

Consumer Affairs Commission

**An Agency of the Ministry of Industry, Technology, Energy and
Commerce**



Protecting Your Rights, Securing Our Future

Annual Report 2006 – 2007



VISION

The work of the Consumer Affairs Commission is driven by its commitment to meeting the long-term objectives of helping to create:

“a population in which Consumers are informed, responsible and assertive; exercising their Rights and discharging their Responsibilities, capable of making informed choices about goods and services, knowledgeable in available redress procedures, armed with the skills and inculcated with the values to take action to ensure sustainable development, and a market-place which allows Consumers to exercise their Right of choice, where sellers acknowledge and discharge their responsibilities to ensure that goods meet reasonable demands of durability, utility, and reliability and resolve Consumer disputes in a fair and expeditious manner.”

MISSION STATEMENT

The Consumer Affairs Commission is committed to fostering ethical relationships between providers and users of goods and services; the resolution of marketplace disputes, and communication of information to consumers and vendors alike...thereby creating a population of knowledgeable, vigilant, assertive and discriminating consumers.

TABLE OF CONTENTS

Board of the Commission	iv
The Eight Basic Rights of the Consumer	v
Transmittal Letter	vi
The Chairman's Overview	1
The Chief Executive Officer's Report	3
• Consumer Education	4
• Business Education	7
• Complaint Resolution Services	8
• Support of Consumer Advocacy Groups	12
• Market Surveillance	12
• International Cooperation	13
• Corporate Services	14
• Summary and Outlook	14
Schedule of Emoluments – Senior Officers	17
Financial Statements	19

THE BOARD OF DIRECTORS



Norris Crooks
Businessman



Donovan Nelson
Communication Specialist



Angela Chaplain
Principal



Pearl Earle
Retired Public Servant



Suzann Dodd
Attorney-at-Law



Hugh Campbell
Information Technology
Specialist



Fay Sylvester
Consultant/Advisor



Andre Hylton
Businessman



Andrea McKenzie
Development Planner



Andrene Collings
Director of Commerce, MCST

THE EIGHT BASIC RIGHTS OF THE CONSUMER

- The Right to be protected against hazardous products and processes
- The Right to choose between a variety of goods and services
- The Right to have the facts needed to make informed choices
- The Right to be heard in the making and execution of government policy
- The Right to fair settlement of just claims
- The Right to the satisfaction of basic needs
- The Right to live in a healthy and sustainable environment
- The Right to acquire the skills and knowledge to be an informed and responsible consumer

April 5, 2007

Honourable Phillip Paulwell
Minister of Industry, Technology, Energy and Commerce
Ministry of Industry, Technology, Energy and Commerce
4 St. Lucia Road
Kingston 5

Dear Minister,

In accordance with section 15 of the Consumer Protection Act (2005), I transmit herewith the Commission's report for the year ended March 31, 2007 and a copy of the Commission's Audited Accounts at March 31, 2007 duly certified by the Auditors.

I am,
Yours respectfully,


Norris Crooks
Chairman

The Chairman's Overview



The Consumer Affairs Commission (CAC) was established to promote fair and honest business practices by investigating alleged violations of consumer protection laws, by taking legal action to stop unfair or deceptive practices in the marketplace, and by educating consumers and businesses regarding their respective rights and obligations. Over the years, the Agency has done an excellent job in carrying out its mandate and in the past year was able to extend its reach; impacting more adults and more students in the school system.

Consumer protection agencies such as the CAC are a valuable resource to consumers as they inform consumers of their rights and help in the protection of these rights. As a state agency, all the abovementioned services are provided without any cost to the consumer and therefore every effort should be made by the consuming public and businesses alike to use these to their full advantage.

In an age when food safety is often threatened, the Commission has been very vigilant, keeping the public informed on a number of pertinent consumer issues. During the past year, the Commission initiated discussions on matters of international significance such as the proposed US importation of cloned meats and the labeling of Genetically Modified Foods. These and many other issues are being constantly addressed and monitored, sometimes quite unknown to the consumer.

As the Agency continues to serve the public, its Board of Directors, Management and Staff will continue to pledge their commitment to leading change and toward fostering a level playing field, encouraging a culture of astute consumerism and a business environment which values the importance of a strong consumer movement.



Norris Crooks
Chairman

The Chief Executive Officer's Report



The year 2006/2007 was an eventful one for the Commission as we continued to fulfill our mission of empowering consumers by providing a forum for their complaints and supplying them with necessary information to make wise and informed decisions. The work of the Commission can be encapsulated in the following ongoing activities:

- educating consumers about their rights
- publishing materials explaining consumer protection laws
- publishing tip sheets with advice on how to avoid scams
- maintaining consumer complaint resolution services
- conducting investigations into consumer scams
- enforcing consumer protection laws
- disseminating information on consumer issues

To this end, the Commission implemented programmes of work in accordance with the Corporate Plan for the year summarized as follows:

- (i) Consumer Education through direct and indirect contact
- (ii) Business Education
- (iii) Complaint Resolution Services
- (iv) Support of Consumer Advocacy Groups
- (v) Market Intelligence Services
- (vi) International Cooperation
- (vii) Incorporation of Consumer Protection Act 2005 within the operations and management of the Commission and its work programmes
- (viii) Corporate Services

Consumer Education

The Consumer Education Programme of the CAC, as in previous years, was based upon the Charter of Rights of the Consumer and the United Nations Guidelines for Consumer Protection to which Jamaica became a signatory in 1985. Accordingly, the programme was predicated upon the following eight (8) basic Consumer Rights:

- (i) The Right to Safety
- (ii) The Right to Choose
- (iii) The Right to be Informed
- (iv) The Right to be Heard
- (v) The Right to Redress
- (vi) The Right to the Satisfaction of Basic Needs
- (vii) The Right to a Healthy Environment
- (viii) The Right to Consumer Education

Consumers were therefore educated on issues that tend to impinge on these rights, on their own responsibilities as consumers and the laws that protect them. The modalities employed included education of the population at large, through the local print and electronic media, as well as through the use of the Internet.

