

VISION

The work of the Consumer Affairs Commission is driven by its commitment to meet 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.

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April 21, 2009

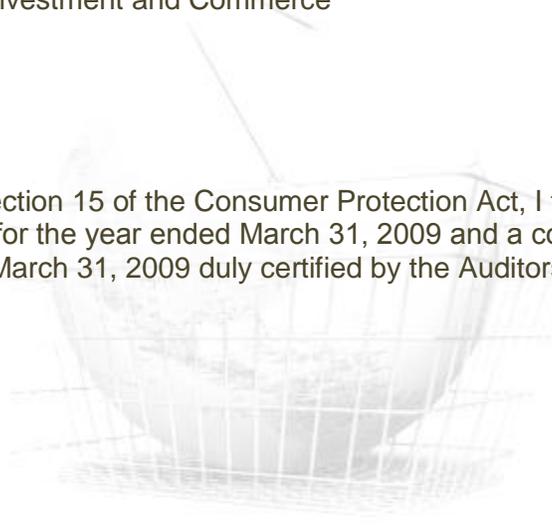
Honourable Karl Samuda
Minister of Industry, Investment and Commerce
Ministry of Industry, Investment and Commerce
4 St. Lucia Road
Kingston 5

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, 2009 and a copy of the Commission's Audited Accounts at March 31, 2009 duly certified by the Auditors.

I am,
Yours respectfully,

Richard Fontaine
Chairman



The Board of the Commission



Members of the Board

Seated – (Left to right) Mrs. Stella Henry, Chairman - Richard Fontaine, Mrs. Fay Sylvester

Standing – (Left to right) – Dr. Karl Reid, Mrs. Joyce Young, Mr. Kent Gammon, Mrs. Andrene Collings, Mrs. Sandra Ramsey, Mrs. Dorothy Carter-Bradford, Mr. Robert Williams and Mr. Vernon Derby

The CAC Team



Chief Executive Officer
Mrs. Dolsie Allen



Administration & Finance

Seated – Ms. Enid Wells, Administrative Manager
Left to right – Ms. Shemaine Genas, Office Manager; Mrs. Judith Lawrence, Office Attendant; Ms. Natalie Deer, Operator/Receptionist; Ms. Ammanie Whittingham & Mrs. Marcia Wynter, Accountant



Field Operations Department

Seated – Mrs. Cheryl Martin-Tracey, Director of Field Operations

Left to right – Mrs. Winsome Harrisingh, Complaint Officer; Mrs. Denise Welcott, Complaint Officer; Mr. Synley Simms, Field Officer/driver; Mrs. Ordel Brandon, Complaint Officer; Mr. Richard Rowe, Regional Officer; Ms. Keneisha Bryan . To the right - Mr. Pash Fuller, Director of Western Region, Mr. Timothy Watson, Regional Officer (Mandeville Branch), Mr. Cleveland Parker, Complaints Officer, (Montego Bay Branch)



Research Department

Seated – Ms. Angela Smith, Acting Director of Research;
 Left to right - Ms. Tamra-Kay Jeffrey, Research Assistant; Mrs. Nickesha Clue-Curtis, Research Assistant; Mr. Ralston Carnegie, Research Officer & Mrs. Racquel Chambers, Research Officer



Information Technology Unit

Mr. Christopher Martin, Information Technology Specialist



Legal Unit

Miss Suzette Spence, Legal Officer



Communications Department

Ms. Dorothy Campbell, Communications Specialist & Ms. Keneisha Bryan, Communications Assistant

The Chairman's Overview

The name Consumer Affairs Commission has, over the years, become synonymous with consumer advocacy of the highest quality. This has resulted from ongoing efforts by the leadership and members of the organization to deliver on its mandate and establish itself as a driving force in consumer representation not only in Jamaica but also in the wider Caribbean.

In the past year, the Agency maintained its programme of educating Jamaicans at home and in the Diaspora about their consumer rights and responsibilities, increased the range and quantity of the surveys it conducted and continued to promote its complaint resolution services.

By so doing, the Commission was able to achieve commendable results in almost all areas that fall within the ambit of its portfolio.

The publication of its ongoing grocery and petrol surveys attracted attention from all

arenas and, based on consumer response, were very useful in helping the population to make more informed choices at a time when prudent shopping was absolutely vital. The regular supply of information on consumer-related issues and the CAC's ability to negotiate settlement on behalf of consumers were just some of the indicators of the increasing relevance of the Commission.



During the year under review, the Commission also continued to lobby for changes in the legislative framework that governs the work of the Commission. These changes, in the form of amendments to the Consumer Protection Act would allow for greater effectiveness as an advocacy group. While there are still some hurdles to overcome, there is reason to believe that the necessary changes will take place in short order.

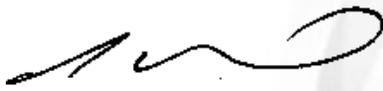
During the past year, the Commission also undertook changes to its physical infrastructure by relocating its offices

from 1B Holborn Road, Kingston 10 to 2 Seaview Avenue, Kingston 6 in order to better serve its constituents.

As this Annual Report illustrates, the Consumer Affairs Commission continues to be a very viable agency in the Ministry of Industry, Investment and Commerce. All its members can feel duly proud of the accomplishments and the Board would like to commend its entire staff as well as those groups

which collaborated with the Commission throughout the year.

The Commission remains undaunted in its task of equipping consumers with all pertinent consumer information and stands ready to act on their behalf when their rights have been violated.



