



An Agency of the Ministry of Industry, Commerce, Agriculture and Fisheries

CONSUMER AFFAIRS COMMISSION

Annual Report 2019/2020



Protecting your Rights, Securing our Future



About us

The Consumer Affairs Commission is a government agency established to inform, educate and empower consumers to protect themselves in the marketplace. In execution of its work, the Commission engages a three pronged approach: Market Research, Complaints Resolution and Consumer Education.

The CAC operates under the Consumer Protection Act 2005.

Our Mission

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

Vision

In 2030, 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.

Respect



We treat all our customers and stakeholders with dignity and respect.

We treat our fellow employees with dignity and respect.



Commitment to Customer

We honour our promises to our customers.



Honesty and Integrity

We act with honesty and integrity in all our relationships.



Professionalism

We strive for excellence and professionalism in all our actions.



The Consumer Affairs Commission's Corporate Plan for the 2019/20 Financial Year identifies five (5) strategic themes and outcomes which were developed in support of the Agency's mandate. They are based on related priority national outcomes outlined in the Vision 2030 National Development Plan, and a review of the current economic environment. These key priority themes are to:

Improve public awareness and service delivery.

Improve the enabling environment.

Enhance strategic human resource management.

Strengthen operations and systems support.

Enhance resource stewardship and accountability.

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.

CONSUMER RIGHTS

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...

COMPLAINTS HANDLED

1,645

COMPLAINTS RESOLVED

1,489

RESOLUTION RATE

83%

REQUESTS FOR ADVICE

654

PRICE SURVEYS

30

RESEARCH PROJECTS

6

PARTICIPATED IN

414

ACTIVITIES

PERSONS DIRECTLY IMPACTED

90,024

TRADITIONAL MEDIA
EXPOSURES

537

NEW MEDIA EXPOSURES

2,776

SOCIAL MEDIA

769

WEBSITE VISITS

84,334

REFUNDS AND COMPENSATION

\$27.74 Million



CAC | OUR Approach to reporting

Who we are

- 2 | Mission and Vision
- 3 | Role and Function
- 4 | Charter of Rights
- 5 | Performance Summary
- 7 | Glossary of Terms
- 9 | Transmittal Letter

Our governance

- 10 | Board of Directors

Our business strategy

- 13 | Chairman's Message
- 16 | Chief Executive Officer's Report
- 33 | The Team

Financial information

- 37 | Financial Statements
- 62 | Notes

Who
we are

Our business
strategy

Performance
Summary

Our
governance

Financial
Information



Acronyms	Definitions
AIA	Aid-In-Appropriation
BNS	Scotiabank
BOJ	Bank of Jamaica
CARREX	CARICOM Rapid Alert Exchange System
CAC/Commission/Agency	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
FGB	First Global Bank
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
JMMB	Jamaica Money Market Brokers
JN	Jamaica National
JPSCo	Jamaica Public Service Company Ltd

Acronyms	Definitions
LAC	Legal Affairs Committee
MICAF	Ministry of Industry, Commerce, Agriculture and Fisheries
MOFP	Ministry of Finance and Public Service
MOHW	Ministry of Health and Wellness
MSET	Ministry of Science, Energy and Technology
MSTEM	Ministry of Science, Technology, Energy and Mining
NCB	National Commercial Bank
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
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
PTRC	Petroleum Trade Reform Committee
ULSD	Ultra-Low Sulphur Diesel
USGC	United States Gulf Coast
WCRD	World Consumer Rights Day
WFH	Work From Home

Transmittal Letter

August 31, 2020

Honourable Audley Shaw, MP, CD
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, 2020 and a copy of the Commission's Audited Accounts as at March 31, 2020, duly certified by the Auditors.

I am,

Yours respectfully,



Donovan White,
Chairman

The Board of Commissioners



Donovan White
Chairman



Dorothy Carter-Bradford, CD, JP
Deputy Chairman



Daenia Ashpole
Director



Michelle Parkins
Director



Vernon Derby
Director



Rachel McDonald
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

FINANCE AND AUDIT

Mr. Donovan White (Chair)
Mr. Vernon Derby
Ms. Michelle Parkins
Mr. Ian Walters

PUBLIC RELATIONS

Ms. Daenia Ashpole (Chair)
Ms. Rachel McDonald
Mr. Vernon Derby
Mr. Morland Wilson

LEGAL AND CORPORATE

Mr. Damali Thomas (Chair)
Ms. Daenia Ashpole
Mr. Collin Virgo



Donovan White, Chairman

Chairman's Message

Chairman's Message

During the Financial Year 2019/20, the Consumer Affairs Commission (CAC) showed notable improvements in public awareness and service delivery. Also enhanced were the management of our human resources and a strengthening of our operations and systems support.

This has placed the Commission in a position to make the requisite adjustments to its business model to remain relevant and thus provide the level of service and protection consumers deserve.

Nowhere was this more evident than during March 2020 COVID- 19 pandemic when the Commission's resilience was well tested. The management and staff must be commended for actions taken to keep the Agency afloat, such as plans for proper sanitation and protection, flexi-work schedule and creating the necessary systems to facilitate staff being able to work from home effectively

The Pandemic also affected World Consumer Rights Day celebrated annually on March 15. This year the theme was **"The Sustainable Consumer"** and the celebrations had to exclude any public gathering, and so our messages were dispensed using various media platforms available namely the Press, social media, which included the CAC's mobile application, launched on December 11, 2019.

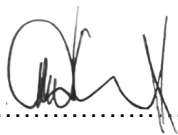
The launch of the mobile application - **CACJamaicaApp** - was a major achievement for the Commission. It provides consumers with the ability to immediately access factual and interactive information to assist in purchasing decisions, in stores, and online. Features of the App include identifying the geographical locations of chosen outlets, being able to compare prices. Consumers can also create baskets of goods and ascertain prices before making any purchase and obtain the latest consumer news such as those related to product recalls.

A very important aspect of work of the CAC is advocacy, and towards the end of the Financial Year, our sustained effort, in negotiating compensation for consumers, who had filed 'bad gas' complaints requesting redress for damage to their vehicles, finally bore fruit. The sum of Twenty Four Million Five Hundred Thousand (\$24.5M) requested was approved for ex-gratia pay out. The Commission expects to commence payment in the early part of the 2020/21 Financial Year.

The Government of Jamaica (GOJ) has embarked upon a rationalisation exercise of its public bodies to better align service delivery, to increase efficiencies and to reduce cost. By way of a Cabinet Decision of June 4, 2018, two public bodies: the Consumer Affairs Commission (CAC) and the Fair Trading Commission (FTC) were identified for merger and for the creation of a single public body to execute the functions of consumer protection and competition. During the year, we continued the preparatory work needed to facilitate the smooth and seamless transition of these two Agencies into one entity.