During the year under review, the Commission continued its programme of consumer education using strategies which ensured that its messages reached the largest number of persons at the least cost. In so doing, the CAC team made presentations on consumer issues to school children, adult members of the public and businesspersons by means of workshops, seminars and community meetings.

In October, the CAC hosted its first workshop for Consumer Clubs in its bid to familiarize participants with the Consumer Club Manual and to impress upon students the importance of advocacy. The workshop was also used to launch a competition for the creation of a club name and logo. Culmination of the competition was marked by a press briefing and awards ceremony for the winners in December.

Other available opportunities such as expositions, trade fairs, debates and discussions with persons at various settings such as clinics, plazas and markets were also used to sensitise consumers.

The Commission directly impacted over 98,000 consumers through these outreach activities which totalled 201 throughout the year.

A comparison with the information for the previous year shows that the number of persons reached showed an increase of 49%.

The direct sensitization of over 98,000 consumers was achieved by way of presentations, exhibitions, expositions, debates, shows and other events in all 14 parishes. The year saw collaboration between the CAC and a number of agencies that requested the Commission's involvement in their planned activities. The CAC therefore participated in the 4-H Clubs' Parish and National Achievement Days, in expositions organized by the National Health Fund, National Youth Service and the Social Development Commission as well as the eight sessions organized by the Petroleum Corporation of Jamaica (PCJ) for students of high schools located in challenging communities.

World Consumer Rights Day, the Commission's yearly flagship event, was celebrated worldwide on March 15 under the theme "**The Unethical Promotion of Drugs**". Minister of Commerce and Technology, Honourable Phillip Paulwell's

message which addressed the issue was circulated to churches and schools island wide to be read at services and devotions on or as close to the day as possible, as part of the activities associated with the day. The CAC also sponsored the public affairs television programme “**Your Issues Live**” during which some of the possible pitfalls to which consumers are susceptible in the purchasing of motor vehicles, and the means of avoiding them were highlighted.

Several media houses consistently sought the position/opinion of the CAC on a number of issues of national interest that specifically affect consumers. This resulted in just over 103 media interviews with Commission staff on a range of topics, covering themes such as Unlabelled Meat from Cloned Animals, the CAC’s Achievements and the Way Forward, Consumers’ Entitlement to Change in Small Denominations (coins), the Consumer Protection Act 2005 and Consumer Guide to Christmas Shopping.

In addition to direct contact interviews, 738 indirect media contacts and advertisements were recorded throughout the year. These included articles generated by the CAC, or articles and other placements where information provided by the CAC had been included or otherwise referenced. The themes included Hurricane Safety Tips, Energy Conservation, ATM Security and Identity Theft, Provision of Proper Receipts for Goods Sold or Services Provided, Christmas Shopping Tips, Gift Ideas for Teens, Hazardous Toys, Personal and Home Safety Tips and generally any area that was found to be of interest or need to the Jamaican Consumer. The advertisements were primarily due to the education campaign in respect of the Consumer Protection Act 2005.

For the Financial Year, advice to consumers totalled 1,974. Requests were mainly for guidance before committing to the purchase of an item or engaging in any other business transaction. There were also requests from vendors who consulted the Commission before taking action or making offers of redress to

consumers. The requests for advice, though 937 less than the number recorded during the same period for the previous Financial Year, remained a significant service area for the Commission.

The Commission played the lead role in the consultative process that led to the creation of a National Disaster Management Strategic Action Plan, a response strategy for the Distributive Trade. The Plan was expected to minimize dislocation and the deleterious impact of any disaster on the distribution of goods and services.

Business Education

While the focus of the CAC's education programme was on the consumer, elements of that programme were directed to business, bearing in mind that the marketplace is comprised of consumers and providers. Two important developments in this programme were:

- The Commission's acceptance of the invitation to be a regular guest on a new radio programme "**Auto Talk**" aired weekly on Power 106. The opportunity was used to sensitize the vendors of motor vehicles and related services of their responsibilities. The rights of consumers as they relate to the purchase, repair and care of automobiles were also covered.
- During the Christmas shopping period, the CAC initiated collaboration with two major distributors of furniture and appliances, namely Courts Jamaica Limited and Singer Jamaica Limited to have officers from the Commission posted at their various outlets island wide. Whilst the primary objective was to facilitate interaction on a one-on-one basis with customers to offer prudent advice on consumer spending, the secondary one was to increase the knowledge-base of the vendors themselves.

The CAC continued to be the Secretariat for the meetings held with key players involved in the importation, distribution, and manufacture of essential foods. These meetings served, among other things, as a forum for the discussion of the Government's policies and strategies regarding these matters. Nine such meetings were held during the period under review.