Richard Fontaine
Chairman



The Chief Executive Officer's Report



Chief Executive Officer, Mrs. Dolsie Allen

The Consumer Affairs Commission has become an integral part of the lives of many Jamaicans who rely on the Agency for accurate market surveillance data, for consumer protection regulations for businesses and for redress when their rights have been contravened.

Over the past year, the CAC remained committed to all those functions which underpin its operations as a consumer advocacy body and was able to surpass its target in almost all core areas of its work.

Like other agencies, we were not immune to the impact of the changing

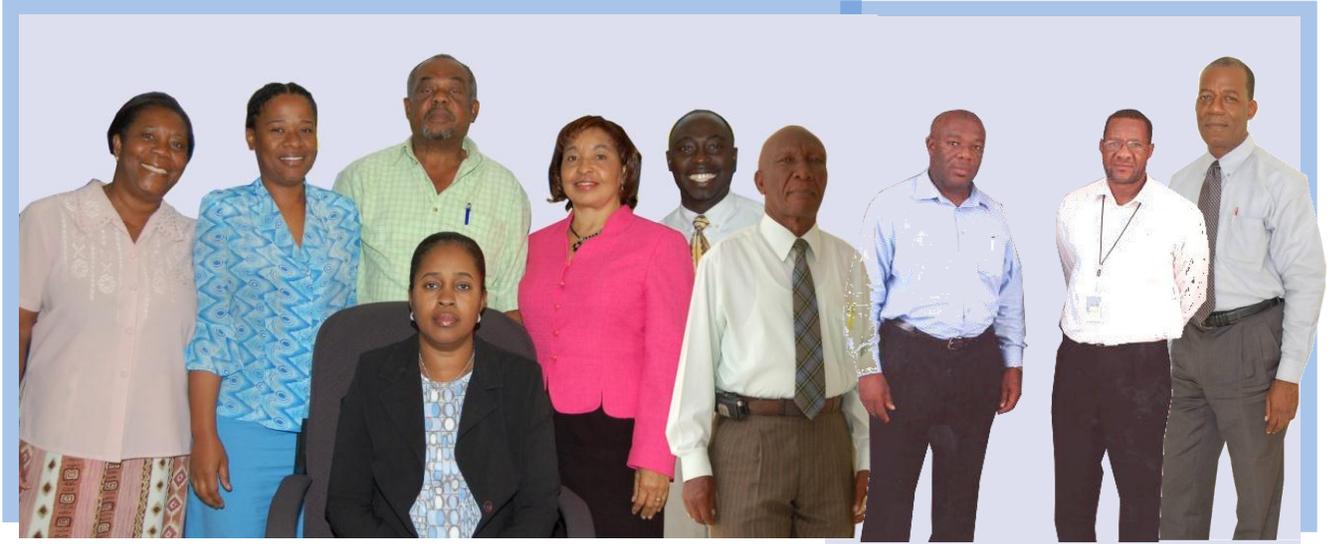
global economic landscape. In 2008/2009 we witnessed the downsizing of several enterprises resulting in increased unemployment and reduced spending power for many consumers. The Commission viewed the economic crisis as an opportunity to intensify its education campaign and to foster improved marketplace relations to ensure the protection of consumers.

The exercise of greater prudence on the part of consumers drove many of them to seek the advice of the Commission's officers before making purchases and to seek refund in instances where goods and services had failed to reach the required standards.

We are grateful for the role that we were able to play and appreciate the unwavering support provided by our parent ministry and those agencies and institutions which continue to provide assistance for the work that we do.

The achievements of the Agency are outlined in the following pages, organized by department.

FIELD OPERATIONS DEPARTMENT



Front (seated) – **Mrs. Cheryl Martin-Tracey, Director of Field Operations.**

Left - back row – Mrs. Winsome Harrisingh, Complaint Officer; Mrs. Denise Welcott, Complaint Officer; Mr. Synley Simms, Field Officer; Mrs. Ordel Brandon, Complaint Officer; Mr. Richard Rowe, Regional Officer; Mr. Ralston Patterson, Regional Officer

Right: Mr. Cleveland Parker, Complaint Officer; Mr. Timothy Watson, Regional Officer and Mr. Pash Fuller, Director - Western Region

The Field Operations department of the Commission encompasses both outreach and complaints resolution services and comprises staff at the Head Office in Kingston and the western branch in Montego Bay. It is responsible for coordinating all outreach activities such as workshops, seminars and expositions among other events. The Complaints Resolution Unit is responsible for the effective and timely processing of all complaints lodged with the Commission.

CAC Expo and Consumer in Action Day

Recognizing the need to widen its impact, in November, the CAC staged its first Expo and Consumer in Action Day. The event was publicized through advertisements on Nationwide Radio at the start of CAC's year-long sponsorship of the station's Wednesday news headlines on the programme "This Morning with Emily and Naomi". The outside broadcast, which had as its keynote speaker, Minister of Industry, Investment and Commerce the Honourable Karl Samuda, was streamed live to audiences here as well as in Grand Cayman and South Florida and was attended by over three hundred persons.



Minister of Industry, Investment and Commerce, Honourable Karl Samuda addresses attendees at the CAC Expo and Consumer in Action Day



A cross section of the audience at the CAC Expo and Consumer in Action Day

The event which was prompted by an initiative of the consumer umbrella group, Consumers International, was supported by partners Bureau of Standards, Jamaica; Fair Trading Commission; Food Storage and Prevention of Infestation Unit; Broadcasting Commission and the Trade Board.

