindness and professionalism in sorting out this matter on my behalf. Well done and thanks once again to you and the CAC team.”

RM - November 24, 2017



“I wish to express my sincere gratitude to you and your team at Consumer Affairs Commission, as I have received full refund from IWTS.”

PW - March 20, 2018

“I really appreciate the commitment and service provided by you and CAC. Awesome experience. Thank you very much for clarifying my doubt.”

RV - March 6, 2018



“Some people have a way of knowing the right things to do to make other people feel special. Thank you for being one of those thoughtful people. You gave your time [which is] the most thoughtful gift of all.”

SF - July 4, 2017

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Glossary of terms

Acronyms	Definitions
AIA	Aid-In-Appropriation
BOJ	Bank of Jamaica
CARREX	CARICOM Rapid Alert Exchange System
CAC/Commission	Consumer Affairs Commission
CPSC	Consumer Product Safety Commission
CI	Consumers International
CPA	Consumer Protection Act
CPT	Consumer Protection Tribunal
CMS	Case Management Service
CSHN	Consumer Safety and Health Network
EDF	European Development Fund
FY	Financial Year
ISO	International Organisation for Standardisation
JAMPRO	Jamaica Promotions Corporation
JBA	Jamaica Bankers' Association
JBDC	Jamaica Business Development Corporation
JCC	Jamaica Chamber of Commerce
JIS	Jamaica Information Service
JPSCo	Jamaica Public Service Company Ltd
MICAF	Ministry of Industry, Commerce, Agriculture and Fisheries
MOFP	Ministry of Finance and Public Service
MOH	Ministry of Health
NCRA	National Compliance Regulatory Authority
NAHFSC	National Agricultural Health and Food Safety Committee
NCL	National Consumers League
NFIS	National Financial Inclusion Strategy
NFIT	National Food Industry Task Force

Acronyms	Definitions
OAS	Organisation of American States
OUR	Office of Utilities Regulation
ODPEM	Office of Disaster Preparedness and Emergency Management
OPD	Office of the Public Defender
PAHO	Pan American Health Organisation
PMAS	Performance Management and Appraisal System
PSOJ	Private Sector Organisation of Jamaica
PSTU	Public Sector Transformation Unit
ULSD	Ultra-Low Sulphur Diesel
WCRD	World Consumer Rights Day

Transmittal Letter

July 11, 2018

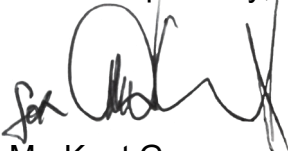
Honourable Audley Shaw, MP
Minister of Industry, Commerce, Agriculture and Fisheries
Ministry of Industry, Commerce, Agriculture and Fisheries
4 St. Lucia Avenue
Kingston 5

Dear Minister:

In accordance with Section 15 of the Consumer Protection Act, I transmit herewith the Commission's report for the year ended March 31, 2018 and a copy of the Commission's Audited Accounts as at March 31, 2018, duly certified by the Auditors.

I am,

Yours respectfully,



Mr. Kent Gammon,
Chairman

The Board of Commissioners



Kent Gammon
Chairman



Dorothy Carter-Bradford
Deputy Chairman



Daenia Ashpole
Director



Vernon Derby
Director



Tess Maria Leon
Director



Rachel McDonald
Director



Michelle Parkins
Director



Damali Thomas
Director



Ian Walters
Director



Donovan White
Director



Morland Wilson
Director



Joyce Young
Director

Board Committees

FINANCE AND AUDIT

Mr. Donovan White (Chair)

Mr. Vernon Derby

Ms. Michelle Parkins

Mr. Ian Walters

HUMAN RESOURCE

Mrs. Dorothy Carter-Bradford, CD, JP (Chair)

Ms. Michelle Parkins

Mr. Morland Wilson

Mrs. Joyce Young, OD, JP

LEGAL AND CORPORATE GOVERNANCE

Mr. Damali Thomas (Chair)

Ms. Daenia Ashpole

Mr. Kent Gammon

PUBLIC RELATIONS

Ms. Tess Maria Leon (Chair)

Ms. Daenia Ashpole

Ms. Rachel McDonald

Chairman's Message



Kent Gammon, Chairman

Chairman's Message

The Consumer Affairs Commission (CAC) continued to significantly impact the rights of consumers during the 2017/18 Financial Year by focusing on and executing programmes geared towards empowering consumers.

For the first months of 2017, the CAC set the tone with how providers would be engaged by proactively ferreting out the information consumers need to make better decisions on purchases of goods and services.

The next months were spent strategically looking at how to enhance the performance of the CAC by better adjudication methods, more public education initiatives and expanding the reach of the CAC to consumers across the island. The CAC staff stepped up to the task, one and all, and together with the Commissioners accomplished the objectives.

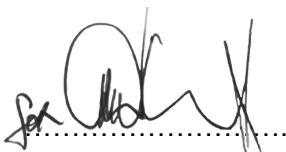
The strategy of hosting quarterly press briefings have forcefully placed on the table that the CAC is all about transparency in what we do and that consumers, providers and the CAC must set out on a journey together in making the world fairer and more equitable in the cut and thrust of commerce in general.

In November 2017, the CAC tackled head on the issue of mobile data resulting in the two (2) largest internet and mobile companies in Jamaica informing the public on mobile data charges and how to save on same.

At the end of the Financial Year, the Commission's flagship event, World Consumer Rights Day, was utilised as a vehicle for the rollout of a new campaign entitled "**Making Digital Marketplaces Fairer**" with emphases on **Access, Protection and Security**. The fact is that Jamaica and the rest of world have been living in a global community where boundaries and distance are no longer physical barriers. As such, it is important to recognise but also assess how the sale of consumer products is being changed to a 'robotic consumer world' and the impact that this will likely have on consumers' future spending patterns. In addition, consumers operating in this digital sphere will also have to deal with the goal posts constantly changing, as the necessary laws to protect and guide this type of commerce are inadequate.

I wholeheartedly thank the staff, headed by the Chief Executive Officer, for being industrious, flexible and forward thinking which has burnished the reputation of the CAC and made it a fine example of how a state agency should operate in the public interest.

On behalf of my fellow Commissioners we pledge to continue working assiduously to find new ways that will facilitate Jamaican consumers being more empowered in the 2018/19 Financial Year.



Mr. Kent Gammon,
Chairman

Chief Executive Officer's Report



Dolsie Allen, CEO

Chief Executive Officer's Report

According to Consumers International, *“We are all consumers, everyday, everywhere. And when things go wrong we pay the price. Sometimes that price is something small, sometimes the price can be our health, our rights, our lives. In recent decades consumer protection has improved in many countries. Yet our mission is more urgent than ever. Many consumers still lack basic protections and as the world has globalised and digitalised, changes to the global marketplace are outpacing consumer protection.”*

It is in this vein that the Consumer Affairs Commission (CAC) continued to execute its mandate of facilitating ethical behavior between consumers and providers of goods and services. The CAC's effort during the 2017/18 Financial Year, resulted in the Agency securing over **\$24.73** Million in refunds and compensation on behalf of aggrieved consumers. The sums were recovered during the Commission's handling of **1,704** consumer complaints of which **1,454** cases were resolved, which translated to a resolution rate of **85.32%**.

Complaints Resolution Service

The **top three complaint categories** identified were: **Electrical Equipment & Appliances at 32.67%**, followed by **Other Services which amounted to 14.87%** and **Utilities at 13.97%**. It is important to note that these results closely pattern what has been evidenced over the years, with occasional changes of these categories. As it relates to the **top three categories which yielded the most monetary compensation**, these were: **Automotive \$11.7-million; Electrical Equipment & Appliances \$3.9-million and Other Services \$3.7-million.**

The Commission also handled **730** requests for advice and information which represent an increase of **39%** over the previous period when **525** requests were facilitated.