Education of the business community also took place as a result of inter-agency interaction with the Bureau of Standards Jamaica. The CAC served on committees responsible for reviewing and creating standards for consumer goods and actively supported the Bureau's National Quality Awards by serving on the Examiner's Board and providing sectional prizes for excellence in customer service in the manufacturing and service sectors.

Complaint Resolution Services

Just over two thousand (2,039) complaints were handled by the Commission between April 1, 2006 and March 31, 2007. One thousand, eight hundred and ninety-seven (1,897) of these were received during the year and 142 were brought forward from the previous period. Ninety one percent (91%) or 1,860 of the total handled were resolved. The largest number of complaints was in the category of *Appliances and Electronic Items*; accounting for 559 or 30% of the cases resolved and 587 or 29% of those handled. Completing the top four categories were *Automotive*, *Hardware Items*, and *Services*. Complaints in these four categories accounted for 1,161 or 62% of the cases resolved and 1,291 or 63% of those handled.

Following the recall by Caribbean Cement Company Limited (CCCL), of all cement packaged February 19 to 26, 2006, the Commission provided assistance to consumers who had used the non-conforming cement for construction purposes. The CAC's interaction with representatives from the Cement Company

led to changes in the way that claims were processed, for example: (a) A copy of the Investigator's report being given to the claimant (b) Amendment of the report form to allow the claimant to sign attesting to the visit (c) Creation of an information brochure to give assistance in making claim on faulty cement.

During the year, the CAC dealt with 112 cement related complaints and brought closure to 76. The Commission's intervention was usually sought because the complainants were not satisfied with the slow pace of the Cement Company's processes whether at the stage of promised visits, assessment of claims made, or the payment of the agreed compensation sums.

A total of \$54.47M was secured on behalf of aggrieved consumers during the review period (April 1, 2006 - March 31, 2007), comprising rebates, refunds, payments, and compensation. Of this amount, \$29.36M was compensation secured on behalf of cement complainants while \$13.71M was recovered from complaints made in the automotive category. This proved to be an area of great concern to the CAC and a decision was taken to work towards the development of a code of conduct. These two major issues accounted for 79% of the funds secured on behalf of aggrieved consumers.

The enactment of the CPA 2005 gave rise to the provision for the creation of a Quasi-Judicial Tribunal to provide a forum whereby vendors and complainants can meet in an attempt to amicably resolve disputes before considering litigation. For the Financial Year, there were nine (9) sittings of the Tribunal, which has negotiated settlements for consumers in 29 cases.

The Commission recorded a total of 4,013 consumer contacts for the year as a result of complaints handled and advice given to consumers.

The following charts depict the various categories of cases handled for the year, the parishes from which the complaints originated and the modes of receipt.