World Consumer Rights Day

Consistent with Consumer International's annual observances, the Consumer Affairs Commission celebrated World Consumer Rights Day on March 15 with activities spanning three days - March 14 – 16, 2009. Satellite presentations and exhibitions in several parishes showcased a diversity of relevant consumer material to a wide cross section of Jamaicans. Celebrations were held under the general theme '**Be a Smart Consumer... Empower Yourself**', with deliveries under two sub-topics **Food Safety Awareness** and **Managing Your Resources**. A plaza beat in

Portmore and an exposition and road march in Montego Bay ensured that consumers outside of the Kingston Metropolitan area were afforded an opportunity to have direct contact with members of the CAC and become better acquainted with its work.

Messages delivered by the portfolio minister, the Honourable Karl Samuda, and Chairman of the Board, Mr. Richard Fontaine were made available to all through the print media. In addition, a World Consumer Rights Day message was distributed to a number of schools and churches island wide.

World Consumer Rights Day was celebrated on March 15 with activities spanning three days – March 14-16. Celebrations were held under the general theme 'Be a Smart Consumer ...Empower Yourself

WORLD CONSUMER RIGHTS DAY ACTIVITIES MARCH 2009



Mr. Ralston Patterson, Regional Officer of the CAC (right), speaks to students of the Seaforth and Morant Bay High Schools at an occasion to mark World Consumer Rights Day 2009



Dervan Malcolm of Power 106 talks with CAC Communication Specialist, Dorothy Campbell. Mr. Richard Rowe, Regional Officer of the CAC looks on.



Racquel Chambers, Research Officer of the CAC shows off a World Consumer Rights Day T-shirt.



Mr. Pash Fuller, Director of the Western Region of the CAC being interviewed by a member of the press.



Dervan Malcolm of Power 106 talks with CAC Board member Mrs. Sandra Ramsey

During the year under review, CAC made every effort to increase the number of persons impacted by the events in which it participated. By directing its energies in this manner, the Agency was able to exceed its outreach target by 81.2% as depicted in the table below with World Consumer Rights Day activities accounting for a significant leap in the number of persons reached.

Period	Adults	Students	Total	No. of Activities
Quarter 1 Projections	4,000	12, 000	16, 000	76
Quarter 1 Achievements	6, 843	11, 473	18, 316	61
Quarter 2 Projections	8, 000	3, 000	11, 000	47
Quarter 2 Achievements	3, 461	1, 733	5, 194	31
Quarter 3 Projections	5, 000	2, 000	7, 000	30
Quarter 3 Achievements	9, 064	6, 011	15, 075	82
Quarter 4 Projections	8, 000	13, 000	21, 000	97
Quarter 4 Achievements	10, 143	50, 936	61, 079	82
Year's Projections	25,000	30,000	55,000	
Year's Achievements	29,511	70,153	99,664	

Other activities which were organized throughout the year were:

- Exhibitions at 4-H Parish Achievement days and a “Back to School Exposition”
- Desk days at branches of Courts and Singer Jamaica Limited outlets during the Christmas season. The Agency has established the practice of posting officers at the branches of Courts Jamaica Limited and Singer Jamaica Limited throughout the Christmas season and in December 2008 this was once again incorporated into the planned outreach activities. In addition, we received the cooperation of a number of supermarkets to be present on the peak shopping days (Friday, Saturday). This facilitated interaction on a one-on-one basis with the customers during which the officers were able to encourage prudent consumer spending particularly in light of the economic uncertainties. Consumers were very appreciative of the service.
- Exhibitions at schools and Career and Health Fairs
- Presentations at summer camps organized mainly by churches
- Presentations to high schools , tertiary institutions, HEART Trust/NTA and the National Youth Service Programme
- Consumers in Action Expo 2008
- Presentations to WINDALCO staff at three locations

At the invitation of WINDALCO, the Consumer Affairs Commission sought to educate workers on coping strategies to counter the increased cost of living and more so to guide them in the transitional phase as all three plants faced imminent closure. Presentations were made to staff at Kirkvine on March 10, Ewarton on March 17 and at Port Esquivel on March 17, 2009.

The website continues to be a key mechanism in the effort to effect change in consumer behaviour in the society as evidenced by the eight thousand four hundred and eighty eight (8, 488) visitors to the website. It is hoped that as more Jamaicans become technologically savvy, the Commission will be able to impact a wider cross section of Jamaicans by way of this medium.

Complaint Resolution Services

The Commission witnessed a slight reduction in the number of cases handled for the Financial Year 2008/2009. While this could be the result of a more informed populace better able to negotiate their rights in the marketplace, the fall which was observed in August can be attributed to a number of factors, chief of which was the relocation of the offices of the CAC that month and the absence of telephone and email facilities. Although every effort was made to expedite the

resumption of these services, valuable time was lost and many consumers experienced difficulties contacting/locating the new offices.

Complaints during the period under review were not confined to any particular stratum of the society and were spread across all the different product/service categories, with a high concentration in the area of electrical equipment/ appliances as portrayed in the table below.