Table 1 shows the New Case Analysis by Category for the 2017/18 Financial Year

Category	Complaint	%of Total
C3 - Electrical Equipment, Appliances, etc.	469	32.73%
C13 - Other Services (include complaints relating to services apart from those mentioned in 1-11)	213	14.86%
C4 - Utilities	200	13.96%
C10 - Motor Vehicle & Parts	101	7.05%
C5 - Cable Services	136	9.49%
C7 - Jewellery, Clothing, Kitchenware	55	3.84%
C9 - Food and Beverages	24	1.67%
C6 - Computer and Computer Parts	60	4.19%
C2 - Hardware Items	66	4.61%
C1 - Furniture	49	3.42%
C12 - Other (Other complaints against individuals where there are apparent breaches of contracts)	21	1.47%
C8 - Chemical, Pharmaceutical and Petroleum Products	33	2.30%
C11 - Payment Difficulties (in respect of tangible items only)	6	0.42%
Total	1433	100%

Table 2 highlights the Settlement by Category for the 2017/18 Financial Year

Category	Refund	Compensation	Settlement
Motor Vehicle & Parts	\$11,638,723.02	\$73,775.00	\$11,712,498.02
Other Services (include complaints relating to services)	\$2,869,162.64	\$919,285.49	\$3,773,448.13
Electrical Equipment, Appliances, etc.	\$3,236,789.60	\$667,190.75	\$3,754,980.35
Payment Difficulties (in respect of tangible items only)	\$2,709,399.78	\$0.00	\$2,709,399.78
Furniture	\$575,221.16	\$261,446.34	\$836,667.50
Utilities	\$384,089.59	\$320,832.53	\$704,922.12
Chemical, Pharmaceutical and Petroleum Products	\$247,480.00	\$29,800.00	\$277,280.00
Hardware Items	\$177,834.69	\$17,360.00	\$195,194.69
Cable Services	\$76,009.70	\$92,405.74	\$153,415.44
Food and Beverages	\$121,866.99	\$17,624.76	\$139,491.75
Jewellery, Clothing, Kitchenware	\$88,125.00	\$40,000	\$128,125.00
Computer and Computer Parts	\$94,953.45	\$10,500.00	\$105,453.45
Other (Other complaints against individuals where there are apparent breaches of contract)	\$12,200.00	\$47,602.00	\$59,802.00
Grand Total	\$22,231,855.62	\$2,497,822.61	\$24,550,678.23

Consumer Education

The CAC also has a strong Consumer Education programme which seeks to sensitise consumers about their rights and responsibilities. In executing this aspect of its role, the Commission shares with consumers new developments that may affect their rights and responsibilities. The Agency also provides the facility to receive first hand information from consumers about what is transpiring in the marketplace.

During the 2017/18 Financial Year, the Commission's goal was to directly sensitised **130,000** persons. This goal was almost achieved as **129,629** persons were reached through the participation in **458** outreach activities.

Table 3 shows the Reach Per Parish for the 2017/18 Financial Year

PARISH	NUMBER OF ACTIVITIES	REACH	% OF REACH
Kingston & St. Andrew	89	23,451	18.1
Portland	24	10,351	8.0
St. Catherine	42	12,433	9.6
St. Thomas	87	28,933	22.3
Clarendon	52	13,613	10.5
St. Elizabeth	15	2,771	2.1
St. Ann	55	17,274	13.3
St. James	23	3,456	2.7
St. Mary	26	8,362	6.5
Manchester	20	3,479	2.7
Westmoreland	10	2,917	2.3
Hanover	9	979	0.8
Trelawney	6	1,610	1.2
TOTAL	458	129,629	100

While the Commission visited all parishes during the period under review, consumers were most impacted in the parishes of St. Thomas - 22.3%, Kingston and St. Andrew - 18.1% and St. Ann - 13.3%. However, the Commission's Consumer Education Programme resulted in 10% more adults than students islandwide benefiting from the Commission's outreach activities. Specifically, the Commission directly interacted with 68,119 adults and 61,510 students.

Among the activities utilised by the Commission to engage consumers were presentations and exhibitions.

Communication and Information

The Commission recognises that while face-to-face interaction is important, it is also imperative that it engages consumers through mass media, social media and new media. Therefore at the beginning of the Financial Year, the Commission re-committed itself to having a sustainable media presence. To this end, **11,556** media exposures were obtained and are broken down as follows: **Traditional Media 722**; **New Media 9,353** and **Social Media 1,481**. Please note that interviews and press releases are not included in the total as they would already be accounted for in either print or electronic media.

Table 4 illustrates the Number of Media Exposures Obtained for the 2017/18 Financial Year

Month	Press Releases	Media Interviews	Print Articles	Radio Prog	Radio Prog	TV Prog	*Online / Social Media	Print Spots	Print Spots	Radio Spots	Radio Spots	TV Spots	TV Spots	New Media email marketing	Total Exposures
	Issued	(Radio, TV, print)	(Free)	(Free)	(Paid)	(Free)	(Free)	Paid	(Free)	Paid	(Free)	Paid	(Free)		
April	2	3	3	4	0	0	22	1	0	0	0	0	0	325	360
May	0	1	2	5	0	0	20	1	0	0	0	0	0	0	29
June	0	1	6	44	0	10	78	0	0	70	0	0	0	100	309
July	3	12	16	55	3	24	161	0	0	62	0	0	0	240	576
August	2	5	6	45	0	16	85	0	0	0	0	0	0	450	609
September	3	2	2	2	0	0	28	0	0	0	0	0	0	173	210
October	2	2	6	19	1	0	45	0	0	0	0	0	0	243	318
November	2	3	1	2	0	2	23	0	0	0	0	0	0	240	273
December	2	14	9	56	0	7	86	0	0	0	0	0	0	3219	3393
January	2	6	8	23	0	2	43	1	0	0	0	0	0	3231	3316
February	1	2	9	1	0	1	21	0	0	0	0	0	0	300	335
March	4	19	6	45	9	13	869	3	0	28	0	0	0	832	1828
Total	23	70	74	301	13	75	1481	6	0	160	0	0	0	9353	11556

Among the activities embarked on by the Commission which contributed to achieving its goal was the staging of quarterly press briefings. These events enabled the Commission to disseminate information to consumers and also acted as a vehicle to publicise the Commission's performance. During the period under review, three (3) press briefings were held. Information was also disseminated via radio programmes and trade magazine advertisements that the Commission sponsored.

Memoranda of Understanding Signed

The Memoranda of Understanding (**MOU**) which were signed with the Office of Utilities Regulation (**OUR**)

and the Office of the Public Defender (**OPD**) also elicited media coverage. The MOU signed with the OUR was aimed at formalising the relationship between the two organisations. Prior to the MOU, an informal process existed to resolve consumer complaints related to utilities sector.

Meanwhile, the MOU between the CAC and the OPD was aimed at facilitating effective cooperation in protecting consumers, preventing duplication of efforts and providing consistent enforcement. This was in the context that the Commission's role is to resolve disputes between customers and private institutions regarding their provision of consumer goods and services while the Office of the Public Defender seeks to protect and enforce the rights of citizens against state institutions. Further, it is a supervisory body independent of the executive branch.

Bad Gas

As it relates to the “bad gas” situation, a decision regarding compensation has not been finalised. However, the Commission continues to lobby for compensation on behalf of motorists that were affected. The issue of “bad gas” surfaced in November 2015 when consumers began making complaints to the Commission about petrol bought at service station pumps causing their vehicles to malfunction. These complaints continued into the last quarter of the 2015/16 Financial Year, when consumers were urged to make their complaints to the Commission by April 8, 2016. The reports informed the then Ministry of Science, Technology, Energy and Mining (MSTEM) now Ministry of Science, Energy and Technology (MSET) to spearhead the activities geared towards identifying the contaminant. The Commission was named to the Committee charged with examining the processes governing the petrol trade, identifying any loopholes and making recommendations. A specially convened Working Committee was formed by the Consumer Affairs Commission to evaluate the complaints that were made by consumers. The Committee evaluated approximately 224 of the 382 complaints about bad gas which were submitted to the Commission with the required documentation. It should be noted that what is generally referred to as the bad gas claims are treated separately and are not included in the overall complaints handled by the Commission.

Temporary Ban on Corned Beef

The temporary, precautionary ban imposed on canned corned beef imported from Brazil on March 21, 2017 was lifted on April 4, 2017. The Consumer Affairs Commission was a part of the fact finding mission to Brazil and prepared a preliminary report on April 3. However, the team leader, Chief Veterinary Officer of the Veterinary Services Division was the responsible officer to lead all communications in the press as well as to advise the Honourable Minister Karl Samuda prior to his press conference which was also held on April 4, 2017.