Diagram1

Case Categories Analysis April 2006 – March 2007

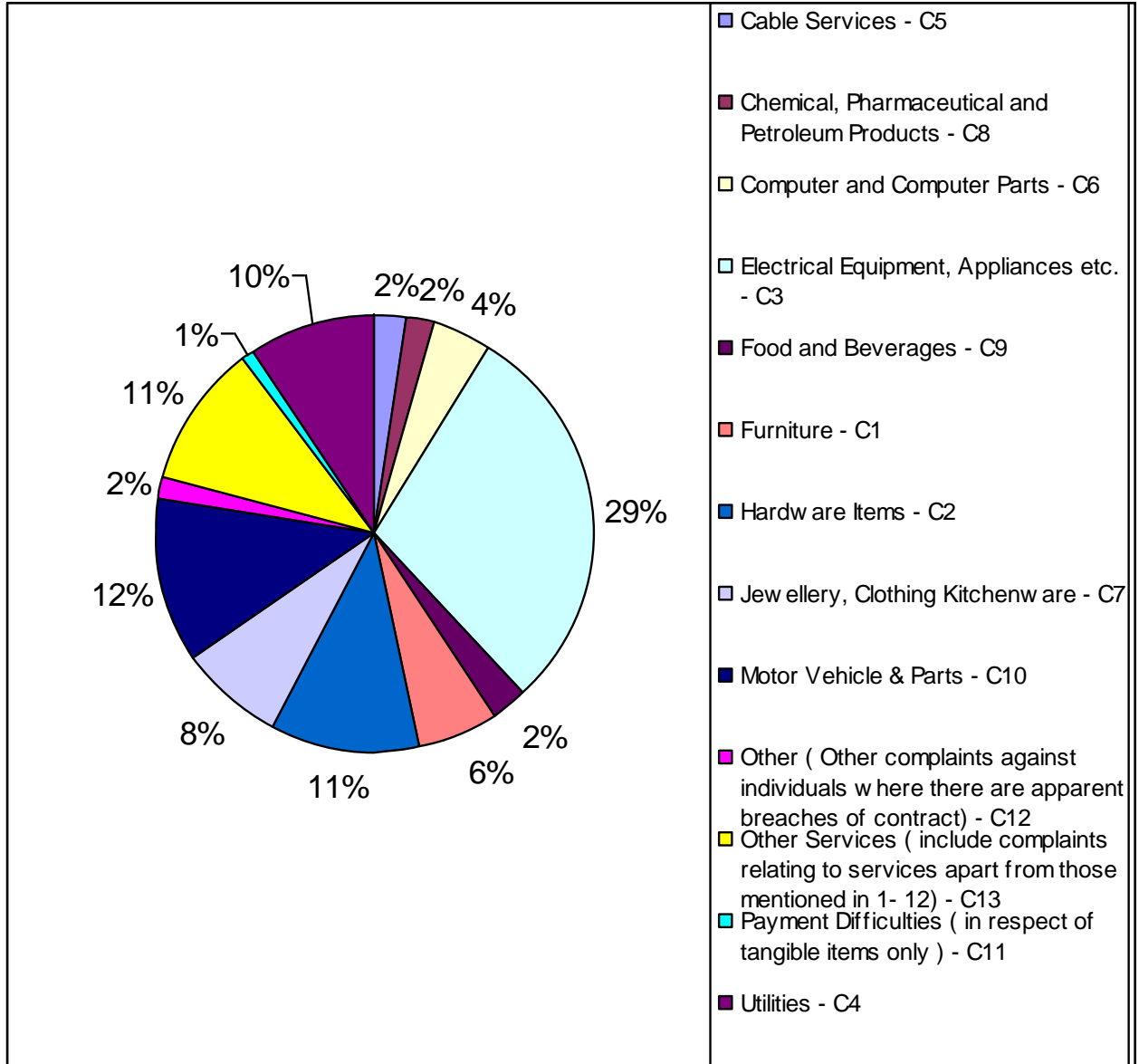


Diagram 2

Complaints Received By Parish

April 2006 – March 2007

Parish	New	% of Total
Clarendon	78	4.11%
Hanover	29	1.53%
Kingston	79	4.16%
Manchester	118	6.22%
Other – Outside of Jamaica	11	0.58%
Portland	35	1.85%
St. Andrew	684	36.06%
St. Ann	92	4.85%
St. Catherine	383	20.19%
St. Elizabeth	54	2.85%
St. James	168	8.86%
St. Mary	40	2.11%
St. Thomas	41	2.16%
Trelawny	26	1.37%
Westmoreland	59	3.11%
	1897	100%

Diagram 3

Modes of Receipt

April 2006 - March 2007

Mode Of Receipt	New	% of Total
Email	15	0.79%
Letter	61	3.22%
Referral	2	0.11%
Telephone	1700	89.62%
Visit	114	6.01%
Website	5	0.26%
	1897	100%

Support of Consumer Advocacy Groups

The CAC continued collaboration with the National Consumers League, a well recognized consumer advocacy group operating in the country. Various activities were carried out jointly and the Commission ensured the disbursement of funds to the League as directed.

Market Surveillance

Ten (10) surveys on petrol, six (6) on groceries, five (5) on agricultural products, five (5) on critical items needed for survival in the event of a disaster such as hurricane, four (4) on hardware items and one (1) on school textbook prices were carried out throughout the year.

The textbook survey is conducted annually during the first week of August to provide consumers with information on the availability of books required, and the best deals to be had in the areas that they shop. A press conference was held to announce the results of the survey.

Survey results were published on the Commission's website and in some instances in the print media.

A review of the sample size used for the petrol survey resulted in an increase in the number from 76 to 140 stations. This resulted from coverage in the parishes of St. Elizabeth and Westmoreland and increases in eight other parishes.

During the period, the CAC collaborated with the FTC to conduct a survey on the Pharmaceutical Industry, with specific reference to the awareness and use of Generic Drugs.

During the year, the Commission started research to develop a policy to address the pricing of goods in foreign currency. At year's end it was incomplete. It was expected to be completed during the Financial Year 2007/2008.

International Cooperation

A member of the CAC team represented the Commission at a workshop on consumer redress held in St. Lucia, under the theme '*Framework for Investigating and Resolving Consumer Complaints*'. The Commission made the first presentation at the workshop.

Further, there was participation in regional and international meetings addressing a range of consumer issues. During January 2007, the CAC participated in a series of meetings along with representatives of the Inter-American Development Bank (IDB), Consumers International (CI), Government and Non-Government Consumer Protection Agencies from Jamaica and Barbados. The meeting revisited a proposal made in 2003 for a project for the promotion of consumer protection in the Caribbean Region. This project, to be funded by the IDB, and coordinated by CI, will involve three countries - Barbados, Jamaica and Trinidad and Tobago. The purpose of the project is to reinforce the capacity of consumer organizations with the ultimate goal of deepening regional integration and market reform efforts.

Corporate Services

There continued to be designated days for the presence of CAC Officers in the parishes of St. Thomas and Manchester to facilitate enquiries, settlement of complaints and to access the general services provided by the CAC.

A new Case Management System was implemented at the start of the year. The new system provides greater security for the data, increased interactivity, improved monitoring of cases outstanding including the tracking of the cases by the complainants, and an easier reporting facility. The Commission also continues to handle and process complaints referred by the Fair Trading Commission (FTC) under the terms of a Memorandum of Understanding. Complaints and other requests continue to be received online.

Twelve **(12)** new posts were created to increase overall efficiencies in the Commission namely Legal Unit, Complaints Unit, Information Technology, Communication Publication, and Access to Information.

SUMMARY AND OUTLOOK

The programme for the ensuing Financial Year has been outlined in the *Operational Plan* which was submitted to the Ministry of Industry, Technology, Energy and Commerce (MITEC). The programme is slated to accomplish the following:

1. Consumer Education
2. Conduct of research through surveys
3. Analysis of complaints database for policy proposal
4. Meetings with vendors and providers of goods and services to minimize and resolve marketplace disputes
5. Mediation and disputes resolution with regard to consumer related matters
6. Thorough examination of aspects of the service sector in relation to the provisions of the Consumer protection Act
7. Ongoing surveys on the prices of petroleum products, school textbooks, basic food items, pharmaceuticals among others
8. Ongoing training of staff

The Consumer Affairs Commission will continue to pledge its support in protecting the interest of the consuming public, not only in Jamaica but the entire Caribbean Region as the CAC has become a resource centre of critical importance to the Caribbean Region as a whole.



