



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

CONSUMER AFFAIRS COMMISSION

Annual Report
2018/2019



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:



Choose

Be Informed

Be Heard

A Healthy Environment

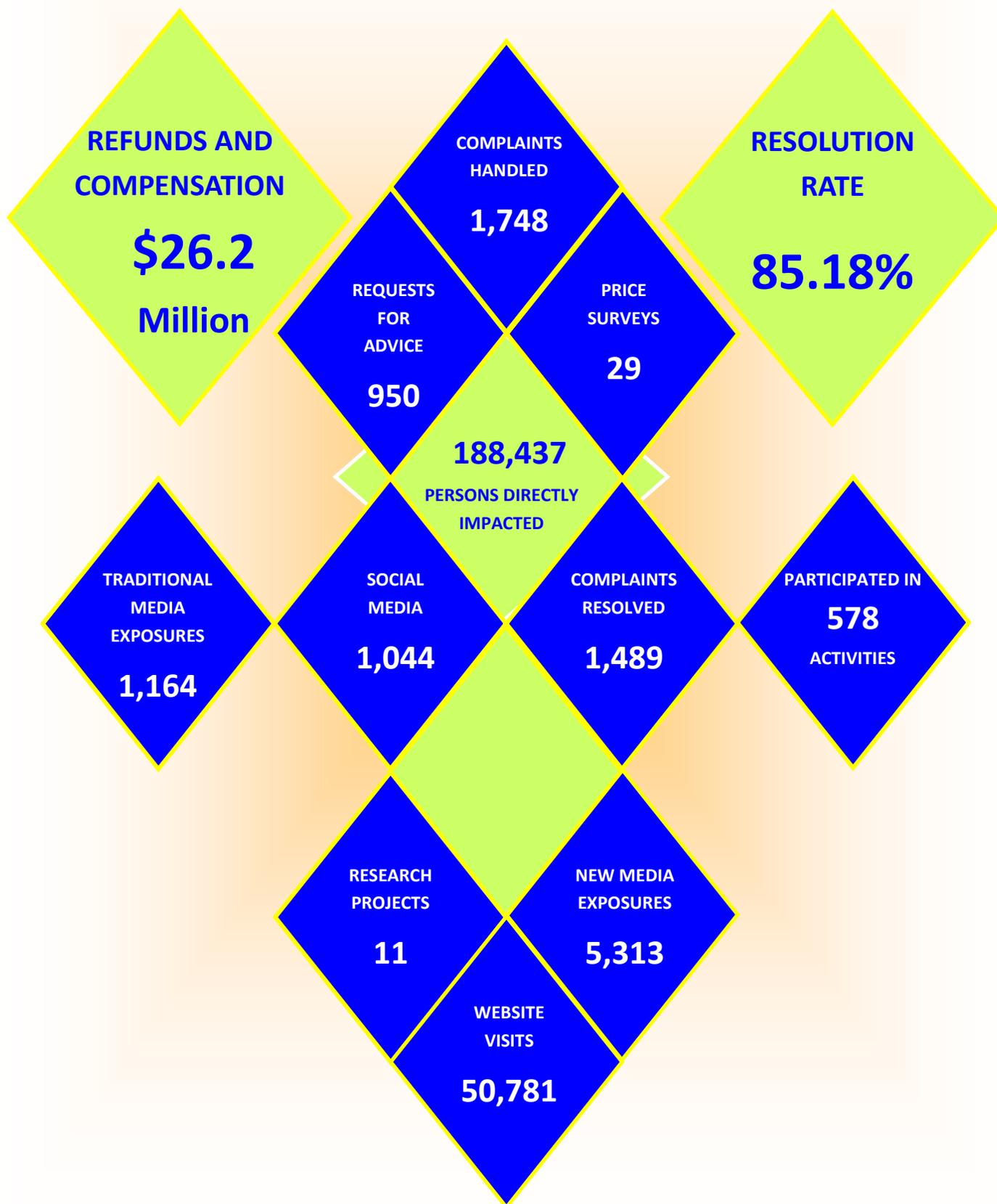
The Satisfaction of Basic Needs

Consumer Education

Safety

Redress

Performance Summary...



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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
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
LAC	Legal Affairs Committee
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
NSIPP	National Security Interest in Personal Property
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

September 13, 2019

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, 2019 and a copy of the Commission's Audited Accounts as at March 31, 2019, duly certified by the Auditors.

I am,

Yours respectfully,

A handwritten signature in black ink, appearing to read 'DW', with a vertical line extending downwards from the end of the signature.

Donovan White,
Chairman

The Board of Commissioners



Donovan White
Chairman



Dorothy Carter-Bradford, CD, JP
Deputy Chairman



Daenia Ashpole
Director



Vernon Derby
Director



Rachel McDonald
Director



Michelle Parkins
Director



Damali Thomas
Director



Collin Virgo
Director



Ian Walters
Director



Morland Wilson
Director



Joyce Young, CD, JP
Director

Board Committees

HUMAN RESOURCE

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

Ms. Michelle Parkins

Mr. Morland Wilson

Mrs. Joyce Young, OD, JP

Mr. Collin Virgo

PUBLIC RELATIONS

Ms. Daenia Ashpole (Chair)

Ms. Rachel McDonald

Mr. Vernon Derby

Mr. Morland Wilson

FINANCE AND AUDIT

Mr. Donovan White (Chair)

Mr. Vernon Derby

Ms. Michelle Parkins

Mr. Ian Walters

LEGAL AND CORPORATE

Mr. Damali Thomas (Chair)

Ms. Daenia Ashpole

Mr. Collin Virgo

Chairman's Message



Donovan White, Chairman

Chairman's Message

The Consumer Affairs Commission (CAC) has a long and proud history of assisting consumers resolve their issues as it relates to their interactions within the market. The CAC achieves this by working within the ambit of the Consumer Protection Act (CPA) as well as through negotiated terms with other entities and vendors.

Our role in the Jamaican economy has always been enabling consumers who have challenges in navigating an unsatisfactory transaction. This role is more important than ever, given the rapidly changing face of the global economy driven by technology.

Consumers often report issues to the Commission after they have tried everything else. Hence, when cases which seem unsurmountable to consumers are solved, this motivates us to continue making strides as we move forward and evolve as a trusted institution that people turn to in times of need.

It is against this background that the consumer protection portfolio received new oversight as the Honourable Audley Shaw, Minister in the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF) announced in February 2019 that State Minister Floyd Green had been charged with responsibility for the Industry and Commerce portfolios.

During the same period, Finance and the Public Service Minister, Dr. the Honourable Nigel Clarke, announced that the Consumer Affairs Commission would be merging with the Fair Trading Commission. The Minister indicated that these engagements are consistent with the Economic Reform Programme's (ERP) targets agreed on with the International Monetary Fund (IMF). He also noted that under the rationalisation of public bodies, the Government is seeking to reduce the number of public bodies through merging entities that are similar in function, closing entities that have outlived their useful lives, divesting entities, and very importantly, integrating entities back into parent Ministries where it is no longer necessary to have a separate body set up by statute in law to perform the function.