Consumers Cautioned when using Debit/Credit Cards

The Commission cautioned consumers in general and in particular last minute back to school shoppers to be careful when using their debit and credit cards to make purchases. The Commission was alerted that consumers' cards were either swiped twice or the incorrect amount was removed when they tendered these cards for the payment of a purchase at point of sale machines.

Reports to the Commission showed that there were two methods by which this was done. For cards that have dual currency, instead of taking the Jamaican Dollar amount, it was the US Dollar equivalent that was removed. Example, if the total purchases amounted to J\$600, it was US\$600 that was swiped.

In the other instance, the consumers' cards were being swiped twice. Example, the consumer made a purchase for \$1800. Upon examination of their account, another purchase of \$2500 was reflected that could not be accounted for.

The Commission therefore urged consumers to retain all their receipts and gave advice on how to mitigate being a victim.

Suppliers Urged to Pass on Savings to Consumers

In the last quarter of the Financial Year, the Commission again urged suppliers to pass on some of the savings accrued from the appreciation in the Jamaican Dollar to consumers. The call was based on the analyses the CAC conducted to determine the price movement of 13 food items in relation to the US Dollar exchange rate. The items selected were cooking oil, corned beef, cornmeal, counter flour, dark sugar, dried salted fish, hardough bread, mackerel-in-tomato-sauce, powdered whole milk, rice, sardines-in-soya-oil, sweetened condensed milk and whole chicken. These items were chosen based on their importance to consumers and the weight in the Consumer Price Index (CPI).

The Commission's data showed that between January and August 2017, while the Jamaican dollar depreciated in value against its US counterpart (0.01%), the majority of grocery items tracked recorded moderate increases in their average price.

The Jamaican dollar appreciated in value (4.3%) in comparison to the US dollar between September 2017 and January 2018, but few items or 4 of the 13 tracked, recorded a marginal reduction in their average price: *Cooking Oil* (-1.7%), *Bulk Counter Flour* (-0.4%) and *Sardines* (-0.3%). The average price of Dried Salted Fish, which has been trending downwards since April 2017, decreased by a further 5.7% during the period. The increases however ranged from 0.3% (Hardough Bread) and 11.4% (Bulk Rice). This reinforces the habit of prices to be "sticky downward".

Comparatively, data collected from 2009 to January 2018 showed that prices generally increase as the value of the Jamaican Dollar (in comparison to the US dollar) depreciates. However, while the value of the Jamaican dollar appreciated beginning in September 2017, the prices of most items either remained relatively stable, or continued on an uptrend.

Advertising

On the matter of advertising spend for the period, the amount totaled Three Million Six Hundred and Seventy Six Thousand Seven Hundred and Sixty Three Dollars and Three Cents(\$3,676,763.03). Table 5 below provides the breakdown of the payments and the corresponding category.

Table 5 provides a Breakdown of the Advertising Spend for the 2017/18 Financial Year

Activity	Cost
WCRD	2,479,557.40
Press	466,760.63
Radio	215,525.00
Yello Pages	514,920.00
Total	\$3,676,763.03

For the period under review, the Commission obtained 722 traditional media exposures, of which 652 or 90.3% were non-cost opportunities, valuing approximately \$17,315,000.00 or 4.71 times of the total cost of the paid exposures of \$3,676,763.03, for which the CAC is most thankful.

Market Research

For the period under review, the Commission planned to conduct 28 surveys. However, 27 of the planned surveys were conducted and 1 unplanned survey. These were broken down as follows:

Table 6 highlights the Type and Number of Surveys conducted for the 2017/18 Financial Year

Surveys	Grocery and Agricultural	Petrol	School Textbook	Hardware	Banking
Quantity	12	12	2	1	1
Total	28				

Basket of Critical Items

An analysis of the CAC's basket of critical food items (hardough bread, chicken, cooking oil, corned beef, cornmeal, rice, sugar, counter flour, dried salted fish, condensed milk, milk powder, sardines and mackerel) showed that most of these commodities underwent varied degrees of price changes between April 1, 2017 and March 31, 2018. The price changes of some items are shown in **Table 7**.

Table 7 highlights the Fiscal Year-to-Date Changes in Supermarket Prices for Specific Items in the CAC's basket of critical grocery items

ITEMS	Apr-17	Mar-18	Fiscal Year Changes
	J\$	J\$	%
Hardough Bread - 2 lb / 900 g	290.53	303.80	5%
Chicken (Best Dressed) - 1 kg	462.04	476.27	3%
Cooking Oil (Chef) - 500 mL	210.46	224.07	6%
Corned Beef (Grace) - 340 g	368.60	371.46	1%
Cornmeal (Bulk) - 1 kg	97.11	93.87	-3%
Counter Flour (Bulk) - 1 kg	102.77	99.27	-3%
Dark Sugar (Bulk) - 1 kg	157.50	162.22	3%
Dark Sugar (Jamaica Gold) - 1 kg	188.53	192.10	2%
Dark Sugar (Golden Grove) - 1 kg		192.40	
Dried Salted Fish - 1 kg	1143.33	1003.15	-12%
Mackerel (Grace) - 155 g	77.38	80.18	4%
Milk Powder (Lasco) - 80 g	125.46	133.81	7%
Rice (Bulk) - 1 kg	98.04	105.56	8%
Sardines (Brunswick) - 106 g	129.52	135.57	5%
Sweetened Condensed Milk (Betty) - 395 g	232.12	245.16	6%

For the Fiscal Year, Lasco Powdered Whole Milk increased in price by 7% and Bulk Rice 8%. A 6% price increase was observed for Chef Cooking Oil and Betty Condensed Milk; while Grace Mackerel and Hardough Bread all had increases of 5%.

The price of Dried Salted Fish had the greatest reduction of 12%, while the price of Bulk Counter Flour declined by 3%. Bulk Cornmeal also experienced a price decline of 3%.

In addition to the basket of critical items, other basic items surveyed included Bulk Cooking Oil and Nestle Lactogen 1 Infant Formula which increased in prices by 9% and 7% respectively. The price of Excelsior Water Crackers declined by 2% during the period.

Local Agricultural Items

For the Fiscal Year, the price of most agricultural produce experienced price increases while Green Bananas and Carrots had price declines of 2% and 50% respectively. The highest increases of 40% and 39% were recorded for Tomatoes and Yellow Yam respectively. The prices of Cabbage and Red Peas increased by 33% each, while Ripe Plantain remained constant over the period.

Table 7 shows Price Movements of Local Agricultural Produce in Supermarkets for the 2017/18 Financial Year

Produce	Quantity	Fiscal YTD Change (%)
Tomato	1 kg	40
Irish Potato	1 kg	9
Cabbage	1 kg	33
Yellow Yam	1 kg	39
Ripe Plantain	1 kg	0
Eggs	1 doz.	2
Onion	1 kg	6
Red Peas	1 kg	33
Green Banana	1 kg	-2
Carrot	1 kg	-50
Lettuce	1 kg	31

World Commodity Prices

For the 2017/18 Financial Year, crude oil underwent a price increase of 23% while the price of wheat increased by 16%. It was noted that the price of maize increased by 10%. In contrast, the price of sugar declined by 20% during the period.