Dolsie Allen
Chief Executive Officer

Pictorial Highlights



Children's Expo May 11 – 14, 2006



Back to School Trade Fair August 2006



Westmoreland 4-H Jamboree July 23, 2006



Students depict a consumer issue through role play at the Consumer Clubs in School workshop held in October 2006



Winners of the Consumer Clubs in Schools competition pose with the CEO (2nd left) and other staff members of the CAC



Janice Wright of the Consumer Affairs Commission reading to students during National Reading Day held May 9, 2006 at Half Way Tree Primary

DIRECTORS COMPENSATION APRIL '06 –MARCH'07

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	\$95,625.00 pa				\$95,625.00
10 other members	\$509,750.00pa				\$509,750.00

Notes

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

SENIOR EXECUTIVE COMPENSATION

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Exec. Officer	Apr'06-Mar'07	2,425,962.00 p.a.		477,708.00 p.a.		22,620.00		2,926,290.00 p.a.
Finance & Admin Mgr	Apr'06-Mar'07	1,809,332.00 p.a.	\$1,206,747.32	252,000.00 p.a.		22,620.00		3,290,699.32 p.a.
Dir. Of Field OP.	Apr'06-Mar'07	1,722,148.00 p.a.		252,000.00 p.a.		22,620.00		1,996,768.00 p.a.
Dir. Of Research, Information and Communication	Apr'06-Mar'07	1,809,332.00 p.a.		252,000.00 p.a.		22,620.00		2,083,952.00 p.a.

Notes

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

Consumer Affairs Commission

An Agency of the Ministry of Industry, Investment & Commerce

FINANCIAL STATEMENTS¹

MARCH 31 2007



¹ There were no Consolidated Financial Statements for 2007 as the Commission had only one main account.

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

FINANCIAL STATEMENTS

31 MARCH 2007

I N D E X

	<u>Page</u>
Independent Auditors' report to the members	21 - 22
<u>FINANCIAL STATEMENTS</u>	
Income and Expenditure Account	23
Balance Sheet	24
Schedule of Expenditure	25 - 26
Statement of Changes in Reserves	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 42

INDEPENDENT AUDITORS' REPORT

To the Members of
Consumer Affairs Commission
(formerly The Prices Commission)

Report on the Financial Statements

We have audited the financial statements of The Consumer Affairs Commission set out on pages 23 to 42 which comprise the balance sheet as at 31 March 2007 and the statements of income, changes in reserves and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the commission's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT (CONT'D):

Consumer Affairs Commission
(formerly The Prices Commission)

Opinion

In our opinion, proper accounting records have been kept and the financial statements which are in agreement therewith give a true and fair view of the commission's financial position as at 31 March 2007, and of its financial performance, changes in reserves and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act.



Chartered Accountants

27 May 2008

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2007

	<u>2007</u>	<u>2006</u>
	<u>\$</u>	<u>\$</u>
INCOME:		
Grants (general)	51,438,530	37,524,484
Grants (specific: NHT employer's contributions)	688,851	545,962
Other income	<u>180,180</u>	<u>930,981</u>
	<u>52,307,561</u>	<u>39,001,427</u>
EXPENDITURE (pages 25 and 26):		
Personal emoluments	18,086,122	26,106,027
Travelling and subsistence	6,799,245	5,283,406
Rental	4,417,080	4,398,784
Public utilities	2,685,002	2,382,504
Other operating and general expenses	<u>7,898,613</u>	<u>6,284,980</u>
	<u>39,886,062</u>	<u>44,455,701</u>
Surplus/(deficit) for the year	12,421,499	(5,454,274)
Depreciation	(<u>560,287</u>)	(<u>546,990</u>)
Net surplus/(deficit)	<u>11,861,21</u>	(<u>6,001,264</u>)

CONSUMER AFFAIRS COMMISSION

FORMERLY


THE PRICES COMMISSION

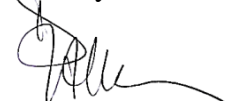
BALANCE SHEET

31 MARCH 2007

	<u>Note</u>	<u>2007</u> \$	<u>2006</u> \$
ASSETS			
NON-CURRENT ASSETS:			
Fixed assets	6	4,795,553	4,676,022
Retirement benefit asset	7	<u>74,910,000</u>	<u>63,607,000</u>
		<u>79,705,553</u>	<u>68,283,022</u>
CURRENT ASSETS:			
Receivables and prepayments	8	467,411	654,046
Cash and cash equivalents	9	<u>2,004,401</u>	<u>1,496,773</u>
		<u>2,471,812</u>	<u>2,150,819</u>
		<u>82,177,365</u>	<u>70,433,841</u>
RESERVES AND LIABILITIES			
RESERVES:			
Retirement benefit reserve	7	74,910,000	63,607,000
Accumulated surplus		<u>4,106,892</u>	<u>3,548,680</u>
		<u>79,016,892</u>	<u>67,155,680</u>
CURRENT LIABILITIES:			
Payables and accruals	10	3,160,473	3,278,161
		<u>82,177,365</u>	<u>70,433,841</u>