While preparations for this change are underway, the work to realise the merger will be more earnest in the 2019/20 Financial Year.

Meanwhile, the 2018/19 Financial Year saw the Commission continuing its research and drafting its Compliance and Enforcement Strategy. The aim of the Strategy is to develop and execute a unified and comprehensive method of compliance and enforcement of the CPA islandwide. This will allow the Commission to be more pre-emptive in identifying breaches of the CPA. The draft is slated for completion by the end of the 2019/20 Financial Year.

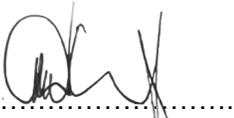
The review period also saw the Commission fulfilling its core tasks of complaints resolution, community outreach, research and consumer education. While these areas were successfully represented, it should be noted that the Commission added its voice to consumer policy and legislation matters to ensure that the consumers' perspective is always considered. Marketplace anomalies were also identified and information disseminated to consumers to aid in their protection and increase their knowledge base.

It is in this vein that the Commission also continued drafting the National Consumer Affairs Policy aimed at maximising consumer welfare through empowerment and protection delivered by a coordinated national consumer affairs strategy. In so doing, the policy also aims to strengthen the consumer affairs portfolio at the member state level, in readiness for alignment to the Regional Consumer Strategy.

In May 2018, Cabinet approved the development of the policy and implementation plan. Thereafter, a Steering Committee was established and is in the process of securing a consultant to draft the policy for the 2019/20 Financial Year.

On this note, I sincerely thank the management and staff, for their hard work and dedication which means that we can assist more consumers to solve their problems, address the underlying causes, and continue to challenge ourselves to provide excellent service.

Therefore for the 2019/20 Financial Year, my fellow Commissioners and I recommit to working towards a Jamaica where consumers' voices are not only heard, but matter, especially as it relates to bringing about change in consumer protection policy and legislation to meet the changing commerce landscape.



Donovan White,
Chairman

Chief Executive Officer's Report



Dolsie Allen, CEO

Chief Executive Officer's Report

The 2018/19 Financial Year was a successful one for the Consumer Affairs Commission (CAC) as it provided advice, support and information to over 191,000 persons directly, whether face-to-face, over the phone, social media or by email, with many more being reached through our Communication Programme.

This reach and scale gave the Commission the data to successfully represent the voice of the people and identify the root cause of key issues. Through the Commission's interaction with consumers on the ground, the Agency was equipped to provide the necessary research capabilities which also drove its strategy and policy recommendations.

Complaints Resolution Service

The Commission secured **\$26,207,419.89** in refunds/compensation on behalf of aggrieved consumers. This reflects a **6** percent increase over the corresponding period in 2018 when the Commission obtained **\$24,729,678.23**. With regards to the total number of complaint cases handled by the Commission, this was **1,748** of which **1,489** were resolved. This reflects a resolution rate of **85.18%**. When compared to the number of cases handled for the similar period in 2018 however, there was an increase of **2.58%** as the number recorded then was **1,704**.

The top complaint categories noted during the period under review were the Electrical Equipment, Appliances etc. with **33.33%**, followed by the Other Services with **14.54%**. The Utilities category was third with **12.85%**. This ranking is fairly consistent with what obtains over the last few years.

The Commission also provided advice and information to consumers. There were **950** requests for advice handled by the Commission, an increase of **25.06 %** when compared to the number of requests for advice handled in the previous year, which was seven hundred and thirty (**730**).

Table 1 shows Refunds/Compensation by Category for the 2018/19 Financial Year

	2017/18	2018/19
Refunds	22,231,855.62	20,587,911.03
Compensation	2,497,822.61	5,519,508.86
Total	24,550,678.23	\$26,207,419.89

Table 2 shows Refunds/Compensation by Category for the 2018/19 Financial Year

Complaint Categories	April 2018 to February 2019	March 2019 Refund	March 2019 Compensation	Total YTD	Percentage
	\$	\$	\$	\$	%
Furniture	735,989.20	86,379.08	10,000.00	832,368.28	3.18%
Hardware & Household Fixtures	1,410,287.76	38,880.00	0.00	1,449,167.76	5.53%
Appliances & Electronic Items	3,131,392.36	336,950.00	119,400.00	3,587,742.36	13.69%
Utility Services	2,310,230.02	98,763.11	506,821.02	2,915,814.15	11.13%
Cable Services	1,349,364.63	5,000.00	20,578.32	1,374,942.95	5.25%
Computers	70,450.00	0.00	0.00	70,450.00	0.27%
Automotive	9,417,302.00	1,594,346.00	252,150.00	11,263,798.00	42.98%
Clothing, Food, Pharmaceuticals, Chemicals & Miscellaneous Items	360,786.92	20,430.00	0.00	381,216.92	1.45%
Other Services (including finance, laundry, hair, medical, education)	4,210,037.23	66,451.85	14,300.00	4,290,789.08	16.37%
Other	39,730.39	1,400.00	0.00	41,130.39	0.16%
TOTAL	23,035,570.51	2,248,600.04	923,249.34	26,207,419.89	100%

Consumer Education

The CAC has a robust Consumer Education Programme geared towards educating consumers about their rights and responsibilities so that they can be informed and empowered when making decisions in the marketplace. During the 2018/19 Financial Year, the Commission directly impacted **188,437** persons through participation in **578** activities. This resulted in the CAC exceeding its target by **58,437** or **45%**. A breakdown of the audience directly impacted revealed that adults accounted for **81,626** or **43.3%** while students accounted for **106,811** or **56.7%** of the total consumers reached.

The gender breakdown showed that **Females** accounted for **115,313** or **61.2%** while **Males** totaled **73,124** or **38.8%**.

The CAC's Outreach Officers visited all **14** parishes throughout the year to impart the Consumer Education Programme to consumers. Of the **14** parishes visited, the three with the largest reach were **St. Ann** with **29,836** or **15.8%**, **Kingston & St. Andrew** with **28,142** or **14.9%**, and with **St. Thomas** with **27,215** or **14.4%**.

World Consumer Rights Day

Our flagship event of the year – the celebration of **World Consumer Rights Day** was observed on March 15, 2019 under the theme "**Become a Responsible Consumer: Empower Yourself**". The celebration was marked by our participation in a special worship service at the Olson Hall Church of God Church, Hope Road, which was organized by the National Consumers' League. Special Media interviews for World Consumer Rights Day were done by CAC staff and Board Members. Noted presentations were also made

In schools and other institutions across the island. The World Consumer Rights Day message from the CAC was read in a number of schools and churches. In addition, displays were mounted in a number of libraries and other educational institutions islandwide. These activities directly impacted **48,465** or **26%** of the total consumers reached this Financial Year.