Figure 1 Illustrates the Price Movement for the Commodities Tracked over the 2017/18 Financial Year

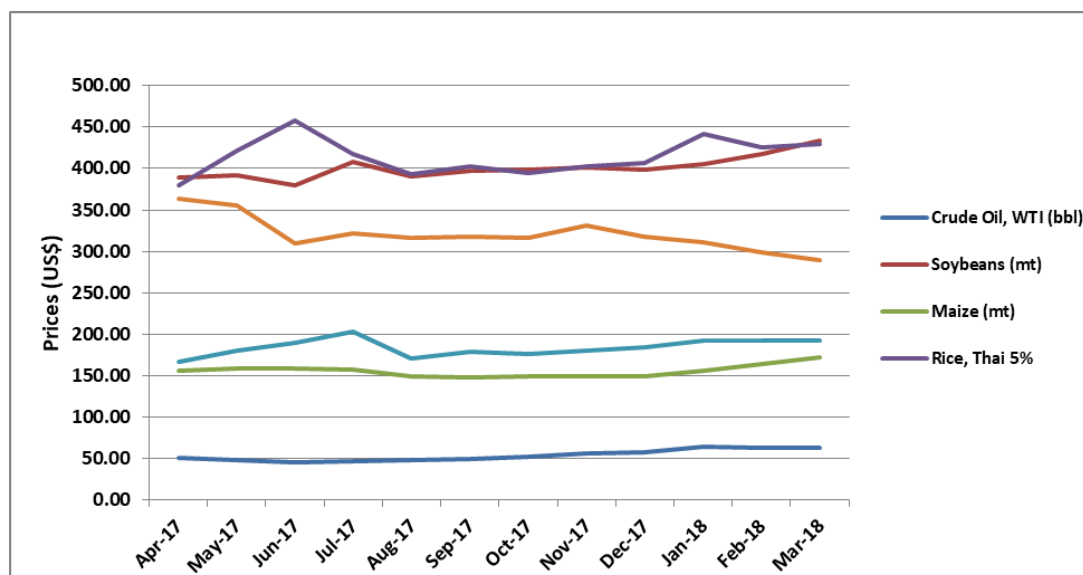


Table 8 highlights the Global Price Movement of Selected Commodities during the 2017/18 Financial year

	Crude Oil, WTI (\$/bbl)	Soybeans (\$/mt)	Maize (\$/mt)	Rice, Thailand 5% (\$/mt)	Wheat US, HRW (\$/mt)	Sugar, world (\$/tonne)
April 2017	51.06	389.00	156.44	380.00	166.07	362.88
March 2018	62.76	433.00	172.00	430.00	192.17	288.81
FY Price Change	23%	11%	10%	13%	16%	-20%

Information Technology

The CAC began work to upgrade its network with the aim of migrating the current open source user authentication management system to a Windows server system. This will allow the Commission to better manage the network and provide a higher level of security control and stability. As at the end of the Financial Year, the Commission was seeking quotes for the execution of the project scheduled for the 2018/19 Financial Year.

And still on the area of upgrade, the Commission commenced its telephone system upgrade project in late February 2018. The main objective of this project is to implement a modern IP PBX system and Interactive Voice Response system to replace the old CISCO UC500 system. This project is scheduled for completion by the first half of the 2018/19 Financial Year.

Legal Intervention

During the 2017/18 FY the Commission made eleven (11) court appearances (Supreme Court and Corporate Area Parish Court). One new case was filed before the Consumer Protection Tribunal (CPT) and one new case was filed before the Supreme Court. The Commission secured through the Courts, One

Million, Five Hundred and Seventy One Thousand, Two Hundred and Eighty Dollars and Sixty Nine Cents (\$1,571,280.69) on behalf of aggrieved consumers for the 2017/18 Financial Year.

Finance and Administration

The Commission ended the Financial Year with a total of 30 occupied posts. Gender composition was 10 males, 20 females or 33% male, 67% female.

Turnover for the 2017/2018 Financial Year was 4% resulting from one resignation. At the start of the year, 6 of 10 vacancies were approved to be filled. Four of these were filled during the year while recruitment continued for the remaining two. Recruitment was completed for one Office Attendant, one Accounting Technician and two Complaint Officers. As at March 2018, nineteen (19) of thirty (30) employees participated in training activities that were of no cost to the CAC. In total, 25 of 30 employees participated in at least one activity.

Staff Engagement

The first staff engagement study undertaken by the Commission was completed in June 2017, to determine the extent to which employees felt valued and involved in their everyday work. The Study also sought to measure how dedicated employees were to the mission and outcome of Commission. It was conducted by the Research Unit using an online survey instrument. Employee participation was 75%, that is 21 of 28 employees completed the survey.

The results showed that the CAC received a moderate score of 3.7 out of 5. The average engagement of the CAC staff (3.7) was not significantly different from the international standard (4.07). Furthermore, the results were not significantly different from the Jamaica Business Development Corporation's (JBDC) findings concerning the engagement of Jamaican public sector employees (4.18).

The results of the staff engagement survey were presented to the Board and employees, following which consultations began. The plan would be used to aid in the improvement of the staff engagement score. Staff engagement surveys are conducted bi-annually.

Performance Review

Employees achieved an average performance score of 92% from 70% of the 2016/2017 PMAS reports that were completed.

All increments, seniority and other payments due were made to staff upon presentation of the satisfactory minimum PMAS score of 75%.

Attendance and Time off

As at March 31, 2017, Accrued Vacation was an average of 21 days due to each eligible employee and 47% of the maximum accrual allowed.

Attendance for the Financial Year was 97% of working days (total absence excluding vacation days taken).

Location

The Commission maintained its offices in Montego Bay and Mandeville and a desk at the RADA Office in St. Thomas.

Directors Compensation: July 2017 - March 2018

Position of Director	Fees	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle	Honoraria	All Other Compensation including Non-Cash Benefits as applicable	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Board Chairman:					
Kent Gammon	123,600.00				123,600.00
10 Other Members:					
Daenia Ashpole	80,800.00	10,546.80			91,346.80
Dorothy Carter-Bradford	47,000.00				47,000.00
Vernon Derby	77,200.00	0.00			77,200.00
Tess Marie Leon	0.00	0.00			0.00
Rachel McDonald	38,600.00	940.00			39,540.00
Michelle Parkins	81,000.00				81,000.00
Damali Thomas	55,000.00				55,000.00
Ian Walters	17,600.00				17,600.00
Donovan White	53,000.00	2,702.50			55,702.50
Morland Wilson	70,200.00				70,200.00
Joyce Young	77,200.00	6,669.30			83,869.30
Total	721,200.00	20,858.60			742,058.60

Notes

- Where a non-cash benefit is received (e.g. government housing), the value of that benefit is quantified and stated in the appropriate column above.

Senior Executive Compensation: April 2017 - March 2018

Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Executive Officer	3,637,462.13		1,341,624.00	462,946.83		5,442,032.96
Legal Officer	3,103,848.00		707,448.00	442,884.60		4,254,180.60
Director of Field Operations	2,503,688.75		770,520.65	321,293.45		3,595,502.85
Finance and Admin Manager	2,503,688.75	1,218,299.68	707,448.00	136,794.91		4,566,231.34

Notes

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency is clearly provided and not the Jamaican equivalent.
2. Other Allowances includes seniority, laundry, robing, housing, utility, etc.
3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit is quantified and stated in the appropriate column above.

Looking towards 2018/19 Financial Year

The Consumer Affairs Commission has identified four (4) strategic focus areas to significantly position the Commission for the 2018/19 Financial Year. These strategies summarise what is important to the CAC's continued success as we seek to facilitate ethical relations between consumers and providers of goods and services in the marketplace. They are as follows:

- ◆ Business Environment
- ◆ Consumer and Business Education
- ◆ Research and Market Surveillance
- ◆ Enforcement and Advocacy.

To drive this on an operational level, the Commission will continue to focus on a number of key programmes, supported by a series of actions to assist in its strategic path and take performance to the next level. The programmes which will be pursued are as follows:

- ◆ Consumer Education – Direct and Indirect Contact
- ◆ Business Education
- ◆ Market Intelligence Services
- ◆ Ad-hoc Research on relevant issues
- ◆ Complaint Resolution Services
- ◆ Consumer Advocacy
- ◆ Sensitisation of public to Consumer Protection Legislation
- ◆ Enforcement of provisions of the CPA (2012)
- ◆ Regional and Extra-Regional Cooperation
- ◆ Corporate Services and Training

Through this approach, the Commission seeks to empower consumers by creating opportunities which enable consumers to be more aware of their rights and responsibilities, and thereby, guard against unfair market practices.

The successes of the 2017/18 Financial Year reside on the shoulders of the staff as they continue to work tirelessly to empower our Jamaican consumers. I thank them for their continued passion and determination, even under challenging circumstances. To our stakeholders and partners who made invaluable contributions aimed at empowering consumers, my commendations. Sincere appreciation is also extended to the Commission's portfolio Ministers, the Permanent Secretary and staff of the Ministry of Industry, Commerce, Agriculture and Fisheries, the Board of Commissioners, other Agencies, Ministries and the Media Fraternity that played a crucial role in the Commission attaining its goals.



.....
Mrs. Dolsie Allen,
Chief Executive Officer

The Team



Complaints Resolution Department L-R (sitting): Mrs. Petra Young, Complaint Officer; Mrs. Cheryl Martin Tracey - Director of Field Operations; Mr. Pash Fuller - Director of Western Region; **(standing)** Mrs. Denise Welcott - Complaint Officer; Mrs. Nickesha Clue Curtis - Complaint Officer; and Mr. Richard Rowe, Regional Officer; **Absent:** Ms. Francine Roberts, Complaint Officer and Mrs. Michelle Curling-Ludford - Regional Officer.