Case Categories Analysis – Summary

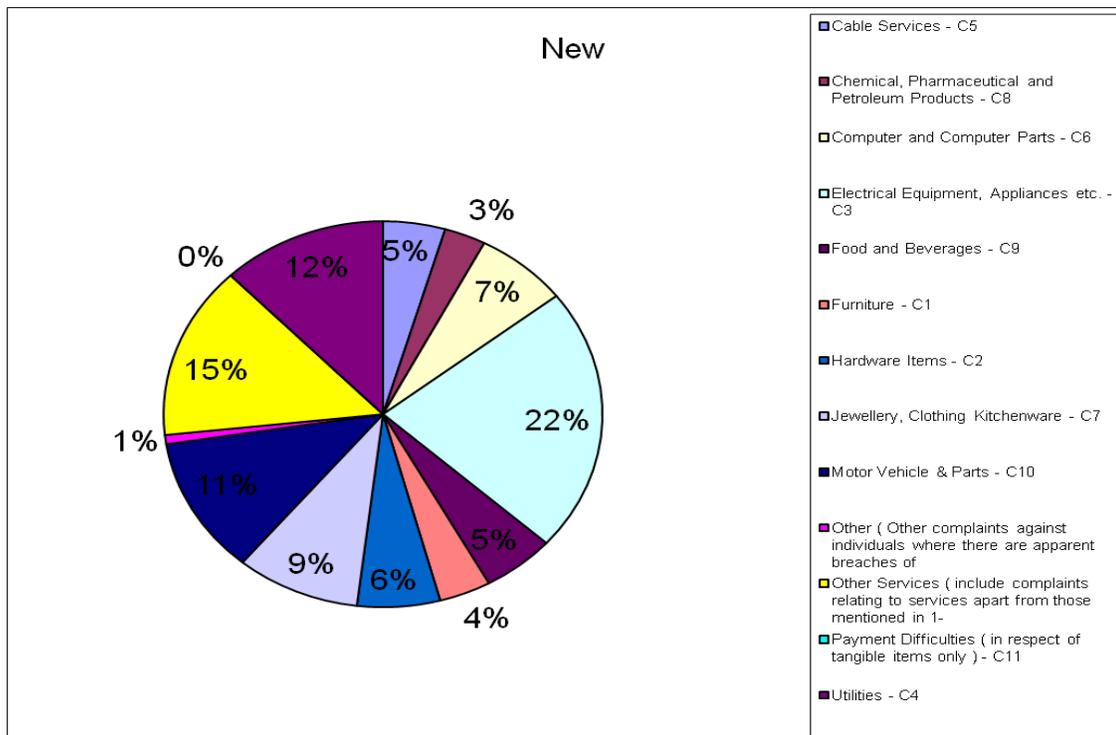
April 1, 2008 – Mar 31, 2009

Category	New	% of Total
Cable services – C5	63	4.00%
Chemical, Pharmaceutical and Petroleum Products – C8	42	2.66%
Computer and Computer Parts – C6	95	6.03%
Electrical Equipment, Appliances etc. – C3	454	28.81%
Food and Beverages – C9	41	2.60%
Furniture – C1	86	5.46%
Hardware Items – C2	113	7.17%
Jewellery, Clothing Kitchenware – C7	115	7.30%
Motor Vehicles & Parts – C10	162	10.28%
Other (Other complaints against individuals ...)	35	2.22%
Other Services	175	11.10%
Payment Difficulties (in respect of tangible items only) – C11	11	0.70%
Utilities – C4	184	11.68%
Total	1576	100%

Parish Case Analysis – Summary

April 1, 2008 – Mar 31, 2009

Parish	New	% of Total
Clarendon	71	4.51%
Hanover	26	1.65%
Kingston	70	4.44%
Manchester	85	5.39%
Other – Outside of Jamaica	4	0.25%
Portland	25	1.59%
St. Andrew	569	36.10%
St. Ann	84	5.33%
St. Catherine	341	21.64%
St. Elizabeth	44	2.79%
St. James	130	8.25%
St. Mary	44	2.79%
St. Thomas	32	2.03%
Trelawny	14	0.89%
Westmoreland	37	2.35%
Total	1576	100%



The following is a synopsis of the achievements of the Commission in the area of complaints resolution during the period under review:

- **A total of 1, 699 cases handled (inclusive of cases brought forward from the previous year), during the Financial Year 2008/2009 of which 1, 568 were resolved, achieving a resolution rate of 92.28%. Not only did the number of cases handled increase, up from 1527 in the previous year, but so too did the resolution rate albeit by an infinitesimal percentage.**
- **Refunds and other forms of compensation amounted to \$19m, underscoring the effectiveness of the Commission in securing redress for consumers.**
- **A total of 639 cases from within the Kingston and St. Andrew metropolitan area. This represents 40.5% of the complaints received.**
- **Complaints were recorded from all parishes; an indication that consumers in all parishes are being impacted by the work of the Commission.**
- **A total of 2,476 requests for advice/information were received by the agency representing a marginal decrease.**

Synopsis of Two Complaint Cases Handled

Complaint cases can range from simple, with the capacity for quick and easy resolution to very complex, lasting for months before closure can be achieved. The following provides insight into some of the issues which are often reported to the Commission.

1

A complainant reported that following the death of his brother, a particular furniture company advised him to submit a death certificate to facilitate the closure of his deceased brother's account. He submitted the certificate as requested but the company failed to honour the agreement to write off the unpaid balance and allow him to keep the item. The intervention of the Commission resulted in the cancellation of the outstanding balance and the retention of the piece of furniture by the brother of the deceased. The process lasted for 81 days.

2

A complainant purchased a special type of paint to seal his water tank. However, after he had applied it he observed that it would not dry. He notified the vendor but did not receive redress. Having received the complaint, the CAC requested a report from the Bureau of Standards, Jamaica (BSJ). According to the BSJ, in order to be effective, the paint should be used with a hardener. On learning this, the vendor made a full refund to the complainant. Successful closure of the case was achieved in two days

COMMUNICATION AND PUBLICATION UNIT



Left: Miss Kenesha Bryan, Communications Assistant; Right: Miss Dorothy Campbell, Communication Specialist

The department remained fully cognizant of its role and therefore seized every available opportunity to educate consumers on pertinent issues via several media. Some of the methods which were employed to disseminate information to consumers included:

- Distribution of brochures and flyers on a range of issues
- Media interviews and feature articles
- Exhibitions
- Newspaper publications
- Presentations at schools and business places, expositions etc.