Table 3 shows the Activities and Reach per Parish for the 2018/19 Financial Year

PARISH	NUMBER OF ACTIVITIES	NUMBER OF ACTIVITIES Y-T-D	REACH Y-T-D	% OF REACH Y-T-D
Kingston & St. Andrew	15	89	28,142	14.9
Portland	4	21	9,511	5.0
St. Catherine	6	87	23,351	12.4
St. Thomas	7	101	27,215	14.4
Clarendon	12	94	27,061	14.4
St. Elizabeth	5	15	3,949	2.1
St. Ann	4	55	29,836	15.8
St. James	4	21	4,502	2.4
St. Mary	5	35	12,544	6.7
Manchester	9	32	13,376	7.1
Westmoreland	3	12	3,353	1.8
Hanover	4	7	500	0.3
Trelawny	5	9	5,097	2.7
TOTAL	83	578	188,437	100

Communication and Information

During the 2018/19 Financial Year, the Commission made significant investments in consumers via its Communication and Information arm as it sought to understand consumer behaviour and implement strategies geared towards their empowerment. The overarching strategy employed was communicating with consumers for them to understand their rights and responsibilities. The CAC through the use of various communication avenues, alerted consumers about issues that might affect them adversely in the marketplace, example, product recalls, food safety issues, financial scams among others.

Among the methods utilised by the Commission to achieve this goal were mass media, social media, new media and face to face interaction.

As a result of employing these various streams of communication, the Commission recorded **7,521** media exposures which are broken down as follows: Traditional Media **1,164**, New Media **5,313** and Social Media **1,044**.

See **Table 4** which provides a breakdown of all media exposures.

Table 4 illustrates the Number of Media Exposures secured for the 2018/19 Financial Year

Month	Press Releases Issued	Media Interviews (Radio, TV, print)	Print Articles (Free)	Radio Prog (Free)	Radio Prog (Paid)	TV Prog (Free)	*Online / Social Media (Free)	Print Spots Paid	Print Spots (Free)	Radio Spots Paid	Radio Spots (Free)	TV Spots Paid	TV Spots (Free)	New Media Email marketing	Total Exposures
April	2	1	2	2	0	0	45	1	0	24	0	0	0	74	151
May	2	1	3	1	0	5	25	0	0	0	0	0	0	758	795
June	0	0	3	0	0	0	36	0	0	27	0	0	0	678	744
July	1	1	8	1	0	0	25	5	0	193	0	0	0	48	282
August	1	6	3	64	0	6	58	0	0	0	0	0	0	81	229
September	0	2	1	2	0	0	16	1	0	152	0	0	0	779	953
October	1	0	1	19	0	5	37	1	0	0	0	0	0	13	77
November	1	4	2	27	0	7	256	0	3	30	32	0	0	201	563
December	1	7	10	85	1	16	152	1	0	7	0	0	0	2601	2881
January	0	1	3	1	0	0	161	0	10	0	145	0	0	0	321
February	1	2	10	59	0	15	96	0	0	0	0	0	0	0	183
March	3	18	4	128	0	0	137	4	0	11	0	0	0	80	385
Total	13	43	50	389	1	64	1044	13	13	444	177	0	0	5313	7564

Advertising

On the matter of advertising spend for the period, the amount totaled **\$3,020,165.89**. A breakdown of the payments is as follows:

Table 5 provides a Breakdown of the Advertising Spend for the 2018/19 Financial Year

TYPE OF MEDIA	NUMBER OF EXPOSURES	ESTIMATED COST (per exposure)	TOTAL VALUE OF EXPOSURES ('000)	ACTUAL EXPENDITURE \$
PRINT (Newspaper)	74	(\$50K (1/4 page average) \$3,700,000	\$3,102,344	\$ 597,656
(Yellow Pages)	1	0	0	\$730,736.32
WCRD MEDIA EXPENSES**	64	\$50K ¼ page or 3-minute interview \$3,200,000	\$2,300,426.43	\$ 899,573.57
RADIO	301	\$60K (per 3-minute interview) \$18,060,000	\$17,267,800	\$ 792,200
TELEVISION	75	\$75K (per 10-15min interview) \$5,625,000	\$5,625,000	0
	515	\$30,585,000	\$27,564,834.11	\$3,020,165.89

Using creativity, the Commission was able to enjoy media exposure valued at approximately \$30,585,000 without incurring a direct cost. This was over 10 times the total cost of the paid exposures which amounted to \$3,020,165.89.

The context of cost saving in the media during 2018/19 FY is based on the relevance of the Commission to the issues impacting the media market and ultimately the topical concerns of consumers from both a cautionary and a reactive approach.

Cost savings which were realised by the Commission for the 2018/19 Financial Year were mainly in the electronic media. Print media costs increased following mergers and acquisitions of several entities and have therefore become less readily available. It also impacted the flexibility of media companies offering free spaces to entities like the Commission. However, the continued paid engagement with the Jamaica Information Service at the annual editorial forum, namely, the Think Tank, offered some avenues to publications in major newspapers, radio, television as well as online platforms.

Table 6 provides information on the estimated value of media exposures and opportunities secured for the 2018/19 Financial Year

TYPE OF MEDIA	NUMBER OF EXPOSURES	ESTIMATED COST (per exposure)	ACTUAL EXPENDITURE \$	TOTAL SAVINGS ('000)
PRINT (newspaper)	74	(\$50K (1/4 page average) \$3,700,000	\$ 597,656	\$3,102,344
PRINT (Yellow Pages)	1	0	\$ 730,736.32	0
WGRD MEDIA EXPENSES**	64	\$50K ¼ page or 3-minute interview \$3,200,000	\$ 899,573.57	\$2,300,426.43
RADIO	301	\$60K (per 3-minute interview) \$18,060,000	\$ 792,200	\$17,267,800
TELEVISION	75	\$75K (per10-15min interview) \$5,625,000	0	\$5,625,000
Total	515	\$30,585,000	\$3,020,165.89	\$27,564,834.11

There were several issues which were of major concern to consumers during the 2018/19 Financial Year. Among them were bad gas, Annual Textbook Survey, Romaine lettuce import suspension and foul smelling petrol.

Bad Gas

The Commission continued its lobbying for compensation on behalf of motorists that were affected due to the issue of “bad gas” which surfaced in November 2015. During this period, 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 Petroleum Trade Reform Committee (PTRC) charged with examining the processes governing the petrol trade, identifying any loopholes and making recommendations. The final report of the PTRC revealed that there was “no definitive conclusion” about a “specific contaminant” in the petrol sold to the public between November 2015 and March 2016. As such, no one was identified as being culpable. However, a specially convened Working Committee was formed by the Consumer Affairs Commission to evaluate the complaints that were made by consumers. The Working Committee received 478 claims of which 423 were submitted with the required documentation. Based on the evaluations conducted, the sum of \$24.5 million was approved as the proposed compensation fund. 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.

Annual Textbook Survey

The Consumer Affairs Commission conducted two Annual Textbook Surveys in 2018. The first was a flash survey of the textbook industry on June 19-21, 2018. This exercise served as a preliminary survey of the market as the CAC conducted a more extensive survey between July 23 and 27, 2018. The second survey of 90 retailers revealed that there was an overall 2% increase in textbook average prices island-wide for all texts, which was in line with inflation which was 2.8%.