As we navigate these trying times let me on behalf of the other members of the CAC Board commend the Staff for their effort and sustained commitment. Many thanks also to the members of the Board for the unstinting service they gave to the Commission and by extension the consuming Jamaican public.

Many thanks to our portfolio Minister, Minister of State, the Permanent Secretary and staff of the Ministry of Industry, Commerce, Agriculture and Fisheries for their invaluable support. We all look forward to the upcoming year, as we continue to accomplish our mission and play our part in improving the lives of Jamaican consumers



.....
Donovan White,
Chairman



Dolsie Allen, Chief Executive Officer

CEO's Report

Chief Executive Officer's Report

“Persistent change, challenged assumptions, and disruption are now the norm, rather than the exception, in business and society.” In keeping with this reality, the Consumer Affairs Commission (CAC) has continued to focus on serving our consumers. The Commission’s general perspective also incorporates capitalising on change by being agile and anticipating outcomes that enable us to adapt and contribute to a better tomorrow. It is through this approach that the Commission continued to use its influence to positively impact people’s lives and advocate for change.

Complaints Resolution Service

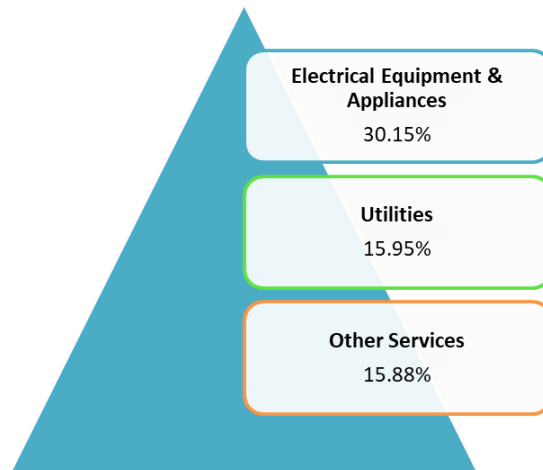
During the 2019/20 Financial Year, the CAC continued to be a stable source of advice and reassurance to the nation’s consumers. The Agency handled a total of **1,645** complaints; of which **1,377** cases were resolved which resulted in refunds and compensation to consumers totalling **\$27.74 million** and a resolution rate of **83.70%**.

Table 1 shows Refunds/Compensation by Category for the 2019/20 Financial Year

COMPLAINT CATEGORIES	\$ Total YTD
Furniture	584,900.00
Hardware & Household Fixtures	1,747,593.80
Appliances & Electronic Items	2,071,236.25
Utility Services	4,041,042.02
Cable Services	331,535.15
Computers	205,865.20
Automotive	9,180,137.78
Clothing, Food, Pharmaceuticals, Chemicals & Miscellaneous Items	512,057.83
Other Services (incl. finance, laundry, hair, medical,	5,790,016.62
Other (incl. legal)	3,278,601.00
TOTAL	27,742,985.65

The top consumer complaint categories of all complaints filed for the 2019/20 Financial Year were: **Electrical Equipment & Appliances** with **30.15%**; **Utilities** followed with **15.95%** and the **Other Services** was third, contributing **15.88%**.

Figure 1 shows the top three Complaints Categories filed during the 2019/20 Financial Year



The Commission also responded to **654** requests for advice.

Consumer Education

The Consumer Affairs Commission had direct contact with **90,024** consumers through its participation in **414** activities during the 2019/20 Financial Year. The Commission missed achieving its target by **39,976** or **31%** due to the impact of the COVID-19 pandemic. The month of March is usually one which is filled with activities, especially since the CAC normally observes its flagship event World Consumer Rights Day during this period. However, as a result of the measures employed by the Government of Jamaica to minimise the spread of the disease, many planned appointments and activities were cancelled .

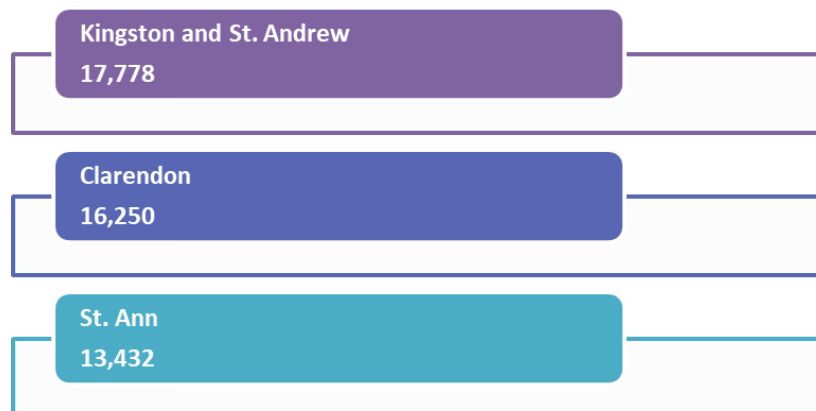
Among the activities cancelled due to the COVID-19 pandemic were presentations in schools which were ordered closed on March 13, 2020 and other institutions across the island. However, prior to the Government mandated closures, the World Consumer Rights Day message from the CAC was read in schools and churches, and displays mounted in a number of libraries and other educational institutions islandwide. It should be noted that the National Parish Achievement Days hosted by the Rural Agricultural Development Agency were also affected as they could not be staged.

For the Financial Year, adults accounted for **52,100** or **57.9%** and students **37,924** or **42.1%**. In terms of gender, females accounted for **56,972** or **63.3%** of the consumers reached, with males accounting for **33,052** or **36.7%**.

Table 2 shows the Activities and Reach per Parish for the 2019/20 Financial Year

PARISH	NO. OF ACTIVITIES YTD	REACH YTD	% OF REACH YTD
Kingston & St. Andrew	68	17,778	19.7
Portland	15	2,022	2.2
St. Catherine	68	11,242	12.5
St. Thomas	49	9,579	10.6
Clarendon	60	16,250	18.1
St. Elizabeth	5	598	0.7
St. Ann	46	13,432	14.9
St. James	12	1,866	2.1
St. Mary	35	7,826	8.7
Manchester	35	6,280	7.0
Westmoreland	10	2,546	2.8
Hanover	6	462	0.5
Trelawny	5	143	0.2
TOTAL	414	90,024	100

Figure 2 highlights the top three parishes and the number of consumers that received consumer education during the 2019/20 Financial Year



Communication and Information

For the Financial Year, the Commission obtained a total of **4,082** media exposures which were recorded and broken down as follows: Traditional - five hundred and thirty seven (**537**), Social Media - seven hundred and sixty nine (**769**) and New Media - two thousand seven hundred and seventy six (**2,776**).