Approved for issue by the Board of Directors on 27 May 2008 and signed on its behalf
by:


.....
Norris Crooks Chairman


.....
Dolsie Allen Executive Director

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

SCHEDULE OF EXPENDITURE

YEAR ENDED 31 MARCH 2007

	<u>2007</u>	<u>2006</u>
	<u>\$</u>	<u>\$</u>
PERSONAL EMOLUMENTS:		
Permanent	25,727,067	19,195,873
Temporary and casual	1,318,245	968,507
Other allowances	521,566	469,948
Pension contributions	(11,116,479)	4,144,867
National insurance	296,323	267,283
National Housing Trust	688,851	545,962
Education tax	<u>650,549</u>	<u>513,587</u>
	<u>18,086,122</u>	<u>26,106,027</u>
TRAVELLING AND SUBSISTENCE:		
Motor cars - upkeep	4,351,215	3,047,079
Subsistence	500,760	313,135
Transportation and foreign travel	66,678	63,991
Air passage and related expenses	<u>1,880,592</u>	<u>1,859,201</u>
	<u>6,799,245</u>	<u>5,283,406</u>
RENTAL - offices	<u>4,417,080</u>	<u>4,398,784</u>

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

SCHEDULE OF EXPENDITURE

YEAR ENDED 31 MARCH 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
PUBLIC UTILITIES:		
Electricity	901,532	846,998
Telephone	<u>1,783,470</u>	<u>1,535,506</u>
	<u>2,685,002</u>	<u>2,382,504</u>
OTHER OPERATING AND GENERAL EXPENSES:		
Directors' fees	605,375	492,875
Professional services	876,283	600,400
Other services	21,861	6,849
Repairs - furniture and equipment	183,730	47,363
Insurance	339,838	265,627
Disposal of assets	-	18,333
Cleaning and sanitation	30,944	32,874
Audit fees - current year	520,000	550,000
- prior year (over)/under provision	(14,500)	28,000
Miscellaneous	563,519	358,098
Food and drinks	436,933	561,453
Printing and stationery	814,639	801,249
Wireless, cable and postage	75,652	94,141
Subscriptions and membership fees	116,586	93,434
Security services	78,000	90,517
Medical supplies	6,170	3,470
Staff training	102,462	18,500
Exhibition, conference and seminars	781,107	788,207
Advertising	1,313,149	905,783
Subvention	502,602	460,000
Cement refund	446,811	-
Bank charges	<u>97,452</u>	<u>67,807</u>
	<u>7,898,613</u>	<u>6,284,980</u>

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 MARCH 2007

	<u>Retirement Benefit Reserve</u> \$	<u>Accumulated Surplus</u> \$	<u>Total</u> \$
Balance at 1 April 2005	67,464,000	5,692,944	73,156,944
Net deficit	-	(6,001,264)	(6,001,264)
Transfer from retirement benefit reserve	(<u>3,857,000</u>)	<u>3,857,000</u>	<u>-</u>
Balance at 31 March 2006	<u>63,607,000</u>	<u>3,548,680</u>	<u>67,155,680</u>
Net deficit	-	11,861,212	11,861,212
Transfer to retirement benefit reserve	<u>11,303,000</u>	(<u>11,303,000</u>)	<u>-</u>
	<u>11,303,000</u>	<u>558,212</u>	<u>11,861,212</u>
Balance at 31 March 2007	<u>74,910,000</u>	<u>4,106,892</u>	<u>79,016,892</u>

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

STATEMENT OF CASH FLOWS

31 MARCH 2007

	<u>2007</u>	<u>2006</u>
	<u>\$</u>	<u>\$</u>
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
OPERATING ACTIVITIES -		
Net surplus/(deficit)	11,861,212	(6,001,264)
Adjustments for:		
Loss on disposal	-	18,333
Depreciation	560,287	546,990
Retirement benefit asset	(11,303,000)	3,857,000
Operating cash flows before movements in working capital	1,118,499	(1,578,941)
Changes in operating assets and liabilities:		
Receivables and prepayments	186,635	(213,417)
Payables and accruals	(117,688)	(346,234)
Net cash provided by/(used in) operating activities	<u>1,187,446</u>	<u>(2,138,592)</u>
INVESTING ACTIVITIES -		
Proceeds from disposal of fixed assets	-	40,000
Purchase of fixed assets	(679,818)	(1,956,957)
Net cash used in investing activities	<u>(679,818)</u>	<u>(1,916,957)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	507,628	(4,055,549)
Cash and cash equivalents at beginning of year	<u>1,496,773</u>	<u>5,552,322</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,044,401</u>	<u>1,496,773</u>

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

1. **STATUS AND PRINCIPAL ACTIVITY:**

The Commission was established under the Trade Act 1955 as amended by Act 22 of 1970 and acts as chief protagonist to ensure the fundamental rights of the consumer with respect to prices and trade practices.

At 31 March 2007 the legislative changes regarding the Consumer Protection Act were not finalized. Therefore, the requirements in regard to its change of name to the Consumer Affairs Commission had not been met.

2. **REPORTING CURRENCY:**

These financial statements are presented in Jamaican dollars unless otherwise stated.

3. **SIGNIFICANT ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

(a) **Basis of preparation –**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board, and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

CONSUMER AFFAIRS COMMISSION
FORMERLY
THE PRICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) Basis of preparation (cont'd) -

Interpretations and amendments to published standards effective in the current year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments with respect to the company's operations and has adopted the following IFRS's and interpretations which are relevant to its operation.