Research Unit L-R: (sitting) Mrs. Tamra-Kay Jeffery Biggs - Research Officer/Economist; Mr. Elroy Galbraith, Acting Senior Economist; and Ms. Raquel Brown - Acting Director of Research. **(Standing):** Mr. Shamar Reid - Acting Research Officer; Ms. Natalie Deer - Research Assistant; Ms. Janice Francis - Research Assistant; **Absent:** Mr. David Samuels, Research Assistant.



Communication Unit L-R: Ms. Latoya Halstead - Director of Communication and Ms. Dorothy Campbell - Communication Specialist.



Finance and Administration L-R: (sitting) Miss Stacey Maye - Administration Assistant; Mrs. Charmaine Morris - Finance and Administration Manager; and Miss Shillie-Ann Johnson - Senior Accountant.. **(standing):** Mr. Gregory Williams - Accountant; **Absent:** Miss Giselle-Ann Perry - Office Manager and Mrs. Ann-Marie Tomlinson - Office Attendant.



Executive Office: Ms. Yasmin McDonald - Executive Assistant



Legal Unit: Ms. Sacha-Gaye Russell - Legal Officer



Information Technology Unit L-R: Mr. Christopher Martin Information Technology Specialist and Mr. Andrew Evelyn - Information Technology Manager

The Team



Mandeville Regional Office (Western Region): Miss Shauna Malcolm, Complaint Officer and Mr. Wilberforce Watson, Regional Officer.



Montego Bay Office (Western Region): Mr. Cleveland Parker, Complaint Officer.

Absent: Mrs. Suzette Grigg-Cummings, Regional Officer.

World Consumer Rights Day 2018

“Making Digital Marketplaces Fairer”

World Consumer Rights Day (WCRD) is celebrated annually on March 15 under a theme presented by Consumers International (CI). As the consumer representative body and a member of CI, Jamaica’s participation was led by the Consumer Affairs Commission (CAC).

CI selects the theme based on international trends, discussions and matters of importance to consumers. Member countries adapt the theme and if necessary, tailor it to reflect national situations.

The theme for 2018 was: ***Making Digital Marketplaces Fairer: Access, Protection and Security*** which aimed to promote digital marketplaces that are more accessible, safer and fairer for consumers across the globe.

In Jamaica, as internationally, consumers are susceptible to having their security and privacy breached when conducting electronic transactions. In addition, in the absence of adequate legislation, there is some difficulty in seeking redress for across the border settlement where providers reside in another jurisdiction, as well as issues pertaining to data protection.

These are discussions currently taking place in Jamaica, and the Commission in recognising the timeliness of the theme, staged a seminar and mini-expo at the Knutsford Court Hotel. This involved presentations from experts, professionals, legislators and service providers discussing the impact of the digital marketplace on the lives of consumers. The Commission targeted 150 persons to be in attendance, however, over 170 persons attended.

World Consumer Rights Day 2018 List of Activities
<p>Sunday March 11, 2018</p> <p><i>National Consumers League (NCL) Church Service New Beulah Moravian Church, Mandeville</i></p>
<p>(Monday – Friday) March 12-16, 2018</p> <p>Exhibitions/Library Displays</p> <p><i>Parish Libraries in: Mandeville, St. Elizabeth, Santa Cruz, St. James, Hanover, Westmoreland, Morant Bay, Portland, St. Mary, St Catherine, Portmore, Clarendon, Old Harbour, Kingston & St. Andrew, Falmouth Square in association with the Trelawney Chamber of Commerce and also the Yallas High School on the day.</i></p>
<p>Tuesday March 15, 2018</p> <p><i>World Consumer Rights Day Message from the Hon. Karl Samuda, Minister of Industry, Commerce, Agriculture and Fisheries - Radio, Television and Print</i></p> <p>Seminar and Exhibition 9:00 am – 4:00 pm</p> <p><i>Knutsford Court Hotel, RJR 94.5 FM “Hotline” Outside Broadcast 10:00 am—2:00 pm</i></p>

World Consumer Rights Day 2018

“Making Digital Marketplaces Fairer”



World Consumer Rights Day is observed on March 15 globally. The Consumer Affairs Commission joined the National Consumers League at its annual Church Service on Sunday March 11, 2018 at the New Beulah Moravian Church, Mandeville to kick off the 2018 week of activities.



An Agency of the Ministry of Industry, Commerce, Agriculture and Fisheries
“Protecting your Rights, Securing our Future”

World Consumer Rights Day 2018 Message



The Hon. Karl Samuda, Minister of Industry, Commerce, Agriculture and Fisheries, CD, MP

Jamaica is poised to take advantage of the emerging digital economy due to its telecommunications infrastructure and high mobile technology penetration. In recent years, mobile shopping has been on the rise, with consumers increasingly using their mobile devices for various online shopping and digital transactions.

On this World Consumer Rights Day 2018, the theme is **“Making Digital Marketplaces Fairer: Access, Security and Protection”**. Consumers now have a larger marketplace within which to conduct business and are actively engaged in this digital economy. However, with expanded choices, it is imperative that consumers exercise more responsibility by carrying out the necessary due diligence when using digital platforms. This is of particular importance when conducting cross-border transactions, as the rules and responsibilities of utilising this space still require more legislation and clarity. Therefore while we embrace the vast potential for economic growth, we also urge consumers to be vigilant while exercising their choices.

Today, Jamaica joins the rest of the global community in observing World Consumer Rights Day 2018.

Happy World Consumer Rights Day Jamaica!

World Consumer Rights Day message from the Honourable Karl Samuda, Minister of Industry, Commerce, Agriculture and Fisheries in observation of the day.

World Consumer Rights Day 2018

"Making Digital Marketplaces Fairer: Access, Security and Protection"

Seminar and Exhibition



Mr. Kent Gammon, Chairman of the Consumer Affairs Commission (CAC) has the full attention of Mrs. Dolsie Allen, CEO and Mr. Vivian Brown, Director General who delivered the Hon. Karl Samuda's World Consumer Rights Day 2018 address.



Mr. Kent Gammon, Chairman of the Consumer Affairs Commission (CAC) was interviewed by Mrs. Emily Shields, host of RJR's 94.5 FM programme "Hotline", at the Outside Broadcast which was also on location at the Knutsford Court Hotel on World Consumer Rights day 2018.



L-R: Mr. Vivian Brown, Director General is joined by the Commission's Board Directors - Ms. Michelle Parkins, Ms. Daenia Ashpole and Mr. Damali Thomas. Also sharing in the moment (centre) is Mr. Douglas Webster, Executive Director, Trade Board.



Mr. Jermaine Blake provided the cultural entertainment to a very receptive audience.



2nd left: Mr. Vernon Derby, Board Director at the Consumer Affairs Commission interacted with the team from the University of the Commonwealth Caribbean.



Dr. Parris Lyew-Ayee, Jr., Director, Mona Geoinformatics Institute at the University of the West Indies presented on Jamaica's Digital Economy.

World Consumer Rights Day 2018

"Making Digital Marketplaces Fairer: Access, Security and Protection"

Seminar and Exhibition



Mr. Gordon Swaby, CEO/Founder, Edufocal Limited presented on the area of "E-Commerce & Internet Access: Online or Offline?"



Dr. Moniphia Hewling, Head of the Jamaica Cyber Incident Response Team (JaCIRT), Ministry of Science, Energy and Technology addressed the topic of "Security and Protection: Dream or Reality".



Ms. Latoya Halstead, Director of Communications at the Consumer Affairs Commission was interviewed by Mrs. Emily Shields, host of the RJR 94.5 programme "Hotline".



Mr. David Miller, Executive Director at the Fair Trading Commission greets Mr. Vivian Brown, Director General at the Ministry of Industry, Commerce, Agriculture and Fisheries while Mrs. Dolsie Allen, CEO at the Consumer Affairs Commission and Mr. Charles Douglas, Legal and Regulatory and Inter-connections Network, CARIMAC, University of the West Indies share in the moment.