During the period under review, the CAC partnered with a number of media entities. Among them: JIS; RJR 94.5; Power 106; IRIE FM; Mello; NNN; the Jamaica Gleaner; the Observer and the Western Mirror. However, there were a number of occasions that the Commission was unable to benefit from media promotions due to budgetary constraints. As a result, the Commission's goal of having a sustained media presence was not realised.

Table 3 illustrates the Number of Media Exposures secured for the 2019/20 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 2019	1	0	2	20	0	5	57	0	0	0	0	0	0	0	85
May 2019	1	1	3	36	0	2	46	0	0	0	0	0	0	121	210
June 2019	0	1	0	1	0	0	16	2	0	2	0	0	0	122	144
July 2019	0	3	1	40	0	0	62	0	0	0	0	0	0	1,941	2,047
Aug. 2019	0	3	7	64	0	3	83	0	0	0	0	0	0	182	342
Sept. 2019	0	0	2	40	0	0	52	0	0	0	0	0	0	0	94
Oct. 2019	0	6	3	23	0	5	43	1	0	0	0	0	0	0	81
Nov. 2019	1	4	4	3	0	1	24	0	1	0	0	0	0	0	38
Dec. 2019	2	14	19	50	0	15	149	0	1	0	0	0	0	250	500
Jan. 2020	0	0	2	38	0	0	45	0	0	0	0	0	0	0	85
Feb. 2020	1	1	3	20	0	0	41	0	0	0	0	0	0	0	66
Mar. 2020	1	10	15	53	5	12	151	2	0	30	0	0	0	160	439
Total	7	44	61	389	5	43	769	5	2	32	0	0	0	2,776	4,133

(*Interviews and press releases were deducted to eliminate double counting)

Advertising

During the 2019/20 Financial Year, the Commission spent One Million, Five Hundred and Fifty Thousand Two Hundred Forty Two Dollars and Forty-one cents (**\$1,550,242.41**). The comparative cost savings however, began to be impacted by the global pandemic as the consequential restrictions were initiated by the government at the start of the week of Commission's annual flagship event.

A breakdown of the payments made for media services rendered during the year were as follows:

Table 4 provides a Breakdown of the Advertising Spend for the 2019/20 Financial Year

MEDIA ACTIVITY EXPENDITURE	2019/20	2018/19
WCRD	\$0,937,274.60	899,573.57
Press		730,736.32 (Print)
Local Promotions (Newspaper and Radio)	\$0,080,331.81	792,200.00 (Radio)
Yellow Pages	\$0,532,636.00	597,656.00
Total	\$1,550,242.41	\$3,020,165.89

Cost savings, realised by the Commission for the period, April 1, 2019 to March 31, 2020 were mainly in the electronic media versus print. However, the continued paid engagement which focussed on the flagship event of World Consumer Rights Day were paid out to the vendors in April of the new Financial Year.

Table 5 provides information on the estimated value of media exposures and opportunities using existing market rates during the 2019/20 Financial Year

TYPE OF MEDIA	2018/19 EXPOSURES	ESTIMATED COST 2018/19 ***	TOTAL SAVINGS ('000)	ACTUAL EXPENDITURE 2018/19	2019/20 EXPOSURES	ESTIMATED COST 2019/20 ***	TOTAL SAVINGS ('000)	ACTUAL EXPENDITURE 2019/20
PRINT newspaper	74	\$3,700,000	\$3,102,344	\$ 597,656	61	\$3,050,000.00	\$3,005,000.00	\$45,000.00
PRINT Yellow Pages	1	0	0	\$ 730,736.32	-	-0	0	\$532,636.00
WCRD MEDIA EXPENSES	64	\$3,200,000	\$2,300,426.43	\$ 899,573.57	128	\$550,400.00	-(386,874.60)	\$937,274.60
RADIO	301	\$18,060,000	\$17,267,800	\$ 792,200	389	16,727,000.00	\$16,692,000.00	\$35,000.00
TELEVISION	75	\$75K (per 10-15min interview) \$5,625,000	\$5,625,000		43	3,225,000.00	\$3,225,000.00	\$0
TOTAL	515	\$30,585,000	\$27,564,834.1	\$3,020,165.89	621	23,552,408.00	\$22,535,125.00	\$1,017,274.60

World Consumer Rights Day

The CAC's flagship event of the year – the celebration of World Consumer Rights Day - was observed under the theme "*The Sustainable Consumer*". It should be noted that due to the COVID 19 pandemic, the

communication activities surrounding the observation of the day were drastically scaled back as the Government of Jamaica instituted measures to prevent the spread of the disease.

Among the activities that were cancelled was the Commission's participation in a special worship service at the New Beulah Moravian Church, Manchester organised by the National Consumers' League; distribution of seedlings in keeping with the theme and focus on sustainable consumption. The Commission's objective was to highlight the need for personal consumer responsibility and how the choices made by consumers can positively impact the environment.

However, activities that facilitated physical distancing were executed. These included:

- Special media interviews carried out during the week by the CAC staff and Members of the Board of Directors to mark the day.
- WCRD Message by the Honourable Audley Shaw, Minister of Industry, Commerce, Agriculture and Fisheries.

Bad Gas

The Commission continued to lobby 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. In January 2020, the Ministry of Science, Energy and Technology communicated that the approved sum of \$24.5 million would be made available through Petrojam Ethanol Limited. The sums were transferred to the CAC in May 2020.

It should be noted that what is generally referred to as the "bad gas" claims were treated separately and were not included in the overall complaints handled by the Commission.

CAC App

The CAC APP was officially launched in December 2019 by the Honourable Floyd Green, Minister of State in the Ministry of Industry, Commerce, Agriculture and Fisheries. After the launch over 4,000 persons downloaded the app. The user review gave good ideas for the next upgraded release of the application which is slated for completion in September 2020 and will allow IOS users to join android users in downloading the CAC App free of cost. Features in the application include Petrol Station Map with prices, Grocery price comparison, consumer news, and complaints submission.



Minister of State in the Ministry of Industry, Commerce, Agriculture and Fisheries, Hon. Floyd Green (second left), using the new mobile app from the Consumer Affairs Commission (CAC) on his phone to compare prices of products in John R. Wong Supermarket in New Kingston, at the launch, on Wednesday (December 11). Observing (from left) are Directors of the CAC, Vernon Derby and Daenia Ashpole, and Chief Executive Officer, CAC, Dolsie Allen.