During the period, the Commission's media exposure increased exponentially partly due to the emergence of several consumer related issues, some on the local level and others of international significance.

Throughout the year there were a number of recalls which were executed in conjunction with Bureau of Standards Jamaica. Contaminated tomatoes and peanut butter were just two of the health hazards which warranted the intervention of the CAC. These consumer issues, among others such as contaminated milk and the discovery of an explosive toy, kept the CAC in the spotlight throughout the year, affording more people the opportunity to learn about the Agency and take advantage of the service we provide.

Partnerships with local media houses also allowed the CAC team to address a number of issues, including, but not limited to the following:

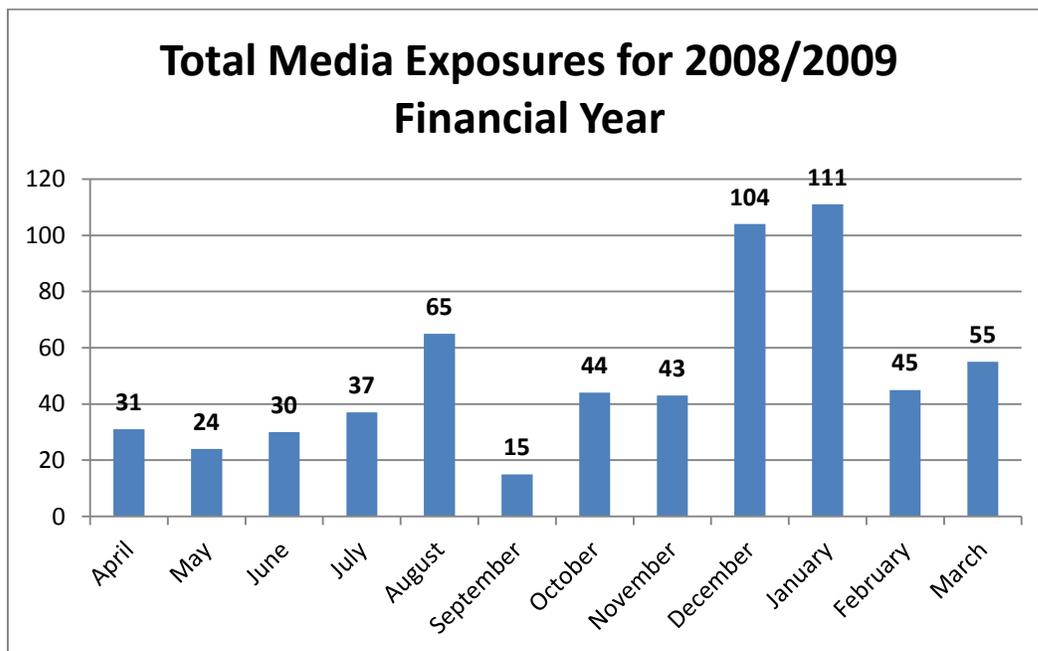
- Budgeting
- Backyard Gardening
- Identity Theft
- Hire Purchase

- Shopping Tips
- Crime Prevention Tips for the Elderly
- Consumer safety Tips during Christmas

The Commission was featured by the media on a number of other occasions with regard to the results of the *annual textbook survey, budgeting and management of finances during the*

back to school period, surveys of grocery items and the promotion of National Food Safety Week.

In keeping with its national imperative the Commission also produced eight new publications to educate the public on a wide range of other consumer-related matters.



RESEARCH DEPARTMENT



Seated: **Miss Angella Smith, Director of Research**

Standing left to right: Mrs. Racquel Chambers, Research Officer/Economist; Mrs. Nickesha Clue-Curtis, Research Assistant; Mr. Ralston Carnegie, Acting Research Officer; Miss Tamra-Kay Jeffrey, Research Assistant

In pursuit of its objective of empowering consumers, the CAC conducted ninety-(90) surveys throughout the Fiscal Year - 17 price surveys on petroleum products, 48 on grocery items and agricultural products, eleven (11) on hardware items, 10 qualitative surveys of users of E10 87 gasoline and four unplanned ones which were warranted by events during the year.

Following a special Distributive Trade meeting¹ in December 2008, the CAC

¹ Distributive Trade meetings are held to allow for proper planning with regard to the country's

was commissioned by the Honourable Karl Samuda to publish prices of ten basic food items in the two major newspapers, the Gleaner and the Daily Observer.

The feature which is called **Consumer Alert** carried the prices of basic food items on a bi-monthly basis and the prices of petroleum products on a monthly basis.

supply of critical items. The Consumer Affairs Commission is the secretariat for the meetings which are usually attended by manufacturers and retailers of essential items, primarily food. Discussions usually focus on prices, availability and transportation.

In addition to the annual textbook survey, four ad-hoc surveys were conducted to address consumer issues which surfaced throughout the year.

These focused on the following topics:

- Banking fees
- Hotel facilities and rates
- Effect of the economic downturn on restaurants
- Fertilizer prices
- Rates and charges of the Jamaica Public Service Company

The ongoing surveys yielded some information which facilitated a better understanding of the economic situation. It was observed, for example, that during the period under review there was a fluctuation in the price of petroleum products on the local market. This, of course, was in tandem with global trends as it relates to the price of oil and demand for finished products such as diesel. The CAC also noted that the price of diesel exceeded that of

90 octane gasoline throughout the entire year. This according to the local refinery, Petrojam, was the result of a worldwide increase in the demand for diesel.