L-R: Dolsie Allen CEO, CAC; Ricardo Dystant Senior Manager, eBanking JN Bank; Dr. Moniphia Hewling, Head of the Jamaica Cyber Incident Response Team (JaCIRT), Ministry of Science, Energy and Technology, Assistant Superintendent Warren Williams, Head of the Communication Forensics and Cybercrime Division, Jamaica Constabulary Force and Mr. Morland Wilson, Director Consumer Affairs Commission in discussion about a card.



L-R: Presenters - Professor Anthony Clayton, Alcan Professor, Caribbean Sustainable Development Institute at the University at the West Indies and Mr. Kevin Bourke, Head of New Business Development, Brawta Living and Ms. Ingrid Riley, Moderator and CEO, SiliconCaribe Media sharing in a light moment.

World Consumer Rights Day 2018

“Making Digital Marketplaces Fairer: Access, Security and Protection”

Library Displays and Presentations



His Worship the Mayor of St. Mary Mr. Richard Creary is the centre of attention as he converses with Mr. Ralston Patterson, Field Officer, Consumer Affairs Commission at the Social Development Commission’s (SDC) Creative Arts and Skills Festival held on at the Claude Johnson Park in Port Maria, St. Mary. Sharing in the moment is Mr. Sharwin Reynolds, SDC Parish Manager, St. Mary.



Students from the Seaforth High School viewing the World Consumer Rights Day exhibition at the St. Thomas Parish Library on March 16, 2018



(2nd left): Ms. Haidee Wilson, Senior Librarian at the St. Thomas Parish Library and other team members made sure to get first hand information from the World Consumer Rights Day exhibit.



Mr. Ralston Patterson, Field Officer, Consumer Affairs Commission sharing information with Dr. Morais Guy, Member of Parliament for Western St. Mary at the Social Development Commission’s Creative Arts and Skills Festival at the Claude Johnson Park in Port Maria, St. Mary.

**Making Digital Marketplaces Fairer:
Access, Security and Protection**

Audited Financial Statements

THE CONSUMER AFFAIRS COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018

THE CONSUMER AFFAIRS COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of
THE CONSUMER AFFAIRS COMMISSION

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of The Consumer Affairs Commission (the "Commission"), set out on pages 4 to 20 which comprise the statement of financial position as at March 31, 2018, the statement of comprehensive income, the statement of changes in reserves, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Commission as at March 31, 2018, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Trade Act of 1955 and the amended Consumer Protection Act of 2005 (Amended 2012).

Basis for opinion

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

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Acts and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Commission's financial reporting process.

Cont. /2

Independent Auditor's Report (cont'd)

To the members of THE CONSUMER AFFAIRS COMMISSION

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Cont. /3

Independent Auditor's Report (cont'd)

To the members of
THE CONSUMER AFFAIRS COMMISSION

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

CrichtonMullings & Associates
Chartered Accountants

Kingston Jamaica

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018**

	Note	2018 \$	2017 \$
ASSETS			
Non-current Assets			
Property and equipment	5	8,485,291	8,015,614
Retirement benefit assets	6	353,286,000	363,735,000
		361,771,291	371,750,614
Current Assets			
Receivables and prepayments	7	1,201,288	2,820,429
Cash and bank balances	8	2,637,606	3,656,613
		3,838,894	6,477,042
TOTAL ASSETS		365,610,185	378,227,656
RESERVES AND LIABILITIES			
Reserves			
Retirement benefit reserve	6	353,286,000	363,735,000
Accumulated surplus		4,151,372	6,790,221
		357,437,372	370,525,221
Current liabilities			
Payables and accruals	9	8,172,813	7,702,435
		8,172,813	7,702,435
TOTAL RESERVES AND LIABILITIES		365,610,185	378,227,656

APPROVED, on behalf of the Board on



Chairman



Chief Executive Officer

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2018**

	Note	2018 \$	2017 \$
Income			
Subvention		122,997,614	115,669,238
Administrative and general expenses	10	<u>126,261,326</u>	<u>114,512,223</u>
Operating (deficit) / surplus		(3,263,712)	1,157,015
Other income	11	<u>4,831,121</u>	<u>286,917</u>
		1,567,409	1,443,932
Finance and policy costs	12	<u>4,206,258</u>	<u>1,851,906</u>
Net deficit		(2,638,849)	(407,974)
Other comprehensive income:			
Remeasurement of actuarial (loss) / gain		(32,488,000)	60,554,000*
Actuarial gain on defined benefit plan		<u>22,039,000</u>	<u>13,939,000*</u>
Net (deficit) / surplus for the year, being total comprehensive income		<u>(13,087,849)</u>	<u>74,085,026</u>

*- Restated to conform with current year presentation

The accompanying notes form an integral part of the financial statements

THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED MARCH 31, 2018

	Retirement Benefit Reserve ₹	Accumulated Surplus ₹	Total ₹
Balance at March 31, 2016	289,242,000	7,186,298	296,428,298
Net surplus, being total comprehensive income for the year	-	74,085,026	74,085,026
Adjustment	-	11,897	11,897
Remeasurement of actuarial gain	60,554,000 *	(60,554,000) *	-
Actuarial gain on defined benefit plan	<u>13,939,000</u> *	<u>(13,939,000)</u> *	<u>-</u>
Balance at March 31, 2017	363,735,000	6,790,221	370,525,221
Net deficit, being total comprehensive income for the year	-	(13,087,849)	(13,087,849)
Remeasurement of actuarial loss	(32,488,000)	32,488,000	-
Actuarial gain on defined benefit plan	<u>22,039,000</u>	<u>(22,039,000)</u>	<u>-</u>
Balance at March 31, 2018	<u>353,286,000</u>	<u>4,151,372</u>	<u>357,437,372</u>

*- Restated to conform with current year presentation

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2018**

	2018	2017
	<u>\$</u>	<u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (deficit) / surplus for the year	(13,087,849)	74,085,026
Adjustments for items not affecting cash resources:		
Depreciation	4,119,191	1,767,373
Adjustment	-	11,897
Loss on the disposal of property and equipment	-	145,308
Retirement benefit assets	10,449,000	(75,493,000)
	<u>1,480,342</u>	516,604
Decrease in operating assets:		
Receivables and prepayments	1,619,141	148,940
Increase in operating liabilities:		
Payables and accruals	470,378	178,294
Net cash provided by operating activities	<u>3,569,861</u>	<u>843,838</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(4,588,868)	(1,504,844)
Net cash used in investing activities	<u>(4,588,868)</u>	<u>(1,504,844)</u>
NET (DECREASE) / INCREASE IN CASH AND BANK BANK BALANCES	(1,019,007)	338,994
CASH AND BANK BALANCES - Beginning of the year	<u>3,656,613</u>	<u>3,317,619</u>
CASH AND BANK BALANCES - End of the year	<u><u>2,637,606</u></u>	<u><u>3,656,613</u></u>
REPRESENTED BY:		
Cash and bank balances	<u><u>2,637,606</u></u>	<u><u>3,656,613</u></u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

1. IDENTIFICATION

The Consumer Affairs Commission (the "Commission") was established under the Trade Act 1955 as amended by Act 22 of 1970 and the amended Consumer Protection Act of 2005 (Amended 2012) and acts as chief protagonist to ensure the fundamental rights of the consumer with respect to prices and trade practices.

The Commission is domiciled in Jamaica, with its office located at 34 Trafalgar Road, Kingston 10.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance

The Commission's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the relevant requirements of the Trade Act of 1955 and the Consumer Protection Act of 2005 (the "Acts").

The financial statements have been prepared under the historical cost convention and are expressed in Jamaican dollars, unless otherwise indicated.