Market Research

For the 2019/20 Financial Year, the Commission conducted 36 surveys comprising: 30 price surveys; 2 paid surveys and 5 evaluation surveys: Brand Awareness, Consumer Knowledge of Rights and Responsibilities; Knowledge of the CPA; Ethical Relations and Clientele. The achievements for the year are reflected in the table below:

Table 6 highlights the Type and Number of Surveys conducted for the 2019/20 Financial Year

RESEARCH PROJECTS	TARGET	ACHIEVEMENT
PRICE SURVEYS: 28		
Monthly Grocery Surveys	12	12
Monthly Petrol Survey	12	12
Annual Hardware Survey	1	1
Biannual Banking Survey	2	1
Annual Textbook Survey	1	1
SPECIAL PRICE SURVEYS (AD HOC): 2		
Fortnightly Grocery Survey	Nil	1
Sanitation & Hygiene Survey	Nil	1
CAC EVALUATION SURVEYS: 5		
Ethical Relations Survey	1	Aborted*
Clientele Survey	1	1
Brand Awareness Survey	1	1
Knowledge of Consumer Rights and Responsibilities	1	1
Knowledge of CPA	1	1
PAID SURVEYS: 2		
BSJ	1	1
COJ	1	2
TOTAL:37		36

Grocery Survey Summary

The CAC's monthly grocery survey covers a total of seventy-two (72) outlets: 67 supermarkets and 5 shops islandwide. Data was not consistently collected from Hanover due to logistic challenges.

Grocery Items

An analysis of the CAC's basket of critical food items showed that the majority of these commodities underwent varied degrees of price changes during the Fiscal Year.

Table 7 shows the changes in Supermarket prices for specific items in the CAC's basket of critical grocery items during the 2019/20 Financial Year

PRODUCT	SIZE	YTD Change (%)
Lasco Readimilk Skimmed Milk Powder	80 g	5
Brunswick Sardines	106 g	14
Bulk Cooking Oil	1 L	14
Golden Grove Pre-packaged Dark Sugar	1kg	19
Betty Sweetened Condensed Milk	395 g	9
Dried Salted Fish	1kg	13
Grace Sardines	106 g	8
Grace Corned Beef	340 g	7
Grace Mackerel	155 g	9
CB Whole Chicken	1 kg	4
Nupak Corned Beef	340 g	6
Best Dressed Whole Chicken	1 kg	2

Agricultural Products

During the period under review, the average price for Carrot increased significantly by 81%. Furthermore, the price of White Onion had a price increase of 24%, while Cabbage and Irish Potatoes had price increases of 14% and 11% respectively. Price declines of 24%, 5% and 1% were seen for Plummy Tomato, Red Peas and Ripe Plantain during the period.

Table 8 highlights the Price Movements for a select set of Local Agricultural Produce in Supermarkets for the 2019/20 Financial Year

PRODUCE	QUANTITY	YTD Change (%)
Red Peas	1 kg	-5
White Onion	1 kg	24
Irish Potato	1 kg	11
Eggs	1 doz.	5
Ripe Plantain	1 kg	-1
Green Banana	1 kg	5
Yellow Yam	1 kg	5
Carrot	1 kg	81
Cabbage	1 kg	14
Plummy Tomato	1 kg	-24
Lettuce	1 kg	5

Petrol Survey

The CAC surveyed on average two hundred and twenty (220) petrol survey stations islandwide. However, data was inconsistently collected from Hanover due to logistic challenges. For the 2019/20 Financial Year (FY), the prices for United States Gulf Coast (USGC) Regular Gasoline experienced a decrease of 58% (or US\$1.15/gal). The prices for USGC Ultra Low Sulphur Diesel (ULSD) experienced a decrease of 43.9% (or US\$0.88/gal).

Price Changes for the FY

Average observed prices showed decreases over April 2019 prices (FY):

E10-87 – a decrease of 6.39% (J\$10.31/litre)

E10-90 - a decrease of 5.76% (J\$9.91/litre)

Auto-Diesel – a decrease of 5.90% (J\$9.50/litre)

ULSD - a decrease of 5.45% (J\$9.31/litre)

World Commodity Prices

During the Calendar Year-to-Date (January - December 2019), it was also seen that Rice was the only product with a price increase of 10%. Price declines of 48% and 16% were observed for Crude Oil and Sugar respectively. Wheat experienced a price decline of 7% while Maize and Soybeans had price declines of 5% and 4% respectively. See Table 5 for more details.

Figure 3 illustrates the Commodity Price Movement over the 2019/20 Financial Year

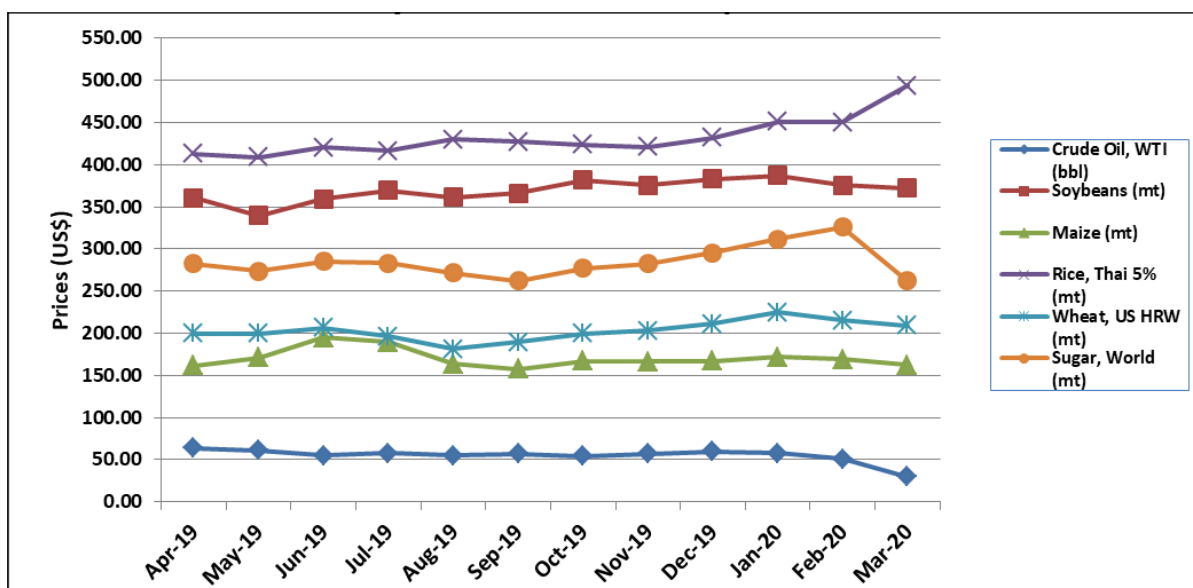


Table 9 showing price movements for 5 world commodities

	Crude, WTI (\$/bbl)	Soybeans (\$/mt)	Maize (\$/mt)	Rice, Thai 5% (\$/mt)	Wheat US HRW (\$/mt)	Sugar World (\$/tonne)
Apr-19	63.87	360.34	161.49	413.00	199.52	282.41
Mar—20	29.88	372.29	162.42	494.00	209.07	262.35
Apr. 2019 – Mar. 2020 (%Change)	-53%	3%	1%	20%	5%	-7%

Textbook Survey

The Commission's annual textbook survey was conducted at 80 bookstores islandwide between August 22 and August 23, 2019. Price and availability data were obtained from 27 bookstores in the Greater Kingston Metropolitan Area (Kingston, St. Andrew, Portmore and Spanish Town). A total of 152 popular textbooks were surveyed, consisting of ninety-one (91) secondary level, fifty-one (51) primary level and ten (10) infant level textbooks covering nineteen (19) subject areas.