A total of 133 popular textbooks were surveyed, consisting of **90** secondary level, **30** primary level and **13** infant level textbooks covering **17** subject areas. Of the 90 bookstores visited between July 23 and 27, 2018, **26** were located in the Greater Kingston Metropolitan Area (Kingston, St. Andrew, Portmore and Spanish Town) and **64** from Other Urban and Rural Towns of all the parishes including St. Catherine.

Romaine Lettuce Import Suspension

The Ministry of Industry, Commerce, Agriculture and Fisheries, through its Plant Quarantine and Produce Inspection Branch, in collaboration with the Ministry of Health's Public Health Division, suspended the issuing of permits for the importation of Romaine lettuce from the United States in November 2018. Imports in transit were also seized for destruction upon arrival in Jamaica.

The import suspension came in the wake of the outbreak of E.coli in the lettuce in 11 USA States. Consumers in the USA and Canada were asked to immediately desist from consuming the product until further notice.

E. coli bacteria pose a serious public health concern and the suspension of the importation of Romaine lettuce was a necessary and urgent step to protect the health of local consumers.

Foul Smelling Petrol

In February 2019, the Bureau of Standards Jamaica (BSJ), National Compliance and Regulatory Authority (NCRA) and the Consumer Affairs Commission (CAC) disseminated a joint press release in response to an article entitled "Fresh Fuel Fears" in Sunday Gleaner dated 17 February 2019, regarding the fuel quality in the Jamaican market.

The public was informed that a joint meeting was held amongst the three Agencies and assured that the NCRA and BSJ would increase monitoring of the sector to ensure the integrity of the fuel supply.

Since September 2017, the amendment to the Petroleum Quality Control Act (PQCA) requires that all fuel entering the market, at the point of import or refinery, must be certified by BSJ/NCRA before release into the trade.

Market Research

The 2018/2019 Financial Year was productive with respect to the number of research projects undertaken and interesting in terms of the results and insights observed. The Commission successfully completed 94% (29 or 31) of the targeted price surveys scheduled for the Financial Period; surpassed its target of 5 other research projects by 40% and conducted twice the number of paid surveys targeted. As such, the research activities achieved during the 2018/19 Financial Period are highlighted in **Table 7**.

Table 7 highlights the Type and Number of Surveys conducted for the 2018/19 Financial Year

RESEARCH ACTIVITY	TARGET	NUMBER ACHIEVED
Price Surveys		
Monthly Grocery Survey (Regular)	6	6
Critical Basic Items Survey (Hurricane Period)	6	6
Petrol Products Survey	12	12
Hardware	2	1
School Textbook	2	2
Banking Rates and Fees	2	2
Paid Research Projects		
Customer Satisfaction Survey, BSJ	1	1
Customer Satisfaction Survey, COJ	1	1
NSIPP Customer Satisfaction Survey, COJ	0	1
Sugar Demand Market Study (incomplete)	0	1
Other Research Projects		
Constant Spring Market Closure Research	0	1
Ethical Relations Survey	1	1
CAC Clientele Survey	1	1
Consumer Alert Evaluation Survey	1	1
Chicken Meat Preference Survey	0	1
Consumer Rights and Responsibilities Pre and Post Tests*	1	1
CAC Brand Awareness Survey*	1	1
Other Activities		
Consumer Alert Publications	12	13
Meeting of the Distributive Trade	6	4

Grocery

The grocery survey was conducted once per month to capture the availability and prices of critical household, grocery and agricultural items. During the Atlantic Hurricane Season (June through November), the survey was uniquely structured to include the stock levels of a widened list of critical household, grocery and agricultural items. Each month, 124 items (118 during the Hurricane Season) grocery and agricultural products were surveyed at over 64 supermarkets islandwide. In particular, the **13** critical basic items which are illustrated in **Table 8** below.

Table 8 highlights the Price Movement in Critical Basic Food Items for the 2018/19 Financial Year

ITEMS	BRAND	SIZE	UNIT	Apr. 2018	Mar. 2019	Apr-Mar % change
Whole Chicken	Best Dressed	1	kg	477.61	504.99	6%
Cooking Oil	Lider	500	ml	212.76	211.33	-1%
Corned Beef	Grace	340	g	367.13	406.46	11%
Corned Beef	Lasco	340	g	324.89	339.77	5%
Cornmeal	Bulk	1	kg	96.42	99.34	3%
Counter Flour	Bulk	1	kg	100.09	98.22	-2%
Dark Sugar (Packaged)	Jamaica Gold	1	kg	187.48	192.78	3%
Dark Sugar (Packaged)	Golden Grove	1	kg	192.57	194.00	1%
Dried Salted Fish	Bulk	1	kg	1008.76	984.38	-2%
Hardough Bread		2	lb	303.82	312.20	3%
Canned Mackerel	Grace	155	g	81.62	87.13	7%
Milk Powder	Lasco	80	g	132.65	137.77	4%
Rice	Bulk	1	kg	103.97	104.40	0%
Canned Sardines	Brunswick	106	g	132.12	130.65	-1%
Sweetened Condensed Milk	Betty	395	g	243.96	251.39	3%

As seen in **Table 8**, since the beginning of the Fiscal Year, the price of Grace Corned Beef increased by **11%**, while the price of Grace Mackerel increased by **7%**. A **6%** price increase was seen for Best Dressed Whole Chicken. Conversely, the prices of Bulk Counter Flour and Dried Salted Fish both declined by **2%** since the beginning of the Fiscal Year.

Local Agricultural Items

As it relates to agricultural prices, it was observed that during the Fiscal Year period, most agricultural produce experienced average price increases with the exception of Red Peas, Cabbage and Green Banana, which had price declines of **14%**, **3%** and **2%** respectively (**Table 8**).

Table 8 shows Price Movements of Local Agricultural Produce in Supermarkets for the 2018/19 Financial Year

Produce	Quantity	Fiscal Year Change (%)
Red Peas	1 kg	-14
White Onion	1 kg	29
Irish Potato	1 kg	6
Eggs	1 doz.	5
Ripe Plantain	1 kg	10
Green Banana	1 kg	-2
Yellow Yam	1 kg	23
Carrot	1 kg	18
Cabbage	1 kg	-3
Plummy Tomato	1 kg	127
Iceberg Lettuce	1 kg	36

Of the local agricultural produce tracked, Plummy Tomato had the greatest average price increase of **127%**. Furthermore, the average price for Lettuce and Onion increased by **36%** and **29%** respectively. The prices of Irish Potato and Eggs showed price increases of **6%** and **5%** respectively. The increased prices can be attributed to the drought as well as seasonal availability.

The Consumer Price Index (CPI)

The annual inflation rate for the 2018/19 Fiscal Year was recorded to be 3.4%, a 0.5 percent decline when compared to the previous Fiscal Year. Over the 2018/19 period, a positive inflation rate was recorded for most months with the exception of April 2018, December 2018 and January 2019 which had negative rates.