IAS 17 (Amendment)	Leases
IFRIC 7	Applying the restatement approach under IAS 29
	Financial Reporting in Hyper-Inflationary Economies
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives

The adoption of these standards and interpretations did not result in any change in accounting policies and there was no impact on the opening retained earnings at 1 April 2006 from their adoption.

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd) -

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not yet effective at the balance sheet date, and which the company has not early adopted. The company has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

IAS 1 (Amendment)	Presentation of Financial Statements - Capital Disclosures (effective for annual periods beginning on or after 1 January 2007)
IFRS 1 (Amendment)	First-time adoption of International Financial Reporting Standards (effective for annual periods beginning on or after 1 January 2009)
IFRS 7	Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2007)
IFRIC 11-IFRS 2	Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007)
IFRS 8	Operating Segments (effective for annual periods beginning on or after 1 January 2009).
IAS 23 (Revised)	Borrowing Costs (effective for annual periods beginning on or after 1 January 2009).
IFRIC 10	Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006).

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd) -

IFRIC 12	Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)
IFRIC 13	Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008).
IFRIC 14: IAS 19	The Limit on a Defined Benefit Asset, Minimum Funding requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008).

The directors anticipate that Standards and Interpretations to existing standards, which are published but not yet effective, will have no material impact on the financial statements in the period of initial application.

CONSUMER AFFAIRS COMMISSION
FORMERLY
THE PRICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) Impairment of non-current assets -

Plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(c) Fixed assets -

Fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives.

Annual rates are as follows: -

Leasehold improvement	2½%
Furniture, fixtures and equipment	10%
Computers	10%

Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in net surplus.

(d) Employee benefits -

The Commission operates a defined benefit pension plan, the assets of which are held in separate trustee-administered funds. The plan is funded by the payments from employees and by the organization, taking account of the recommendations of independent qualified actuaries.

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

- (d) Employee benefits (cont'd) -
The pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the profit and loss account so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan every year. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms of maturity approximating the terms of the related liability. All actuarial gains and losses are spread forward over the average remaining service lives of employees.
- (e) Cash and cash equivalents -
Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank as well as cash in hand.
- (f) Revenue recognition –
Income is recognized as it accrues unless collectability is in doubt.
- (g) Financial instruments -
Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial instruments carried on the balance sheet include cash and bank balances, receivables and payables. The particular recognition methods adopted are disclosed in the respective policy statements associated with each item.
- (h) Comparative information -
Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

4. FINANCIAL AND CAPITAL RISK MANAGEMENT:

(a) Financial risk factors -

The company's activities expose it to a variety of financial risk: market risk (including currency risk and price risk), liquidity risk and interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

Management seeks to minimise potential adverse effects on the financial performance of the company by applying procedures to identify, evaluate and manage these risks based on guidelines set by the Board of Directors.

(i) Currency risk -

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The company has no foreign currency exposure as it does not hold any foreign currency balances.

(ii) 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 company has no significant concentrations of credit risk. Cash at bank is placed with substantial financial institutions.

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D):

(iii) Liquidity risk -

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities. Due to the nature of the underlying business, the management of the company maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

(iv) Fair values -

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

5. STAFF COSTS:

	<u>2007</u>	<u>2006</u>
	\$	\$
Personal emoluments	18,086,122	26,106,027
Travelling and subsistence	<u>6,799,245</u>	<u>5,283,405</u>
	<u>24,885,367</u>	<u>31,389,432</u>

The organization employed twenty seven (27) persons at the end of the year (2006-23)

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

6. FIXED ASSETS:	<u>Leasehold Improvement</u>	<u>Furniture Fixtures, and Equipment</u>	<u>Computers</u>	<u>Total</u>
	\$	\$	\$	\$
Year Ended 31 March 2007 -				
Net book value				
1 April 2006	1,407,579	2,416,343	852,100	4,676,022
Additions	-	84,618	595,200	679,818
Depreciation charge	(<u>39,281</u>)	(<u>327,645</u>)	(<u>193,361</u>)	(<u>560,287</u>)
31 March 2007	<u>1,368,298</u>	<u>2,173,316</u>	<u>1,253,939</u>	<u>4,795,553</u>
At 31 March 2007 -				
Cost	1,571,250	4,483,559	2,727,092	8,781,901
Accumulated depreciation	(<u>202,952</u>)	(<u>2,310,243</u>)	(<u>1,473,153</u>)	(<u>3,986,348</u>)
Net book value	<u>1,368,298</u>	<u>2,173,316</u>	<u>1,253,939</u>	<u>4,795,553</u>
Year Ended 31 March 2006 -				
Net book value				
1 April 2005	1,446,860	1,080,380	797,148	3,324,388
Additions	-	1,703,206	253,751	1,956,957
Disposal	-	(350,000)	-	(350,000)
Eliminated on disposal	-	291,667	-	291,667
Depreciation charge	(<u>39,281</u>)	(<u>308,910</u>)	(<u>198,799</u>)	(<u>546,990</u>)
31 March 2006	<u>1,407,579</u>	<u>2,416,343</u>	<u>852,100</u>	<u>4,676,022</u>
At 31 March 2006 -				
Cost	1,571,250	4,398,939	2,131,892	8,102,081
Accumulated depreciation	(<u>163,671</u>)	(<u>1,982,596</u>)	(<u>1,279,792</u>)	(<u>3,426,059</u>)
Net book value	<u>1,407,579</u>	<u>2,416,343</u>	<u>852,100</u>	<u>4,676,022</u>

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

7. RETIREMENT BENEFIT ASSET:

The Commission operates a defined benefit pension scheme (see note 3 (d)) which is open to all 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. Employees may make additional voluntary contributions not exceeding a further 5%.