Overall, a 6.6% increase in textbook average prices was observed for all textbooks in the GKMR. It is to be noted that there was a 4.3% increase in inflation and the 3% devaluation in the JMD to its US counterpart.

Banking Survey

Between July and August 2019, the Consumer Affairs Commission conducted a survey of rates and fees charged as at August 2019 by the seven (7) Commercial Banks in Jamaica. This was based on data obtained

relative to 24 commonly utilised services within six (6) broad product categories.

For the year 2019, Jamaica National (JN) was observed as the Commercial Bank with the highest number of services with the lowest rates and fees. Additionally, none of JN's services represented the highest rate or fee when compared to the other six (6) entities. Conversely, National Commercial Bank (NCB) was observed as the entity with the greatest number of services with the highest rate or fee followed by Scotiabank (BNS) and then First Global Bank (FGB).

As it relates to price changes among the banks, First Global Bank (FGB) made no changes to any of its rates and fees, while JMMB evidenced the most (16) changes for the current year. Majority of the rates and fees examined remained unchanged, particularly for personal services. Of the services that experienced a price change, there were 9 reductions, 14 increases and 5 newly applied rates or fees.

Sanitation and Hygiene Survey Summary

Amidst early media reports of panic buying, suspected hoarding and price gouging, the Ministry of Industry, Investment, Commerce, Agriculture and Fisheries (MICAF) and the Consumer Affairs Commission sought to conduct surveillance of the market to:

- Observe whether reports of panic buying, hoarding, shortages and excessive pricing in the market were widely practiced;
- Obtain baseline price and availability data on key sanitation products

Under the directive of MICAF, the CAC conducted two surveillance exercises to evaluate the price, availability and stock levels of seven (7) key heavily demanded hygiene and sanitation products. In anticipation of the imminent outbreak of COVID-19 in Jamaica, the CAC went into the field during the week of March 9 – 13, and visited forty-three (43) outlets (supermarkets, hardware stores, pharmacies, service stations, department stores and shops) located in six (6) parishes. This exercise allowed the Commission to determine the main brands and outlets which primarily distributed hygiene and sanitation products.

The second exercise was conducted during the period March 18 – 20. Survey officers visited one hundred and fourteen (114) outlets (51 supermarkets and 63 pharmacies) located across twelve (12) parishes. Price data was obtained from 106 (93%) of the outlets surveyed (47 or 92% of supermarkets; 59 or 94% of pharmacies).

Information Technology

The Commission's information technology infrastructure is very important to its operations. Despite a budget cut that affected majority of the planned projects for the 2019/20 Financial Year, the CAC was able to maintain a 99% uptime in all its systems throughout the year.

CAC Mobile Application

The CAC mobile application project which was completed at the end of fiscal year 2018/2019 was one project that the Commission was able to continue implementing. It was officially launched in December 2019 by Minister Floyd Green and is scheduled for an upgraded release of the application in September 2020. The upgrade will allow IOS users to join android users in downloading the CACApp free of cost.

Covid-19 Work From Home

The Commission was agile in its response to the COVID 19 Pandemic and in particular, the Honourable Andrew Holness, Prime Minister of Jamaica announcement of Work From Home (WFH) orders for Government staff. The CAC in short order, acquired mobile phones, repaired laptops and installed software to facilitate remote work. This was a major undertaking as the necessary infrastructure did not exist prior to the WFH orders. The transition for staff was smooth and seamless as they were able to do 100% of their daily task using the remote working system.

Legal Intervention

During the period under review, five (5) aggrieved consumers were awarded a total of **Three Million, One Hundred One Thousand, Seven Hundred and Twenty-One Dollars Thirty-One Cents** (\$3,101,721.31) in compensation from the intervention of the Legal Unit. Additionally, two (2) cases were successfully mediated resulting in the repair and replacement of consumer goods.

The Commission filed two (2) cases in the Commercial Division of the Supreme Court. Four (4) matters were successfully resolved by the issuing of the necessary De Nova documents to correct model year discrepancies on motor vehicles.

Six (6) outreach activities were engaged in over the 2019/20 Financial Year resulting in direct contact with ninety-six (96) individuals. Three (3) presentations were conducted at the Mico University College on consumer rights and responsibilities under the Consumer Protection Act (CPA). Three (3) presentations were carried out to businesses on the benefits to be gained by complying with the CPA and the rights and responsibilities of businesses and consumers under the CPA. Direct contact via PowerPoint presentations in addition to pamphlets were utilised to aid with the presentations.

The Commission also participated in meetings with representatives from the Ministry of Health & Wellness and the National Compliance Regulatory Authority in an effort to finalise the CAC Compliance Policy. The aim is to develop a strategy to monitor compliance of businesses with the CPA, issue warnings to providers and prosecuting providers for a breach of the CPA.

Finance and Administration

The Commission was able to maintain a 98% average attendance, while 84% of employees received different levels of training during the 2019/20 Financial Year. It should be noted that 48% of the training carried out was obtained at no cost to the CAC and was valued at approximately \$839,500. The average performance review score for the 2018/2019 period was 92%.

Human Resources

Covid 19

The first case of Covid-19 was announced in Jamaica on March 10, 2020 and on March 11, the World Health Organization (WHO) declared the Pandemic. Both incidents had a devastating effect on Jamaica and in response to regulations established to stem the spread of Covid-19, flexi work arrangements were introduced.

- 79% or 26 of 33 employees were placed on flexible work arrangements from March 18 to 31
- 38% of all days available for work were work from home days
- 100% of employees given Personal Protection Equipment (PPE) to help safeguard against infection

Merger of the CAC and the FTC

Activities to merge the Consumer Affairs Commission and the Fair Trading Commission (FTC) continued with the Finance and Administration Manager participating in Merger Committee meetings for Human Resource and Finance Committee and producing reports on activities within the CAC.