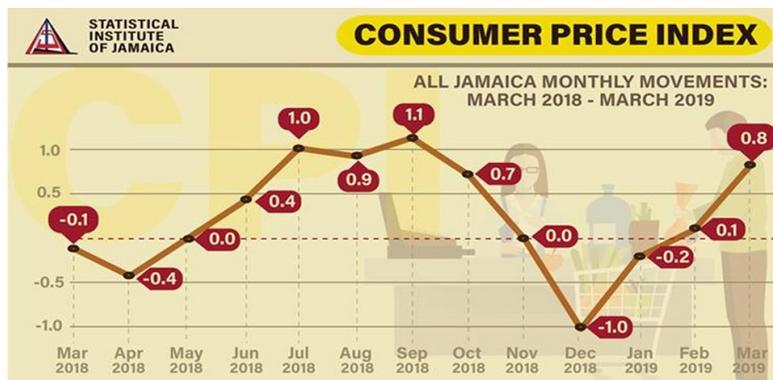


Figure 1
Illustrates the Monthly Consumer Price Index over the 2018/19 Financial Year

World Commodity Prices

Over the Fiscal Year, Sugar experienced an average price increase of **6%** whereas all other commodities tracked experienced average price declines. A **16%** price decline was observed for Soybeans while Crude Oil had a price decline of **12%** since the beginning of the Fiscal Year. Rice underwent an average price decline of **10%** while Maize and Wheat had price declines of **6%** and **4%** respectively.

As seen in **Figure 2** below, the price of Crude Oil, Rice and Soybeans steadily declined over the period. Maize and Wheat had slight fluctuations in prices while Sugar prices experienced average increases.

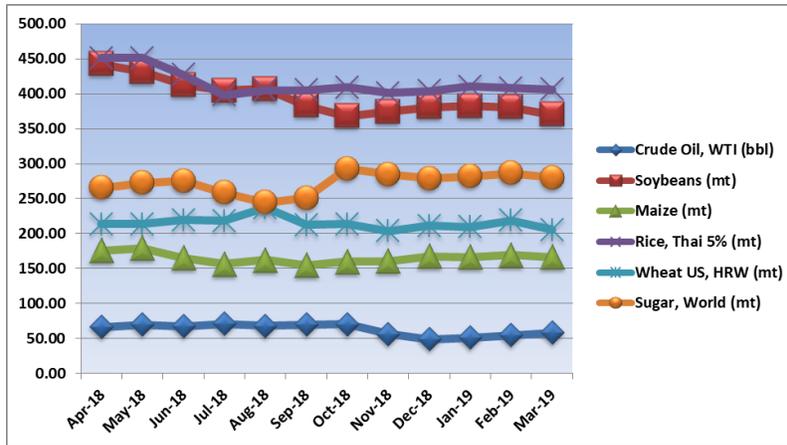


Figure 2
Illustrates the Commodity Price Movement over the 2018/19 Financial Year

Foreign Exchange

The foreign exchange market continued to show signs of volatility as the Jamaican dollar fluctuated during the Fiscal Year (**Figure 3**).



Figure 3
Illustrates the Monthly Average Exchange Rate (US\$/JM\$) during the 2018/19 Financial Year

As seen in **Figure 3** above, the Jamaican dollar depreciated against the US dollar during the period April to August 2018 and November 2018 to February 2019 while appreciation of the Jamaican dollar was recorded between August to November 2018 and February to March 2019. The data further revealed that the exchange rate was at its highest in August 2018.

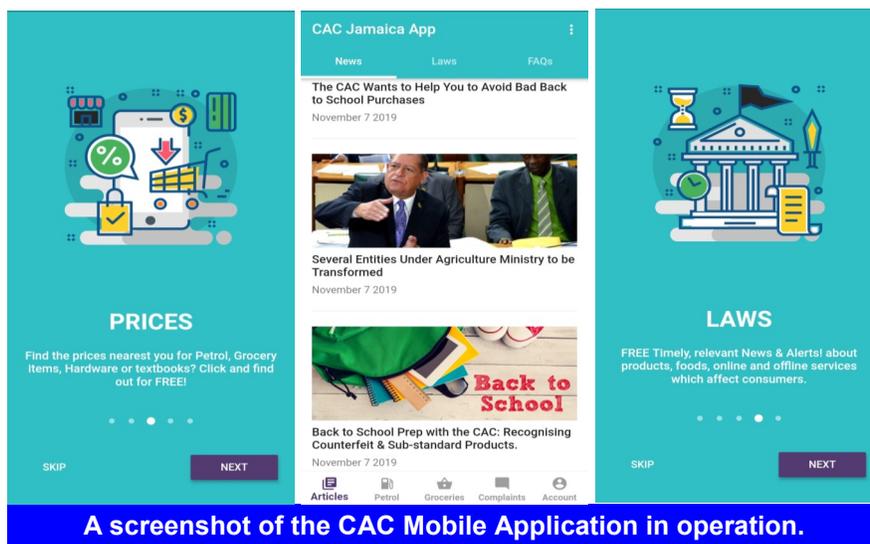
Month-to-Month price changes revealed that significant rates of depreciation were observed for the periods July to August 2018 (**4%**) and May to June 2018 (**3%**). The largest rate of appreciation observed was **6%** for the period February to March 2019.

Information Technology

During the 2018/19 Financial Year, the Commission developed the CAC mobile application. In addition, a new telephone system was selected, which is slated for implementation in the 2019/20 Financial Year. Although constrained by a tight budget all Information and Communication systems were operational for **98%** of the time required.

CAC Mobile Application

The CAC mobile application project started in 2017 with major development work undertaken by the developers. The CAC App is aimed at expanding the ways in which consumers are able to get information and be in touch with the Commission. The application was developed for the Commission with a deadline for beta testing by March 2019 with all features completed. The feedback from users testing the application was positive. Features in the application include Petrol Station Map with prices, Grocery price comparison, consumer news and complaints submission. The Commission expects to launch the app in the 2019/20 Fiscal Year.



A screenshot of the CAC Mobile Application in operation.

Legal Intervention

During the period under review, aggrieved consumers were awarded \$776,016.00 in compensation from the intervention of the Legal Unit. In addition, the Commission filed **1** matter before the Commercial Division of the Supreme Court and **2** matters before the Kingston & St. Andrew Parish Court – Civil Division.

On the 26th of September 2016, the CARICOM Legal Affairs Committee (LAC) approved the CARICOM Model Consumer Protection Bill for implementation by Member States. As a part of a regional initiative to strengthen the rights of consumers, the CAC joined stakeholders from various CARICOM member states to attend a meeting held from July 16 - 17, 2018 in Barbados. The meeting was convened to discuss the drafting of Regulations for the CARICOM Model Consumer Protection Bill, 2016.

The Commission also engaged in **4** outreach activities on the rights of consumers under the Consumer Protection Act, the Sale of Goods Act and the Hire Purchase Act. Direct contact via Power Point presentations was made with approximately **200** persons.

Finance and Administration

During the 2018/19 Financial Year, the Finance and Administration Department achieved:

- ◆ 76% of staff engagement initiatives implemented
- ◆ 75% training plan/activities executed
- ◆ 84% of employees engaged in training activities
- ◆ 36% free training valued at \$400,000
- ◆ 95% average attendance
- ◆ 91% average performance review score (2017/2018)

As it relates to staffing, as at March 2019, there were **29** occupied posts/permanent staff members and **1** post occupied but not appointed. Gender composition was 10 males, 20 females or 33% male, 67% female.