(b) Changes in accounting standards and interpretations:

Future Changes

The Commission has identified the following revised or new International Financial Reporting Standards or Interpretations which have been issued but are not yet effective, and which have not been adopted early. Those that are not considered relevant to the Commission's operations are:

- *IFRS 2 'Share-based Payment - Amendment', issued June 2016*
Effective for periods commencing on or after 1 January 2018
- *IFRS 3 and IFRS 11 'Joint Operation - Amendments', issued December 2017*
Effective for periods commencing on or after 1 January 2019
- *IFRS 17 'Insurance Contracts', issued May 2017*
Effective for periods commencing on or after 1 January 2021
- *IAS 28 'Investments in Associates and Joint Ventures - Amendments', issued December 2016*
Effective for periods commencing on or after 1 January 2018
- *IAS 40 'Investment Property - Amendments', issued December 2016*
Effective for periods commencing on or after 1 January 2018

Those which may be relevant to the Commission's operations are as follows:

- *IFRS 9 'Financial Instruments', Amendment', issued September 2016*
Effective for periods commencing on or after 1 January 2018
- *IFRS 15 'Revenue from Contracts with Customers', issued April 2016*
Effective for periods commencing on or after 1 January 2018
- *IFRS 16 'Leases', issued January 2016*
Effective for periods commencing on or after 1 January 2019
- *IFRIC 22 'Foreign Currency Transactions and Advance Consideration', issued December 2016*
Effective for periods commencing on or after 1 January 2018

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS and the Acts require management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period then ended. Actual amounts could differ from these estimates.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

(i) Critical judgements in applying the Commission's accounting policies:

Critical judgements used in applying the Commission's accounting policies that have a significant risk of material adjustment in the next financial year relate to the estimated useful lives and residual values of property and equipment and pension and other post-employment benefits.

The residual values and the useful life of each asset are renewed at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful life of an asset is defined in terms of the asset's expected utility to the Commission.

(ii) Key sources of estimation uncertainty:

Pension and other post-employment benefits:

The amounts recognized in the statement of financial position and statement of comprehensive income post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognized include expected long-term return on plan assets, and the discount rate used to determine the present value of estimated future cash flows required to settle the pension obligations.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements (cont'd):

(ii) Key sources of estimation uncertainty (cont'd):

Pension and other post-employment benefits (cont'd):

The expected return on plan assets assumed considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Commission's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property and equipment

All property and equipment held for administrative purposes, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Commission and its cost can be reliably measured.

The cost of day-to-day servicing of property and equipment is recognized in the statement of comprehensive income as incurred.

Depreciation is calculated on the straight-line basis over the estimated useful lives of such assets. The Commission implemented a non-financial assets policy and procedures manual effective April 1, 2017 which formalizes the Commission's capitalization policy and revised the estimated useful lives of its assets. The rates of depreciation in use as of April 1, 2017 are:

<u>Asset</u>	<u>April 1, 2017</u>	<u>Prior Period</u>
Leasehold improvement	5%	2.50%
Computers and Software	33%	10%
Furniture, fixtures & equipment	10%	10%

(b) Accounts payable

Accounts payable is stated at cost.

(c) Cash and bank balances

Cash and bank balances comprise cash in hand and cash with banks.

(d) Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the terms of the relevant lease.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Other revenue recognition

Other revenue is recognized as it accrues unless collectability is in doubt.

(f) Impairment

At each reporting date, the Commission reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Commission estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

(g) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial assets and liabilities are recognised on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Financial liabilities issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial assets include cash and bank deposits and accounts receivable except any prepayments.

Financial liabilities include accounts payable.

The fair values of the financial instruments are discussed in Note 16.

(h) Government subvention

Government subventions are recognised in statement of comprehensive income on a monthly basis whereby the Commission recognises as expenses the related costs for which the subventions are intended to compensate.

Subventions are received for the purpose of giving immediate financial support and are recognized in the statement of comprehensive income in the period in which they are received.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Employee benefits

Employee benefits are all forms of consideration given by the Commission in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

(j) Retirement benefits

The Commission operates a defined benefit pension plan, the assets of which are generally held in separate trustee-administered funds. A defined benefit plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The asset or liability in respect of defined benefit plans is the difference between present value of the defined benefit obligation at the reporting date and the fair value of plan assets, adjusted for unrecognized actuarial gains and losses and past service cost.

Where a pension asset arises, the amount recognized is limited to the net total of any cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan.

The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Method. Under this method, the cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of the employees. The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability.

A portion of actuarial gains and losses is recognized in arriving at total comprehensive income if the net cumulative unrecognized actuarial gains or losses at the end of the previous reporting period exceeded 10% of the greater of the present value of the gross defined benefit obligation and the fair value of plan assets at that date. Any excess actuarial gains or losses are recognized in arriving at other comprehensive income over the average remaining service lives of the participating employees.

4. INCOME

Income represents subvention from the Government of Jamaica from the annual national budget as well as periodic allocations and funds earned as approved under allocations for Appropriation-in-Aid ("AIA").

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

5. PROPERTY AND EQUIPMENT

	<u>Leasehold Improvement</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Computers</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
At Cost/Valuation:				
Balance at April 1, 2016	2,415,228	9,940,444	6,397,954	18,753,626
Additions	241,928	137,686	1,125,230	1,504,844
Disposals	-	-	(231,942)	(231,942)
Balance at March 31, 2017	2,657,156	10,078,130	7,291,242	20,026,528
Balance at April 1, 2017	2,657,156	10,078,130	7,291,242	20,026,528
Additions	171,031	430,608	3,987,229 *	4,588,868
Balance at March 31, 2018	2,828,187	10,508,738	11,278,471	24,615,396
Accumulated Depreciation:				
Balance at April 1, 2016	216,294	6,510,325	3,603,557	10,330,176
Charge for the year	117,432	978,800	671,141	1,767,373
Disposals	-	-	(86,635)	(86,635)
Balance at March 31, 2017	333,726	7,489,125	4,188,063	12,010,914
Balance at April 1, 2017	333,726	7,489,125	4,188,063	12,010,914
Charge for the year	137,683	1,008,987	2,972,521	4,119,191
Balance at March 31, 2018	471,409	8,498,112	7,160,584	16,130,105
Net Book Value:				
At March 31, 2018	2,356,778	2,010,626	4,117,887	8,485,291
At March 31, 2017	2,323,430	2,589,005	3,103,179	8,015,614

The change in the estimated useful lives of the assets effective April 1, 2017 resulted in additional depreciation of \$2,147,700 being recognized in the statement of comprehensive income for the financial year ended March 31, 2018.

*-This includes \$2,863,088 in assets donated by CARICOM under the 10th EDF CSME/EIP project financed by the European Union.

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

6. RETIREMENT BENEFIT ASSETS

The Commission operates a defined benefit pension scheme which is open to permanent employees and is managed by an independent external agency. The scheme is funded by employees' contribution at the rate of 5% of pensionable salary with the Commission contributing 0.5%. Employees may make additional voluntary contributions not exceeding a further 14.5% of pensionable salary. The Commission meets any under-funded amount between the value of the plan assets and the cost of the scheme benefits. Normal retirement pension is based on 2% of the final year pensionable salary per year of pensionable service subject to a minimum of \$100,000 per annum.

The disclosures below are based on the independent actuarial valuation at March 31, 2018.

The amounts recognised in the statement of financial position as assets were determined as follows:

	2018	2017
	\$	\$
Present value of the obligation	(259,940,000)	(187,758,000)
Fair value of plan assets	613,226,000	551,493,000
Fund status	<u>353,286,000</u>	<u>363,735,000</u>

The amounts recognised in arriving at (expense) / income were determined as follows:

	2018	2017
	\$	\$
Current service cost	(9,416,000)	(9,342,000) *
Interest on obligation	(18,726,000)	(16,351,000) *
Interest income on scheme assets	52,190,000	41,373,000
Administration expenses	(2,222,000)	(1,943,000) *
Remeasurement of (loss) / gain on obligation	(46,278,000)	6,984,000 *
Remeasurement of gain on assets	13,790,000	53,570,000
Contribution by the Commission	213,000	202,000
	<u>(10,449,000)</u>	<u>74,493,000</u>

The movement in net assets in the current year were as follows:

	2018	2017
	\$	\$
Net assets at start of year	551,493,000	462,851,000
Interest income on plan assets	52,190,000	41,373,000
Benefits paid	(5,907,000)	(7,509,000) *
Administration expenses	(2,222,000)	(1,943,000) *
Remeasurement gain on assets	13,790,000	53,570,000
Total contributions during the year	3,882,000	3,151,000
	<u>613,226,000</u>	<u>551,493,000</u>

*-Restated to conform with current year presentation

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

6. RETIREMENT BENEFIT ASSETS (CONT'D)

Sensitivity analysis:

The sensitivity of the defined benefit obligation (DBO) to changes in assumption is set out below. The effects on the scheme of a change in the assumption are weighted proportionately to the total obligation to determine the impact for each assumption presented as indicated below:

	Change in assumption	2018 Value of DBO (\$)	2017 Value of DBO (\$)
Discount rate	1.5% increase	239,386,000	163,287,000
Discount rate	1.5% decrease	283,503,000	219,572,000
Salary escalation	1.5% increase	263,301,000	195,016,000
Salary escalation	1.5% decrease	255,801,000	181,231,000
Future rate of pension augmentation	1.5% increase	277,993,000	211,258,000
Future rate of pension augmentation	1.5% decrease	243,812,000	168,682,000

The assumption used in the sensitivity analysis for the 2017 period was at a one percentage (1%) rate of change.