- 100% Cooperation with requests for information/documentation
- 100% participation in HR and Finance Merger Committees
- 8 Senior Managers trained in change management

Staffing

As at March 2020, there were 26 occupied posts/permanent staff members and two posts occupied but not appointed. Gender composition was eight **(8)** males, twenty **(20)** females or 28% male, 72% female.

Long-service Awards

Seven (7) permanent, part-time, and temporary employees were recognised for long service at the 2019 Staff Christmas luncheon: six (Petra Young, Tamra-Kay Biggs, Andrew Evelyn, Gary Powell and Joan Hoofatt) achieved 10 years each and one (Racquel White) achieved 20 years.



Mrs. Racquel White, Director of Research, happily accepted her award as she is recognised for her 20 years of service to the Commission by Mr. Donovan White, Chairman.



Mrs. Petra Young, Complaints Officer, is all smiles as she received her award for 10 years of service to the Commission by Ms. Daenia Ashpole, Director.



Mr. Andrew Evelyn, Information Technology Manager, was acknowledged for his 10 years of service to the Commission by Mrs. Dolsie Allen, Chief Executive Officer.



Mrs. Joan Hoofatt, Survey Officer, was conferred with her award for 10 years of service (part-time) to the Commission by Mr. Vernon Derby, Director.



Mrs. Tamra-Kay Biggs, Research Officer/Economist was presented with her award for 10 years of service to the Commission by Mr. Vernon Derby, Director.



Mrs. Suzette Grigg-Cummings was honoured for her 10 years of service to the Commission by Ms. Daenia Ashpole, Director.

Training and Development

During the year, the Government implemented, and sponsored initiatives aimed at developing senior managers within the public sector as part of the GOJ public sector transformation programme. Two Officers from the CAC applied and were accepted for participation in three programmes.

Directors Compensation: April 2019 - March 2020

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:					
Donovan White	102,000.00	4,102.50			106,102.50
11 Other Members:					-
Daenia Ashpole	70,600.00	10,902.60			81,502.60
Dorothy Carter-Bradford	67,000.00	-			67,000.00
Vernon Derby	80,800.00	4,970.70			85,770.70
Rachel McDonald	-	-			-
Michelle Parkins	77,600.00	-			77,600.00
Damali Thomas	41,000.00	-			41,000.00
Colin Virgo	77,400.00	-			77,400.00
Ian Walters	28,200.00	-			28,200.00
Morland Wilson	52,800.00	-			52,800.00
Joyce Young	70,200.00	7,185.30			77,385.30
Total	667,600.00	27,161.10	-	-	694,761.10

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 2019 - March 2020

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	4,034,739.00		1,697,148.00	315,408.00		6,047,295.00
Legal Officer	3,667,883.42		894,924.00	404,285.64		4,967,093.06
Director of Field Operations	2,777,138.04		894,924.00	292,481.67		3,964,543.71
Finance and Administration Manager	2,777,138.04		894,924.00	118,171.72		3,790,233.76

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 2020/21 Financial Year

Looking towards the 2020/21 Financial Year, it is clear that the global pandemic COVID 19 will be very much in the forefront of the minds of consumers and the nation in general. Within this context, the CAC has been empowered to continue its focus of facilitating ethical relations between consumers and vendors via the Price Gouging Ministerial Order.

Therefore, while it is acknowledged that the dynamics of the marketplace may change, consumers must continue to get value for money.

The staff of the Commission must be commended for the achievements attained during the period under review. It is through their effort, many times going above and beyond the call of duty, that has enabled the aggrieved consumers of Jamaica to obtain redress and compensation.

Our stakeholders and partners play a very important role in the Commission executing its mandate and for their continued support, we extend high commendations. The Commission is also indebted to our portfolio Ministers, the Permanent Secretary and Staff of the Ministry of Industry, Commerce, Agriculture and Fisheries, the Board of Directors, other Agencies, Ministries and the Media Fraternity for their contribution to the CAC fulfilling its mandate.

As we face the future, the CAC is committed to continue working on behalf of our consumers. While there may be instances where the Consumer Protection Act is silent, we will advocate, and where there is need for legislation, we will lend our voices.

Mrs. Dolsie Allen (Mrs.),



.....
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.



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



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;



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.



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.

Audited Financial Statements

THE CONSUMER AFFAIRS COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

10/20/20

1-7

4

1

8

7

12-4

**THE CONSUMER AFFAIRS COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

CONTENTS

	Page(s)
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Reserves	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-22

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, 2020, 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, 2020, 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 (Amended 1970 and 2009) 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 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.

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, 2020**

	Note	2020 \$	2019 \$
ASSETS			
Non-current Assets			
Property and equipment	5	5,069,904	7,224,972
Retirement benefit assets	6	318,670,000	392,068,000
		<u>323,739,904</u>	<u>399,292,972</u>
Current Assets			
Receivables and prepayments	7	914,719	1,522,046
Cash and bank balances	8	6,174,047	4,091,939
		<u>7,088,766</u>	<u>5,613,985</u>
TOTAL ASSETS		<u><u>330,828,670</u></u>	<u><u>404,906,957</u></u>
RESERVES AND LIABILITIES			
Reserves			
Retirement benefit reserve	6	318,670,000	392,068,000
Accumulated surplus		1,537,615	1,293,155
		<u>320,207,615</u>	<u>393,361,155</u>
Current liabilities			
Payables and accruals	9	10,621,055	11,545,802
		<u>10,621,055</u>	<u>11,545,802</u>
TOTAL RESERVES AND LIABILITIES		<u><u>330,828,670</u></u>	<u><u>404,906,957</u></u>

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, 2020**

	Note	2020 \$	2019 \$
Income			
Subvention	4	135,514,173	135,803,669
Administrative and general expenses	10	<u>135,774,998</u>	<u>137,242,550</u>
Operating deficit		(260,825)	(1,438,881)
Other income	11	<u>4,541,967</u>	<u>2,013,260</u>
		4,281,142	574,379
Finance and policy costs	12	<u>4,036,682</u>	<u>3,456,596</u>
Net surplus / (deficit) for the year		244,460	(2,882,217)
Other comprehensive income:			
Remeasurement of actuarial (loss) / gain		(83,013,000)	29,843,000
Actuarial gain on defined benefit plan		<u>9,615,000</u>	<u>8,939,000</u>
Net (deficit) / surplus for the year, being total comprehensive (expense) / income		<u>(73,153,540)</u>	<u>35,899,783</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, 2020**