Long-service Award

Five employees were recognised for long service at the 2018 Staff Christmas luncheon: **2** achieved 15 years each and **4** achieved 10 years each. The awardees were: 15 years - Mrs. Dolsie Allen and Mr. Richard Rowe and 10 years - Ms. Sylvia Campbell and Mrs. Nickesha Clue-Curtis.



Head to Head: Mrs. Dolsie Allen, CEO was recognised for her 15 years of service to the Commission by Mr. Donovan White, Chairman.



Mr. Richard Rowe, Regional Officer was all smiles as he received his award for 15 years service to the Commission from Mrs. Joyce Young, Director.



Mrs. Denise Welcott, Complaint Officer happily received her award from Mr. Vernon Derby, Board Director for her 10 years of service to the CAC.



Smiles all around as Mr. Bobroy Jack accepts his award from Ms. Daenia Ashpole, Director for his 10 years of unbroken service to the Commission.

Training and Development

On the matter of training and development the target was for 75% of the Training Plan to be implemented with 75% of employees participating in at least one training/ development exercise related to their job. In terms of achievement, the Commission was able to realise the 75% implementation of the training plan. However, the CAC exceeded the employee participation target, as 84% of employees participated in at least one training activity during the year. This resulted in 36% of staff being trained at no cost to the CAC (estimated value of \$400,000).

Staff members participated in a team building exercise held in June 2018. The exercise took the form of group and individual activities which showed how each team members' contribution was important to the success of the organisation. Employees gained insights of how to use different techniques to cope with stress, boost self-esteem and bolster personal development. The exercise was declared a success by all.

Performance Review

Employees achieved an average performance score of 91% for the 2017/18 Financial Year.

Directors Compensation: April 2018 - March 2019

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	39,600.00				39,600.00
Donovan White	49,000.00	1,897.50			50,897.50
11 Other Members:					
Daenia Ashpole	83,200.00	10,578.60			93,778.60
Dorothy Carter-Bradford	53,000.00				53,000.00
Vernon Derby	87,800.00	1,001.70			88,801.70
Rachel McDonald	14,000.00	400.00			14,400.00
Michelle Parkins	84,400.00				84,400.00
Damali Thomas	68,000.00				68,000.00
Collin Virgo	63,400.00				63,400.00
Ian Walters	35,000.00				35,000.00
Morland Wilson	91,400.00				91,400.00
Joyce Young	91,400.00	9,481.50			100,881.50
Total	760,200.00	23,359.30			783,559.30

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 2018 - March 2019

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	3,879,557.04		1,425,474.00	796,834.00		6,101,865.04
Legal Officer	3,396,580.44		751,663.00	673,247.89		4,821,491.33
Director of Field Operations	2,670,324.96		751,663.00	284,852.00		3,706,839.96
Finance and Administration Manager	2,670,324.96		751,663.00	146,138.80		3,568,126.76

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 2019/20 Financial Year

As the Consumer Affairs Commission come to the end of the 2018/19 Financial Year, our focus will continue to be on ensuring that the Agency evolve and provide the best service for the consumers we serve. This is especially important within the context of the planned CAC/FTC merger effective September 30, 2019. In the 2019/20 Financial Year, policy decisions that were taken in the 2018/19 Financial Year will begin to be realised. Crucial decisions are expected to be taken about the Commission's mandate and the future of consumer protection within the context of an evolved and more efficient Agency.

The Commission's achievements for the period under review is primarily as a result of the hard work of the staff who have given their time, passion and dedication to making sure the people who seek assistance are given the respect they deserve, and the support and advice they need. We sincerely thank them because sometimes, it can seem like a thankless job. Commendations to our stakeholders and partners for helping to make our marketplace operate more efficiently. To the Agency'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 consistently contributed to the CAC achieving its targets, our heartfelt gratitude.

Let us continue building a population of vigilant, assertive and discriminating consumers as we strive to encourage better ethical relations between providers of goods and services and the consuming public.

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.



Executive Office: Ms. Yasmin McDonald - Executive Assistant



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



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 - Administrative 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.



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.

Audited Financial Statements

THE CONSUMER AFFAIRS COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

**THE CONSUMER AFFAIRS COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

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Statement of Comprehensive Income	5
Statement of Changes in Reserves	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-22



CrichtonMullings
& ASSOCIATES

Rohan Crichton, CPA, CA, MAcc
senior partner
Leary C. Mullings, CPA, CA, MBA
senior partner

Chartered Accountants
Certified Public Accountants

Page 1

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 22 which comprise the statement of financial position as at March 31, 2019, 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, 2019, 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.

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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 skepticism 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 Commission'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.

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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.

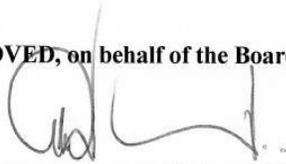
CrichtonMullings & Assoc.
CrichtonMullings & Associates
Chartered Accountants

Kingston Jamaica
August 23, 2019

THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	2019 \$	2018 \$
ASSETS			
Non-current Assets			
Property and equipment	5	7,224,972	8,485,291
Retirement benefit assets	6	392,068,000	353,286,000
		<u>399,292,972</u>	<u>361,771,291</u>
Current Assets			
Receivables and prepayments	7	1,522,046	1,201,288
Cash and bank balances	8	4,091,939	2,637,606
		<u>5,613,985</u>	<u>3,838,894</u>
TOTAL ASSETS		<u>404,906,957</u>	<u>365,610,185</u>
RESERVES AND LIABILITIES			
Reserves			
Retirement benefit reserve	6	392,068,000	353,286,000
Accumulated surplus		1,293,155	4,151,372
		<u>393,361,155</u>	<u>357,437,372</u>
Current liabilities			
Payables and accruals	9	11,545,802	8,172,813
		<u>11,545,802</u>	<u>8,172,813</u>
TOTAL RESERVES AND LIABILITIES		<u>404,906,957</u>	<u>365,610,185</u>

APPROVED, on behalf of the Board on August 23, 2019



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, 2019

	Note	2019 \$	2018 \$
Income			
Subvention	4	135,803,669	122,997,614
Administrative and general expenses	10	<u>137,242,550</u>	<u>126,261,326</u>
Operating deficit		(1,438,881)	(3,263,712)
Other income	11	<u>2,013,260</u>	<u>4,831,121</u>
		574,379	1,567,409
Finance and policy costs	12	<u>3,456,596</u>	<u>4,206,258</u>
Net deficit		(2,882,217)	(2,638,849)
Other comprehensive income:			
Remeasurement of actuarial gain / (loss)		29,843,000	(32,488,000)
Actuarial gain on defined benefit plan		<u>8,939,000</u>	<u>22,039,000</u>
Net surplus / (deficit) for the year, being total comprehensive income / (expense)		<u><u>35,899,783</u></u>	<u><u>(13,087,849)</u></u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED MARCH 31, 2019**