Actuarial gains / (losses) on defined benefit obligation arising from:

Changes in financial assumptions	(51,591,000)	(7,525,000)
Experience adjustment	5,313,000	(135,000)
Total actuarial losses	<u>(46,278,000)</u>	<u>(7,660,000)</u>

The principal actuarial assumptions used were as follows:

	2018 %	2017 %
Discount rate	7.50	9.50
Rate of escalation of pensionable earnings	5.50	7.50
Rate of increase in pension	5.00	5.00

Expenses - allowance is made for administrative expense at the rate of 7% (2017: 7%) earnings of members' pensionable earnings.

7. RECEIVABLES AND PREPAYMENTS

	2018 \$	2017 \$
Accounts receivables	401,588	-
Staff receivables	513,945	750,444
Prepayments	185,755	86,258
Other receivables (i)	100,000	1,983,727
	<u>1,201,288</u>	<u>2,820,429</u>

(i) - This consists of donation contribution receivable (2018) and overpayment of utility expenses by the Commission's parent ministry on its behalf, which form part of its annual subvention in 2017.

8. CASH AND BANK BALANCES

Cash and bank balances included in the statement of financial position and statement of cash flows comprise the following:

	2018 \$	2017 \$
Petty cash	13,000	13,000
Bank accounts	2,624,606	3,643,613
	<u>2,637,606</u>	<u>3,656,613</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

9. PAYABLES AND ACCRUALS

	2018 \$	2017 \$
Accounts payable	928,006	1,985,250
Statutory deductions payable	82,836	1,058,029
Accrued vacation leave	4,908,183	4,263,950
Other payables and accruals	708,618	395,206
GCT withholding payable	1,545,170	-
	<u>8,172,813</u>	<u>7,702,435</u>

10. ADMINISTRATIVE AND GENERAL EXPENSES

	2018 \$	2017 \$
Salaries, wages and related costs	48,486,308	50,504,616
Retroactive salaries	2,038,194	365,128
Temporary and casual wages	7,457,654	4,910,595
Mileage allowances	5,060,506	4,523,925
Statutory and pension fund contributions	4,453,439	4,368,364
Motor vehicle allowance	16,484,898	17,522,583
Staff welfare	842,900	270,578
Travelling and subsistence	261,436	503,481
Rental:		
Equipment	30,934	11,495
Buildings	11,556,940	9,731,577
Electricity	2,583,038	2,351,598
Telephone	4,512,838	3,374,566
Water rate	334,116	277,370
Repairs and maintenance	1,005,219	194,830
Medical supplies	30,710	5,938
Meals and entertainment	1,285,827	1,332,425
Wireless, cable and postage	531,714	234,547
Directors' fees	721,200	688,200
Professional fees	407,750	325,000
Loss on disposal of fixed asset	-	145,308
Insurance	309,977	402,902
Grants and contribution	1,333,685	960,000
Staff training	755,910	291,112
Printing and stationery	1,398,194	1,035,998
Audit fees:		
Current year fees	474,575	399,000
Advertising and promotion	5,203,484	4,810,943
Subscription and membership fees	251,685	357,569
Exhibition, conference and seminars	2,132,970	1,961,488
Tribunal expenses	2,523,664	35,000 *
General office expenses	1,595,184	970,068 *
Security	2,196,377	1,646,019
	<u>126,261,326</u>	<u>114,512,223</u>

*-Restated to conform with current year presentation

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

11. OTHER INCOME

This represents income earned by the Commission from other activities such as donation of assets, income from interest income and appropriate-in-aid ("AIA").

12. FINANCE AND POLICY COSTS

	2018	2017
	<u>\$</u>	<u>\$</u>
Bank charges	87,067	84,533
Depreciation	4,119,191	1,767,373
	<u>4,206,258</u>	<u>1,851,906</u>

13. SOURCE AND USES OF FUNDS

The comparative details between budgeted and actual income and expenditure are as follows:

	Budget	Actual	Variance Favourable/ (Unfavourable)
	\$	\$	\$
Inflows:			
Subvention - general	123,162,000	122,997,614	(164,386)
Appropriation-in-Aid	2,000,000	1,922,639	(77,361)
Other	-	2,908,482	2,908,482
	<u>125,162,000</u>	<u>127,828,735</u>	<u>2,666,735</u>
Expenditure:			
Personal emoluments	71,345,000	63,278,495	8,066,505
Travelling and subsistence	20,854,000	21,806,840	(92,840)
Other operating and general expenses	16,048,000	26,364,383	(10,316,383)
Rental	8,092,000	11,587,874	(3,495,874)
Public utilities	6,823,000	7,429,992	(606,992)
	<u>123,162,000</u>	<u>130,467,584</u>	<u>(7,305,584)</u>
Operating deficit	<u>-</u>	<u>(2,638,849)</u>	<u>(4,638,849)</u>
Capital:			
Purchase of property and equipment	<u>2,000,000</u>	<u>4,588,868</u> *	<u>(2,588,868)</u>

*- This includes donated assets of \$2,863,088 from CARICOM under the 10th EDF CSME/EIP project financed by the European Union.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

14. STAFF COSTS

The number of employees at the end of the year was as follows:

	2018	2017
Permanent	<u>29</u>	<u>26</u>

The aggregate payroll costs for these persons were as follows:

	2018 ₹	2017 ₹
Salaries and other related costs	<u>79,740,610</u>	<u>77,461,719</u>
Statutory payroll contributions	<u>4,240,389</u>	<u>4,368,364</u>
	<u>83,980,999</u>	<u>81,830,083</u>

15. RELATED PARTIES

The Commission's statement of comprehensive income includes the following transactions, undertaken with related parties in the ordinary course of business:

	2018 ₹	2017 ₹
Transactions with Board of Directors:		
Directors' fees	<u>721,200</u>	<u>688,200</u>
Transactions with key management personnel:		
Chief Executive Officer	<u>5,442,033</u>	<u>5,678,531</u>
Finance and Administration Manager	<u>4,566,231</u>	<u>3,245,442</u>
	<u>10,729,464</u>	<u>9,612,173</u>

16. FINANCIAL INSTRUMENTS**(a) Fair value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Market prices are not available for some of the financial assets and liabilities of the Commission. Fair values in the financial statements have therefore been presented using various estimation techniques based on market conditions existing at reporting date.

Generally, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Commission would realise in a current market exchange.

The amounts included in the financial statements for cash and bank deposits, receivable and payables, reflect the approximate fair values because of short-term maturity of these instruments.

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

16. FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management**

The Commission has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Cash flow risk

The Commission's directors, together with senior management has overall responsibility for the establishment and oversight of the Commission's risk management framework.

The Commission's risk management policies are established to identify and analyse the risks faced by the commission in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities.

(i) **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's principal financial assets are cash and bank deposits, and receivables.

Cash and bank balances

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit rating.

At reporting date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	2018	2017
	\$	\$
Cash and bank balances	2,637,606	3,656,613

(ii) **Liquidity risk**

Liquidity risk is the risk that the Commission will not meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Commission.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

16. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd):

(ii) Liquidity risk (cont'd)

Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount ₹	Contractual cash flow ₹	Less than 1 year ₹
March 31, 2018:			
Accounts payable	<u>8,172,813</u>	<u>8,172,813</u>	<u>8,172,813</u>
March 31, 2017:			
Accounts payable	<u>7,702,435</u>	<u>7,702,435</u>	<u>7,702,435</u>

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Commission's income or the value of its holding of financial instruments. The objective of market is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Commission materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilised, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At March 31, 2018 and 2017, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

Fair value sensitivity analysis for fixed rate instruments

The Commission does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore, a change in interest rates at the reporting dates would not affect profit or reserves.

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