	Retirement Benefit Reserve \$	Accumulated Surplus \$	Total \$
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	392,068,000	1,293,155	393,361,155
Net deficit, being total comprehensive expense for the year	-	(73,153,540)	(73,153,540)
Remeasurement of actuarial loss	(83,013,000)	83,013,000	-
Actuarial gain on defined benefit plan	<u>9,615,000</u>	<u>(9,615,000)</u>	<u>-</u>
Balance at March 31, 2020	<u>318,670,000</u>	<u>1,537,615</u>	<u>320,207,615</u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2020**

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (deficit) / surplus for the year	(73,153,540)	35,899,783
Adjustments for items not affecting cash resources:		
Depreciation	3,964,521	3,289,171
Adjustment	-	24,000
Loss on the disposal of property and equipment	-	80,066
Retirement benefit assets	73,398,000	(38,782,000)
	<u>4,208,981</u>	511,020
Decrease / (increase) in operating assets:		
Receivables and prepayments	607,326	(320,758)
(Decrease) / increase in operating liabilities:		
Payables and accruals	(924,746)	3,372,989
Net cash provided by operating activities	<u>3,891,561</u>	<u>3,563,251</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,809,453)	(2,108,918)
Net cash used in investing activities	<u>(1,809,453)</u>	<u>(2,108,918)</u>
NET INCREASE IN CASH AND BANK		
BANK BALANCES	2,082,108	1,454,333
CASH AND BANK BALANCES - Beginning of the year	<u>4,091,939</u>	<u>2,637,606</u>
CASH AND BANK BALANCES - End of the year	<u><u>6,174,047</u></u>	<u><u>4,091,939</u></u>
REPRESENTED BY:		
Cash and bank balances	<u><u>6,174,047</u></u>	<u><u>4,091,939</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, 2020**

1. IDENTIFICATION

The Consumer Affairs Commission (the "Commission") was established under the Trade Act 1955 as amended by Act 22 of 1970 (Amended 2009) 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 16, Leases, have been applied. Changes to significant accounting policies 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, 2020

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 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 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:

- *IAS 1 'Presentation of Financial Statements - Amendment', issued October 2018*
Effective for periods commencing on or after 1 January 2020
- *IAS 8 'Changes in Accounting Estimates and Errors - Amendment', issued October 2018*
Effective for periods commencing on or after 1 January 2020
- *IFRS 9 'Financial Instruments - Amendment', issued September 2019*
Effective for periods commencing on or after 1 January 2020
- *References to Conceptual Framework in IFRS Standards - Amendment', issued March 2018*
Effective for periods commencing on or after 1 January 2020

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, 2020

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

(c) Changes in accounting policies

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

At inception of a contract, the Commission assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Commission uses the definition of a lease in IFRS 16.

The Commission has lease rental contracts for office space located in Saint Andrew, Saint James, Saint Thomas and Manchester. Before the adoption of IFRS 16, the Commission classified each of its leases (as lessee) at the inception date as an operating lease.

The Commission adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of April 1, 2019. The Commission elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Commission applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The standard provides specific transition requirements and practical expedients, which have been applied by the Commission.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

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 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.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

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

A contract is, or contains, a lease if it conveys the right of use/control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Leases are recognise as assets and liabilities unless the lease term is 12 months or less or the underlying asset has a low value of less than US\$5,000 or its Jamaica dollar equivalent. The Company applies the short-term lease recognition exemption to its short-term leases (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, at the lease commencement date, i.e. the date at which the underlying asset is available for use by the Company. The right-of-use asset is depreciated on a straight-line basis over the remaining lease term.

Lease liability

The lease liability is initially measured at the present value of lease payments to be made over the lease term. The present value of lease payments, uses an incremental borrowing rate at the commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate corresponds to the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment, with similar terms and conditions.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

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 balances, accounts receivable, and other current assets except 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, 2020**

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 unrecognised 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, 2020**

5. PROPERTY AND EQUIPMENT

	<u>Leasehold Improvement</u> \$	<u>Furniture, Fixtures and Equipment</u> \$	<u>Computers</u> \$	<u>Total</u> \$
At Cost/Valuation:				
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	2,828,187	10,556,347	12,890,161	26,274,695
Balance at April 1, 2019	2,828,187	10,556,347	12,890,161	26,274,695
Additions	-	312,917	1,496,536	1,809,453
Balance at March 31, 2020	2,828,187	10,869,264	14,386,697	28,084,148
Accumulated Depreciation:				
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	608,322	9,019,169	9,422,232	19,049,723
Balance at April 1, 2019	608,322	9,019,169	9,422,232	19,049,723
Charge for the year	135,409	1,038,251	2,790,861	3,964,521
Disposals	-	-	-	-
Balance at March 31, 2020	743,731	10,057,420	12,213,093	23,014,244
Net Book Value:				
At March 31, 2020	2,084,456	811,844	2,173,604	5,069,904
At March 31, 2019	2,219,865	1,537,178	3,467,929	7,224,972

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

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, 2020.

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

	2020	2019
	\$	\$
Present value of the obligation	(374,617,000)	(300,013,000)
Fair value of plan assets	693,287,000	692,081,000
Fund status	<u>318,670,000</u>	<u>392,068,000</u>

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

	2020	2019
	\$	\$
Current service cost	(13,006,000)	(13,993,000)
Interest on obligation	(21,942,000)	(20,566,000)
Interest income on scheme assets	48,262,000	45,834,000
Administration expenses	(3,942,000)	(2,580,000)
Remeasurement of loss on obligation	(41,195,000)	(7,392,000)
Remeasurement of gain on assets	(41,818,000)	37,235,000
Contribution by the Commission	243,000	244,000
	<u>(73,398,000)</u>	<u>38,782,000</u>

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

	2020	2019
	\$	\$
Net assets at start of year	692,081,000	613,226,000
Interest income on plan assets	48,262,000	45,834,000
Benefits paid	(5,858,000)	(6,088,000)
Administration expenses	(3,942,000)	(2,580,000)
Remeasurement (loss) / gain on assets	(41,818,000)	37,235,000
Total contributions during the year	4,562,000	4,454,000
	<u>693,287,000</u>	<u>692,081,000</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

6. RETIREMENT BENEFIT ASSETS (CONT'D)

Senility 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:

		<u>2020</u>	<u>2019</u>
	Change in assumption	Value of DBO (\$)	Value of DBO (\$)
Discount rate	0.5% increase	343,325,000	276,157,000
Discount rate	0.5% decrease	410,807,000	327,538,000
Salary escalation	0.5% increase	380,265,000	304,412,000
Salary escalation	0.5% decrease	369,009,000	295,625,000
Future rate of pension augmentation	0.5% increase	403,274,000	321,705,000
Future rate of pension augmentation	0.5% decrease	<u>349,210,000</u>	<u>280,730,000</u>

The assumption used in the sensitivity analysis for the 2020 period was at a one-half percentage (0.5%) rate of change.