The Commission meets the balance of the cost of the scheme's benefits. Normal retirement pension is based on 2% of final pensionable salary per year of pensionable service.

The disclosures below are based on the independent actuarial valuation as at 12 November 2007.

(a) Amounts recognized in the income statement in respect of the defined benefit plan are as follows:

	<u>2007</u> \$'000	<u>2006</u> \$ '000
Current service cost	(2,274)	(2,468)
Interest cost	(3,682)	(3,463)
Expected return on plan assets	19,290	19,195
Net actuarial gain recognized in year	2,146	3,661
Change in disallowed assets	(4,098)	(20,810)
Past service cost - non vested benefits	(<u>266</u>)	(<u>266</u>)
Net income recognized in income statement	<u>11,116</u>	(<u>4,151</u>)

This amount is included in staff costs.

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

7. RETIREMENT BENEFIT ASSET (CONT'D):

- (b) The amount included in the balance sheet in respect of the defined benefit retirement plan comprises:

	<u>2007</u>	<u>2006</u>
	<u>\$'000</u>	<u>\$'000</u>
Present value of funded obligations	(35,776)	(31,089)
Fair value of plan assets	<u>206,069</u>	<u>193,945</u>
	170,293	162,856
Unrecognized actuarial losses	(36,923)	(45,153)
Unrecognized past service cost	1,333	1,599
Unrecognized amount to limitation	(<u>59,793</u>)	(<u>55,695</u>)
Asset recognized in balance sheet	<u><u>74,910</u></u>	<u><u>63,607</u></u>

- (c) Movement in net assets in the current year were as follows:

	<u>2007</u>	<u>2006</u>
	<u>\$'000</u>	<u>\$'000</u>
Net asset at start of year	63,607	67,464
Net (loss)/income recognized in the income statement	11,116	(4,151)
Contributions paid by the company	<u>187</u>	<u>294</u>
	<u><u>74,910</u></u>	<u><u>63,607</u></u>

- (d) Key financial assumptions used:

	<u>2007</u>	<u>2006</u>
	%	%
Discount rate	12	12.5
Rate of escalation of pensionable earnings	9	8.5
Rate of increase in pensions	5	5
Expected long term rate of return on scheme assets	10	10

Expenses - allowance is made for administrative expense at the rate of 5% of members' pensionable earnings

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

8. RECEIVABLES AND PREPAYMENTS:

	<u>2007</u>	<u>2006</u>
	\$	\$
Staff receivables	109,686	59,693
Withholding tax	190,508	151,081
Other receivables	109,655	385,710
Prepayments	<u>57,562</u>	<u>57,562</u>
	<u>467,411</u>	<u>654,046</u>

9. CASH AND CASH EQUIVALENTS:

	<u>2007</u>	<u>2006</u>
	\$	\$
Petty cash	3,000	3,000
Fixed deposits	720,753	1,127,231
Local currency accounts	<u>1,280,648</u>	<u>366,542</u>
	<u>2,004,401</u>	<u>1,496,773</u>

10. PAYABLES AND ACCRUALS:

	<u>2007</u>	<u>2006</u>
	\$	\$
Accounts payable	195,486	518,769
Other payables and accruals	<u>2,964,987</u>	<u>2,759,392</u>
	<u>3,160,473</u>	<u>3,278,161</u>

CONSUMER AFFAIRS COMMISSION

FORMERLY

THE PRICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2007

11. SOURCES AND USES OF FUNDS:

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

	<u>Budget</u>	<u>Actual</u>	Variance Favourable/ (Unfavourable)
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Income:			
Grant - general	40,291,000	51,438,530	11,147,530
Other	<u>-</u>	<u>869,031</u>	<u>869,031</u>
	<u>40,291,000</u>	<u>52,307,561</u>	<u>12,016,561</u>
Expenditure:			
Personal emoluments	26,310,000	18,086,122	8,223,878
Travelling and subsistence	3,442,000	6,799,245	(3,357,245)
Other operating and general expenses	3,387,000	7,898,613	(4,511,613)
Rent	4,251,000	4,417,080	(166,080)
Public utilities	<u>2,801,000</u>	<u>2,685,002</u>	<u>115,998</u>
	<u>40,191,000</u>	<u>39,886,062</u>	<u>304,938</u>
Operating surplus	100,000	12,421,499	12,321,499
Capital:			
Purchase of fixed assets	<u>100,000</u>	(<u>679,818</u>)	(<u>579,818</u>)
TOTAL	<u>-</u>	<u>11,741,681</u>	<u>11,741,681</u>

CONSUMER AFFAIRS COMMISSION
FORMERLY
THE PRICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

12. PENSION SCHEME:

The Commission maintains a contributory pension scheme which covers substantially all of its employees who meet eligibility requirements.

It is managed externally with employees contributing 5% of basic salaries and the Commission contributing 2%.

The scheme is subjected to annual actuarial valuations, the most recent being 12 November 2007, which revealed that the scheme was adequately funded.