With the introduction of E10 87 octane gasoline in November, the CAC conducted ten (10) surveys to determine the buying pattern and attitude of consumers who purchased E10 gasoline. The Commission received responses from one hundred and sixty motorists of a sample size of one hundred and seventy-eight.

Of the persons interviewed, over 70% were males and were at the time using E10 gasoline exclusively. While these consumers did not report any significant improvement in mileage, a number of them felt that its introduction was a positive development for the country and over 90% were anxious to see other blends available on the market.

Distributive Trade meetings are held to allow for proper planning with regard to the country's supply of critical items. The Consumer Affairs Commission is the secretariat for the meetings which are usually attended by manufacturers and retailers of essential items, primarily food. Discussions usually focus on prices, availability and transportation.

LEGAL UNIT



Miss Suzette Spence, Legal Officer

In accordance with section 7 of The Consumer Protection Act (2005), a Legal Officer, Miss Suzette Spence was appointed to the staff of the CAC to represent consumers in cases that warrant litigation, provide legal advice and secretarial support to the Board and provide legal advice to the Chief Executive Officer and internal units of the Commission.

Throughout the year, the Legal officer engaged in the process of reviewing, advising and liaising with the relevant units of the Agency and with other

parties concerning complaints received by the Commission. This included cases referred to the Fraud Squad and the Office of the Director of Public Prosecutions.

The Consumer Protection Act

Discussions with regard to proposals to have some sections of the Act modified were held at regular intervals throughout the year. These proposals were made to improve the efficacy of the Act and to strengthen the Commission's authority in resolving consumer disputes.

INFORMATION TECHNOLOGY UNIT



Mr. Christopher Martin, Information Technology Specialist

The Commission is always seeking ways to reinvent itself and to exploit new opportunities to serve the needs of consumers. Improvement in the area of technology was recognized as one of the primary vehicles to diversify the channels used for dissemination of

information and therefore the Information Technology Unit assumed a more central role in the work of the Agency.

The work of this department was of a two-fold nature – the maintenance of the Agency’s computer network for use by its staff and the continued upgrade of the website to allow for easy access to the information and services that we provide. The submission of 191 complaints via the online complaint mechanism (11% of all complaints received) is a clear indication that consumers were starting to avail themselves of the services facilitated by increased use of technology.

The following table documents the traffic on the website for the Financial Year 2008 – 2009.

	Page Loads	Unique Visitors	First Time Visitors	Returning Visitors
Total	15,272	8,785	5,966	2,819
Average	1,273	732	497	235
Month	Page Loads	Unique Visitors	First Time Visitors	Returning Visitors
Mar 2009	1,695	960	718	242
Feb 2009	1,355	855	612	243
Jan 2009	2,133	1,213	981	232
Dec 2008	848	482	395	87
Nov 2008	1,478	800	641	159
Oct 2008	1,140	652	394	258
Sep 2008	765	451	353	98
Aug 2008	820	507	292	215
Jul 2008	1,239	756	347	409
Jun 2008	1,357	735	361	374
May 2008	1,127	642	371	271
Apr 2008	1,315	732	501	231

HUMAN RESOURCES AND FINANCE DEPARTMENT



Seated: Miss Enid Wells, Finance & Administration Manager

Left to right: Miss Shemaine Genas, Office Manager; Mrs Judith Lawrence, Office Assistant; Miss Natalie Deer, Receptionist; Miss Ammanie Whittingam, Senior Accountant and Mrs. Marcia Wynter, Accounting Technician

During the course of the Financial Year the Agency facilitated one major workshop and a number of internal workshops to equip staff with the requisite skills to ensure increased competence and proficiency. As part of this enhancement exercise, one member of staff was assisted in the pursuit of a one year programme in Social Research Methods & Policy Analysis, offered at MIND.

A cadre of twenty-seven committed members of staff allowed the Commission to deliver on its mandate to consumers. There were three (3) resignations and the staff was augmented by the addition of six (6) persons including a Senior Accountant, a Senior Economist and a

Legal Officer. CAC said its farewell to the Director of Research who retired after many years of sterling service to the Agency.

Kudos to all members of staff, who in one way or another, represented the Agency and made us proud.

Special thanks to:

- Mr. Richard Rowe who represented the CAC at the Caribbean Consumer Council's (CCC's) Annual General Meeting and the United States Federal Trade Commission's FTC/CARICOM Consumer Protection Two-Day Workshop held at the Sunset Shores Hotel, Kingstown, St. Vincent & the Grenadines – July 28-30, 2008.
- Miss Angela Smith who participated in a workshop organized by the Institute of Jamaica on Bio-Safety and the Bio-Safety Clearing House.

Awards/ Certificates

The Commission was ranked among the top performers in terms of contribution to the Government's policy research committees and a number of CAC officers received accolades for the integral role they played.

- Mrs. Racquel Chambers – Chairman of the technical committee which was awarded the *Most Outstanding Technical Committee* at the Bureau of Standard's annual awards ceremony.
- Mr. Richard Rowe - the Bureau of Standards Jamaica Certificate of Appreciation for outstanding technical committee work in standards development 2008, having represented the CAC on several standards committees.
- Miss Angela Smith – Certificate for participating in the Bureau of Standard's Technical Committee for draft of Jamaican Standard Specifications for Botanical Cosmetics.