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

Changes in financial assumptions	(31,292,000)	(11,393,000)
Experience adjustment	<u>(9,903,000)</u>	<u>4,001,000</u>
Total actuarial losses	<u>(41,195,000)</u>	<u>(7,392,000)</u>

The principal actuarial assumptions used were as follows:

	<u>2020</u>	<u>2019</u>
	%	%
Discount rate	6.50	7.00
Rate of escalation of pensionable earnings	4.00	4.00
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 5% (2019: 7%) earnings of members' pensionable earnings.

7. RECEIVABLES AND PREPAYMENTS

	<u>2020</u>	<u>2019</u>
	\$	\$
Accounts receivables	25,000	596,607
Staff receivables	702,235	737,955
Prepayments	187,484	187,484
	<u>914,719</u>	<u>1,522,047</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:

	<u>2020</u>	<u>2019</u>
	\$	\$
Petty cash	13,000	13,000
Bank accounts	6,161,047	4,078,939
	<u>6,174,047</u>	<u>4,091,939</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

9. PAYABLES AND ACCRUALS

	2020	2019
	\$	\$
Accounts payable	1,438,912	1,933,969
Statutory deductions payable	853,617	943,445
Accrued vacation leave	7,001,040	5,859,437
Other payables and accruals	682,047	339,349
GCT withholding payable	645,439	2,469,602
	10,621,055	11,545,802

10. ADMINISTRATIVE AND GENERAL EXPENSES

	2020	2019
	\$	\$
Salaries, wages and related costs	55,052,550	53,899,795
Retroactive salaries	200,501	669,619
Temporary and casual wages	6,810,291	7,598,207
Mileage allowances	5,707,671	5,650,885
Statutory and pension fund contributions	4,929,334	4,854,269
Motor vehicle allowance	20,798,817	19,530,659
Staff welfare	964,348	1,137,088
Travelling and subsistence	529,704	515,689
Rental:		
Equipment	-	16,204
Buildings	12,995,593	11,985,749
Electricity	2,783,368	2,782,033
Telephone, internet and cable	4,572,336	4,035,347
Water rate	484,020	941,885
Repairs and maintenance	241,733	1,381,411
Medical supplies	14,378	-
Meals and entertainment	1,086,972	1,214,073
Wireless, cable and postage	322,715	595,175
Directors' fees	660,600	760,200
Professional fees	433,380	419,400
Insurance	421,442	300,070
Grants and contribution	1,200,000	1,360,911
Staff training	502,970	356,720
Printing and stationery	1,159,266	1,297,087
Audit fees	454,778	498,841
Advertising and promotion	4,508,846	6,761,998
Subscription and membership fees	261,194	251,217
Exhibition, conference and seminars	1,064,993	899,574
Tribunal expenses	1,598,737	3,843,500
General office expenses	2,224,130	1,203,609
Tuition refund	1,265,940	-
Security	2,524,391	2,481,335
	135,774,998	137,242,550

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

11. OTHER INCOME

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

12. FINANCE AND POLICY COSTS

	2020	2019
	\$	\$
Bank charges	72,161	87,359
Loss on disposal of property, plant and equipment	-	80,066
Depreciation	3,964,521	3,289,171
	<u>4,036,682</u>	<u>3,456,596</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	134,372,000	135,514,173	1,142,173
Appropriation-in-aid	5,000,000	4,355,617	(644,383)
Other	-	186,350	186,350
	<u>139,372,000</u>	<u>140,056,140</u>	<u>684,140</u>
Expenditure:			
Personnel emoluments	71,107,000	67,957,024	3,149,976
Travelling and subsistence	28,432,000	27,036,192	1,395,808
Other operating and general expenses	15,989,000	23,983,148	(7,994,148)
Rental	15,844,000	12,995,593	2,848,407
Public utilities	8,000,000	7,839,723	160,277
	<u>139,372,000</u>	<u>139,811,680</u>	<u>(439,680)</u>
Operating surplus	<u>-</u>	<u>244,460</u>	<u>244,460</u>
Capital:			
Purchase of property and equipment	<u>400,000</u>	<u>1,809,453</u>	<u>(1,409,453)</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

14. STAFF COSTS

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

	2020	2019
Permanent	<u>26</u>	<u>29</u>

The aggregate payroll costs for these persons were as follows:

	2020	2019
	\$	\$
Salaries and other related costs (i)	<u>88,874,069</u>	<u>87,852,848</u>
Statutory payroll contributions	<u>4,686,142</u>	<u>4,610,009</u>
	<u>93,560,211</u>	<u>92,462,857</u>

(i) The increase in salaries and other related costs is attributable to retroactive salary increments being paid to some staff members who attained the requisite PMAS (Performance Management System) Score.

15. RELATED PARTIES

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

	2020	2019
	\$	\$
Transactions with Board of Directors:		
Directors' fees	<u>660,600</u>	<u>760,200</u>
Transactions with key management personnel:		
Chief Executive Officer	<u>6,047,295</u>	<u>6,101,865</u>
Finance and Administration Manager	<u>3,790,234</u>	<u>3,568,127</u>
	<u>10,498,129</u>	<u>10,430,192</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, 2020

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.

	2020	2019
	\$	\$
Receivables	727,235	1,334,562
Cash and bank balances	<u>6,174,047</u>	<u>4,091,939</u>
	<u>6,901,282</u>	<u>5,426,501</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, 2020

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, 2020:			
Accounts payable	<u>10,621,055</u>	<u>10,621,055</u>	<u>10,621,055</u>
March 31, 2019:			
Accounts payable	<u>11,545,802</u>	<u>11,545,802</u>	<u>11,545,802</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, 2020 and 2019, 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. APPROVAL OF MERGER

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 Consumer Affairs Commission and the Fair-Trading Commission. As at the date of the financial statements, the actual merger was not completed.

Notes

Head Office
CONSUMER AFFAIRS COMMISSION

34 Trafalgar Road, , Kingston 10
Tel: 1.876.906.7351 | 906.8568 | 906.0813
Toll Free: 1.888.991.4470 Fax: 1.876.906.7525
Email: info@cac.gov.jm | Website: www.cac.gov.jm

Montego Bay Branch

30 Market Street, Montego Bay, St. James
Tel: 1.876.940.6154 | Toll Free: 1.888.991.4470
Fax: 1.876.979.1036

Mandeville Branch

RADA Office

23 Caledonia Road
Tel: 1.876. 625.0487 | Toll Free: 1.888.991.4470
Fax: 1.876.961.0032



CACJamaica |



@affairsjamaica

“Protecting your Rights, Securing our Future”