	Retirement Benefit Reserve	Accumulated Surplus	Total
	\$	\$	\$
Balance at March 31, 2017	363,735,000	6,790,221	370,525,221
Net deficit, being total comprehensive expense 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	353,286,000	4,151,372	357,437,372
Net surplus, being total comprehensive income for the year	-	35,899,783	35,899,783
Adjustment	-	24,000	24,000
Remeasurement of actuarial gain	29,843,000	(29,843,000)	-
Actuarial gain on defined benefit plan	<u>8,939,000</u>	<u>(8,939,000)</u>	<u>-</u>
Balance at March 31, 2019	<u>392,068,000</u>	<u>1,293,155</u>	<u>393,361,155</u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2019**

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net surplus / (deficit) for the year	35,899,783	(13,087,849)
Adjustments for items not affecting cash resources:		
Depreciation	3,289,171	4,119,191
Adjustment	24,000	-
Loss on the disposal of property and equipment	80,066	-
Retirement benefit assets	<u>(38,782,000)</u>	<u>10,449,000</u>
	511,020	1,480,342
(Increase) / decrease in operating assets:		
Receivables and prepayments	(320,758)	1,619,141
Increase in operating liabilities:		
Payables and accruals	<u>3,372,989</u>	<u>470,378</u>
Net cash provided by operating activities	<u>3,563,251</u>	<u>3,569,861</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(2,108,918)</u>	<u>(4,588,868)</u>
Net cash used in investing activities	<u>(2,108,918)</u>	<u>(4,588,868)</u>
NET INCREASE / (DECREASE) IN CASH AND BANK		
BANK BALANCES	1,454,333	(1,019,007)
CASH AND BANK BALANCES - Beginning of the year	<u>2,637,606</u>	<u>3,656,613</u>
CASH AND BANK BALANCES - End of the year	<u>4,091,939</u>	<u>2,637,606</u>
REPRESENTED BY:		
Cash and bank balances	<u>4,091,939</u>	<u>2,637,606</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, 2019**

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 head 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").

This is the first set of the Commission's annual financial statements in which IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers have been applied. Changes to significant accounting policies are described in note 2 (c).

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

The preparation of financial statements in conformity with IFRS and the Act requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

There are no significant assumptions and judgements applied in these financial statements that carry a risk of material adjustment in the next financial year.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

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

(b) Changes in accounting standards and interpretations:

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Commission has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following interpretations and amendments are relevant to its operations:

- *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

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Commission's future financial statements:

- *IFRS 9 'Financial Instruments - Amendment', issued October 2017*
Effective for periods commencing on or after 1 January 2019
- *IFRS 16 'Leases - Amendment', issued January 2016*
Effective for periods commencing on or after 1 January 2019

The Board of directors anticipate that the adoption of the standards, amendments and interpretations, which are relevant to the Commission in future periods is unlikely to have any material impact on the financial statements.

THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

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

(c) Changes in accounting policies

IFRS 9, "Financial Instruments"

In the current year, the Commission has applied IFRS 9 issued by the International Accounting Standards Board (IASB), effective for annual periods beginning on or after January 1, 2018 for the first time.

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement'. The Commission has adopted the modified retrospective approach and has not restated comparative information for 2018 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for 2018 is reported under IAS 39 and is not comparable with the information presented for 2019.

Changes to the Impairment Calculation

The adoption of IFRS 9 has fundamentally changed the Commission's accounting for accounts receivable loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. IFRS 9 requires the Commission to record an allowance for ECLs for all debt financial assets not held at FVPL. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case the impairment is assessed over its lifetime. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

IFRS 15, "Revenue from Contracts with Customers"

Under IFRS 15, an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, following a five step model: Step 1: Identify the contract(s) with a customer (agreement that creates enforceable rights and obligations); Step 2: Identify the different performance obligations (promises) in the contract and account for those separately; Step 3: Determine the transaction price (amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services); Step 4: Allocate the transaction price to each performance obligation based on the relative stand-alone selling prices of each distinct good or service; and Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation by transferring control of a promised good or service to the customer. A performance obligation may be satisfied at a point in time or over time.

The adoption of IFRS 15 did not impact the timing or amount of income from contracts with customers and the related assets and liabilities recognised by the Commission. Accordingly, the impact on the comparative information is limited to new disclosure requirements.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

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

(d) 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, 2019

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

(d) 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 assets. 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 are as follows:

<u>Assets</u>	
Leasehold improvement	5%
Computers and Software	33%
Furniture, fixtures & equipment	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, 2019

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 and equity instruments issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Commission after deducting all of its liabilities.

Financial assets include cash and bank deposits, accounts receivable, long-term receivables and other current assets except inventories and any prepayments. Financial liabilities include payables.

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, 2019**

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, 2019

5. PROPERTY AND EQUIPMENT

	Leasehold Improvement	Furniture, Fixtures and Equipment	Computers	Total
	\$	\$	\$	\$
At Cost/Valuation:				
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	<u>2,828,187</u>	<u>10,508,738</u>	<u>11,278,471</u>	<u>24,615,396</u>
Balance at April 1, 2018	2,828,187	10,508,738	11,278,471	24,615,396
Additions	-	277,041	1,831,877	2,108,918
Disposals	-	(229,432)	(220,187)	(449,619)
Balance at March 31, 2019	<u>2,828,187</u>	<u>10,556,347</u>	<u>12,890,161</u>	<u>26,274,695</u>
Accumulated Depreciation:				
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	<u>471,409</u>	<u>8,498,112</u>	<u>7,160,584</u>	<u>16,130,105</u>
Balance at April 1, 2018	471,409	8,498,112	7,160,584	16,130,105
Charge for the year	136,913	726,938	2,425,320	3,289,171
Disposals	-	(205,881)	(163,672)	(369,553)
Balance at March 31, 2019	<u>608,322</u>	<u>9,019,169</u>	<u>9,422,232</u>	<u>19,049,723</u>
Net Book Value:				
At March 31, 2019	<u>2,219,865</u>	<u>1,537,178</u>	<u>3,467,929</u>	<u>7,224,972</u>
At March 31, 2018	<u>2,356,778</u>	<u>2,010,626</u>	<u>4,117,887</u>	<u>8,485,291</u>

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

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:

	2019	2018
	\$	\$
Present value of the obligation	(300,013,000)	(259,940,000)
Fair value of plan assets	692,081,000	613,226,000
Fund status	<u>392,068,000</u>	<u>353,286,000</u>

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

	2019	2018
	\$	\$
Current service cost	(13,993,000)	(9,416,000)
Interest on obligation	(20,566,000)	(18,726,000)
Interest income on scheme assets	45,834,000	52,190,000
Administration expenses	(2,580,000)	(2,222,000)
Remeasurement of loss on obligation	(7,392,000)	(46,278,000)
Remeasurement of gain on assets	37,235,000	13,790,000
Contribution by the Commission	244,000	213,000
	<u>38,782,000</u>	<u>(10,449,000)</u>

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

	2019	2018
	\$	\$
Net assets at start of year	613,226,000	551,493,000
Interest income on plan assets	45,834,000	52,190,000
Benefits paid	(6,088,000)	(5,907,000)
Administration expenses	(2,580,000)	(2,222,000)
Remeasurement gain on assets	37,235,000	13,790,000
Total contributions during the year	4,454,000	3,882,000
	<u>692,081,000</u>	<u>613,226,000</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

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	2019 Value of DBO (\$)	2018 Value of DBO (\$)
Discount rate	1.5% increase	276,157,000	239,386,000
Discount rate	1.5% decrease	327,538,000	283,503,000
Salary escalation	1.5% increase	304,412,000	263,301,000
Salary escalation	1.5% decrease	295,625,000	255,801,000
Future rate of pension augmentation	1.5% increase	321,705,000	277,993,000
Future rate of pension augmentation	1.5% decrease	<u>280,730,000</u>	<u>243,812,000</u>

The assumption used in the sensitivity analysis for the 2019 period was at a one and one half percentage (1.5%) rate of change.