Finance

In the past year, the Commission received \$86.283M to fund its approved budget of \$81.457M. Expenditure for the year accrued to \$80,522M which was distributed as follows:

- 51% Personal Emoluments
- 15% Travelling and Subsistence
- 8% Rental
- 5% Public Utilities
- 21% Other Operating and General Expenses

Details are provided in the enclosed Financial Statements.

OTHER SERVICES AND EVENTS

As in previous years, the Commission continued to provide secretariat services for the Distributive Trade with fifteen (15) meetings held during the past Fiscal Year, three (3) of which were special meetings convened by the Honourable Karl Samuda.

Distributive Trade meetings are held to allow for proper planning with regard to the country's supply of critical items. The Consumer Affairs Commission is the secretariat for the meetings which

are usually attended by manufacturers and retailers of essential items, primarily food. Discussions usually focus on prices, availability and transportation.

Additionally, the Commission attended three (3) international conferences – one in South Korea where the issue under consideration was standards affecting consumers, another in Guyana focussing on Caricom issues and the Annual General Meeting of the Caribbean Consumer Council held in St. Vincent & the Grenadines July 28 - 30, 2009.

THE WAY FORWARD

As we go through the current global crisis, the Commission will continue in its effort to foster ethical relationships between businesses and consumers, resolve marketplace disputes and equip all consumers with information that will help them to better exercise their rights and understand their responsibilities. This will be achieved by way of:

- Consumer education through timely publications and media releases
- Greater interaction and collaboration with business entities and sister agencies
- Complaints resolution
- Continued market surveillance
- International cooperation
- Lobbying for amendments to the Consumer Protection Act to make it more effective
- Reiterating the need for the establishment of a tribunal to handle consumer related matters

The Commission has a team of highly competent and committed staff, and with their expertise and continued diligence, the Agency intends to achieve, and wherever possible, surpass, its targets for the year 2009/10.

We are gratified by the expressions of appreciation for the work that we do and would therefore like to thank all those persons and organizations that continue to partner with us. Thanks to the portfolio ministry, the Board of Directors, members of staff and all related agencies for the unwavering support we received during the last Financial Year. We look forward to a harmonious and mutually beneficial relationship in 2009/10 as together we embrace the challenges.



Dolsie Allen
Chief Executive Officer

Pictorial Highlights



Chairman of the Board, Mr. Richard Fontaine (centre), speaks with the Research Director, Mr. Hugh Taylor (right) and the Commission's Chief Executive Officer, Mrs. Dolsie Allen after a press briefing to inform consumers about the findings of the 2008 Annual Textbook Survey. The occasion was held at the Jamaica Pegasus hotel. (*Observer*)



HM Karl Samuda makes a point while holding a copy of the Consumer Alert during a press briefing at the Ministry on January 15, 2009. The occasion was a launch of Consumer Alert – a bimonthly publication of the Grocery Surveys conducted by the CAC.



Farewell party for Mr. Hugh Taylor who served the Commission for many years as Director of Research.



Mr. Pash Fuller, Director of the Western Region (left) of the CAC speaks to two consumers about their consumer rights on World Consumer Rights Day.



Attendees at the CAC Expo and Consumer in Action Day held on the lawns of the CAC head office.



Honourable Karl Samuda, Minister of Industry, Investment & Commerce in an interview with Betty Ann Blaine of NationWide Radio

DIRECTORS' COMPENSATION APR'08- MAR'09

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 (\$)
Chairman	155,190.00				
Director 1	94,440.00				
Director 2	89,150.00				
Director 3	78,735.00				
Director 4	70,445.00				
Director 5	96,820.00				
Director 6	82,425.00				
Director 7	71,495.00				
Director 8	78,750.00				
Director 9	104,220.00				
Director 10	81,750.00				
Total	1,003,420.00				

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 (\$) per annum	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$) per annum	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Exec. Officer	Apr'08-Mar'09	3,077,658.00		796,500.00				3,874,158.00 p.a.
Finance & Admin Mgr	Apr'08-Mar'09	2,208,993.00	590,480.76	420,000.00				3,219,473.76 p.a.
Dir. for Western Div. Field Op.	Apr'08-Mar'09	1,401,169.00		420,000.00				1,821,169.00 p.a.
Dir. Of Field OP.	Apr'08-Mar'09	1,952,428.00		420,000.00				2,372,428.00 p.a.
Senior Accountant	Apr'08-Mar'09	1,524,969.00		170,100.00				1,695,069.00 p.a.
Communication Specialist	Apr'08-Mar'09	1,401,169.00		420,000.00				1,821,169.00 p.a.
Dir. Of Research	Apr'08-Mar'09	2,208,993.00	543,526.31	420,000.00				3,172,519.31 p.a.
Legal Officer	Apr'08-Mar'09	2,775,683.00		420,000.00		307,050.00		3,502,733.00 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

AUDITED FINANCIAL STATEMENTS 31st MARCH 2009



CONSUMER AFFAIRS COMMISSION

FINANCIAL STATEMENTS

31 MARCH 2009

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INDEPENDENT AUDITORS' REPORT

To the Members of
Consumer Affairs Commission

Report on the Financial Statements

We have audited the financial statements of Consumer Affairs Commission set out on pages 29 to 44 which comprise the balance sheet as at 31 March 2009 and the income and expenditure account, 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. 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)

To the Members of
Consumer Affairs Commission

Opinion

In our opinion, the financial statements give a true and fair view of the Commission's financial position as at 31 March 2009, and of its financial performance, changes in reserves and cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink, appearing to be 'BDO'.