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

Changes in financial assumptions	(11,393,000)	(51,591,000)
Experience adjustment	<u>4,001,000</u>	<u>5,313,000</u>
Total actuarial losses	<u>(7,392,000)</u>	<u>(46,278,000)</u>

The principal actuarial assumptions used were as follows:

	2019 %	2018 %
Discount rate	7.00	7.50
Rate of escalation of pensionable earnings	4.00	5.50
Rate of increase in pension	5.00	5.00

In relation to expenses, an allowance has been made for administrative expense at the rate of 7% (2018: 7%) earnings of members' pensionable earnings.

7. RECEIVABLES AND PREPAYMENTS

	2019 \$	2018 \$
Accounts receivables	596,607	401,588
Staff receivables	737,955	513,945
Prepayments	187,484	185,755
Other receivables (i)	-	100,000
	<u>1,522,046</u>	<u>1,201,288</u>

8. CASH AND BANK BALANCES

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

	2019 \$	2018 \$
Petty cash	13,000	13,000
Bank accounts	<u>4,078,939</u>	<u>2,624,606</u>
	<u>4,091,939</u>	<u>2,637,606</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

9. PAYABLES AND ACCRUALS

	2019 \$	2018 \$
Accounts payable	1,933,969	928,006
Statutory deductions payable	943,445	82,836
Accrued vacation leave	5,859,437	4,908,183
Other payables and accruals	339,349	708,618
GCT withholding payable	2,469,602	1,545,170
	<u>11,545,802</u>	<u>8,172,813</u>

10. ADMINISTRATIVE AND GENERAL EXPENSES

	2019 \$	2018 \$
Salaries, wages and related costs	53,899,795	48,377,983 *
Retroactive salaries	669,619	2,038,194
Temporary and casual wages	7,598,207	7,457,651
Mileage allowances	5,650,885	5,060,506
Statutory and pension fund contributions	4,854,269	4,453,439
Motor vehicle allowance	19,530,659	16,484,898
Staff welfare	1,137,088	842,900
Travelling and subsistence	515,689	369,764 *
Rental:		
Equipment	16,204	30,934
Buildings	11,985,749	11,556,940
Electricity	2,782,033	2,583,038
Telephone	4,035,347	4,512,838
Water rate	941,885	334,116
Repairs and maintenance	1,381,411	1,005,219
Medical supplies	-	30,710
Meals and entertainment	1,214,073	1,285,827
Wireless, cable and postage	595,175	531,714
Directors' fees	760,200	721,200
Professional fees	419,400	407,750
Insurance	300,070	309,977
Grants and contribution	1,360,911	1,333,685
Staff training	356,720	755,910
Printing and stationery	1,297,087	1,398,194
Audit fees	498,841	474,575
Advertising and promotion	6,761,998	5,203,484
Subscription and membership fees	251,217	251,685
Exhibition, conference and seminars	899,574	2,132,970
Tribunal expenses	3,843,500	2,523,664
General office expenses	1,203,609	1,595,184
Security	2,481,335	2,196,377
	<u>137,242,550</u>	<u>126,261,326</u>

*Reclassified to conform to 2019 presentation

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

11. OTHER INCOME

This represents income earned by the Commission from other activities such as donations received, interest income and appropriation-in-aid.

12. FINANCE AND POLICY COSTS

	2019	2018
	\$	\$
Bank charges	87,359	87,067
Loss on disposal of property, plant and equipment	80,066	-
Depreciation	3,289,171	4,119,191
	<u>3,456,596</u>	<u>4,206,258</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	137,790,000	135,803,669	(1,986,331)
Appropriation-in-aid	2,000,000	1,991,871	(8,129)
Other	-	21,389	21,389
	<u>139,790,000</u>	<u>137,816,929</u>	<u>(1,973,071)</u>
Expenditure:			
Personnel emoluments	76,667,000	68,158,978	8,508,022
Travelling and subsistence	22,958,000	25,697,233	(2,739,233)
Other operating and general expenses	19,089,000	27,081,717	(7,992,717)
Rental	11,345,000	12,001,953	(656,953)
Public utilities	7,731,000	7,759,265	(28,265)
	<u>137,790,000</u>	<u>140,699,146</u>	<u>(2,909,146)</u>
Operating deficit	<u>-</u>	<u>(2,882,217)</u>	<u>(4,882,217)</u>
Capital:			
Purchase of property and equipment	<u>2,000,000</u>	<u>2,108,918</u>	<u>(108,918)</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

14. STAFF COSTS

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

	2019	2018
Permanent	<u>29</u>	<u>29</u>

The aggregate payroll costs for these persons were as follows:

	2019	2018
	\$	\$
Salaries and other related costs (i)	<u>87,852,848</u>	<u>79,740,610</u>
Statutory payroll contributions	<u>4,610,009</u>	<u>4,240,389</u>
	<u>92,462,857</u>	<u>83,980,999</u>

(i)-The increase in salaries and other related costs is attributable to retroactive salaries and salary increments being paid to some staff members who attained higher professional qualification.

15. RELATED PARTIES

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

	2019	2018
	\$	\$
Transactions with Board of Directors:		
Directors' fees	<u>760,200</u>	<u>721,200</u>
Transactions with key management personnel:		
Chief Executive Officer	<u>6,101,865</u>	<u>5,442,033</u>
Finance and Administration Manager	<u>3,568,127</u>	<u>4,566,231</u>
	<u>10,430,192</u>	<u>10,729,464</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, 2019

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.

	2019	2018
	<u>\$</u>	<u>\$</u>
Receivables	1,334,562	1,015,533
Cash and bank balances	<u>4,091,939</u>	<u>2,637,606</u>
	<u>5,426,501</u>	<u>3,653,139</u>

(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, 2019

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, 2019:			
Accounts payable	<u>11,545,802</u>	<u>11,545,802</u>	<u>11,545,802</u>
March 31, 2018:			
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. At March 31, 2019 and 2018, 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.

17. SUBSEQUENT EVENT

The Government of Jamaica, through Cabinet by way of Decision no. 20/18 dated June 4, 2018, gave approval for the rationalization of selected public bodies which included the merger of the Fair Trading Commission and Consumer Affairs Commission. As at the date of these financial statements, the actual merger was not completed.

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