Chartered Accountants

22 April 2010

CONSUMER AFFAIRS COMMISSION
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
INCOME:		
Grants (general)	86,282,708	56,292,019
Grants (specific: NHT employer's contributions)	-	780,647
Other income	<u>1,314,865</u>	<u>4,250,444</u>
	<u>87,597,573</u>	<u>61,323,110</u>
EXPENDITURE (pages 31 and 32):		
Personal emoluments	41,487,094	34,335,489
Travelling and subsistence	12,156,784	8,595,819
Rental	6,147,589	7,075,354
Public utilities	3,906,267	3,306,329
Other operating and general expenses	<u>16,824,763</u>	<u>10,580,771</u>
	<u>80,522,497</u>	<u>63,893,762</u>
Surplus/(deficit)	7,075,076	(2,570,652)
Depreciation	(<u>801,353</u>)	(<u>586,871</u>)
Net surplus/(deficit) for the year	<u>6,273,723</u>	(<u>3,157,523</u>)

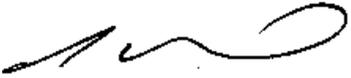
CONSUMER AFFAIRS COMMISSION

BALANCE SHEET

31 MARCH 2009

	<u>Note</u>	<u>2009</u> £	<u>2008</u> £
ASSETS			
NON-CURRENT ASSETS:			
Fixed assets	6	8,510,724	4,620,240
Retirement benefit asset	7	<u>79,046,000</u>	<u>74,910,000</u>
		<u>87,556,724</u>	<u>79,530,240</u>
CURRENT ASSETS:			
Receivables	8	901,746	975,506
Cash and cash equivalents	9	<u>1,234,487</u>	<u>1,665,376</u>
		<u>2,136,233</u>	<u>2,640,882</u>
		<u>89,692,957</u>	<u>82,171,122</u>
RESERVES AND LIABILITIES			
RESERVES:			
Retirement benefit reserve	7	79,046,000	74,910,000
Accumulated surplus		<u>3,087,092</u>	<u>949,369</u>
		<u>82,133,092</u>	<u>75,859,369</u>
CURRENT LIABILITIES:			
Payables	10	7,117,124	6,311,753
Bank overdraft	9	<u>442,741</u>	<u>-</u>
		<u>7,559,865</u>	<u>6,311,753</u>
		<u>89,692,957</u>	<u>82,171,122</u>

Approved for issue by the Commission on 22 April 2010 and signed on its behalf by:


Richard Fontaine - Chairman


Dolsie Allen - Executive Director

CONSUMER AFFAIRS COMMISSION

SCHEDULE OF EXPENDITURE

YEAR ENDED 31 MARCH 2009

	<u>2009</u> \$	<u>2008</u> \$
PERSONAL EMOLUMENTS:		
Permanent	37,070,169	28,497,984
Temporary and casual	4,689,694	1,982,592
Other allowances	670,721	1,651,767
Pension contributions	(3,523,131)	95,748
National insurance	425,649	315,369
National Housing Trust	1,030,692	780,647
Education tax	822,258	735,637
Staff welfare	<u>301,042</u>	<u>275,745</u>
	<u>41,487,094</u>	<u>34,335,489</u>
 TRAVELLING AND SUBSISTENCE:		
Motor cars - upkeep	8,309,714	5,390,136
Mileage	3,273,048	2,659,381
Subsistence	297,416	120,280
Transportation and foreign travel	80,323	267,088
Air passage and related expenses	<u>196,283</u>	<u>158,934</u>
	<u>12,156,784</u>	<u>8,595,819</u>
 RENTAL - offices	 <u>6,147,589</u>	 <u>7,075,354</u>

CONSUMER AFFAIRS COMMISSION

SCHEDULE OF EXPENDITURE

YEAR ENDED 31 MARCH 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
PUBLIC UTILITIES:		
Electricity	1,438,218	1,384,972
Telephone	2,423,038	1,921,357
Water	<u>45,011</u>	<u>-</u>
	<u>3,906,267</u>	<u>3,306,329</u>
OTHER OPERATING AND GENERAL EXPENSES:		
Directors' fees	1,003,420	619,625
Professional services	1,184,715	616,850
Other services	478,080	98,614
Repairs - furniture and equipment	2,702,248	283,763
Insurance	228,857	321,694
Cleaning and sanitation	212,830	35,627
Audit fees - current year	501,500	541,000
- prior year overprovision	-	(39,000)
Miscellaneous	106,000	1,190,666
Food and drinks	460,771	387,319
Printing and stationery	1,402,808	871,533
Wireless, cable and postage	25,979	72,208
Subscriptions and membership fees	312,836	156,211
Security services	2,523,493	105,545
Medical supplies	35,822	5,088
Staff training	81,563	-
Exhibition, conference and seminars	1,088,329	1,258,099
Advertising	2,584,628	3,141,344
Cement refund	-	80,363
Bank charges	189,304	206,522
Grants and contributions	1,200,000	600,000
Text and reference books	6,000	13,400
Rental - machinery and equipment	<u>495,580</u>	<u>14,300</u>
	<u>16,824,763</u>	<u>10,580,771</u>

CONSUMER AFFAIRS COMMISSION
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 MARCH 2009

	<u>Retirement Benefit Reserve</u> ₤	<u>Accumulated Surplus</u> ₤	<u>Total</u> ₤
Balance at 1 April 2007	74,910,000	4,106,892	79,016,892
Net deficit for the year	<u>-</u>	(<u>3,157,523</u>)	(<u>3,157,523</u>)
Balance at 31 March 2008	<u>74,910,000</u>	<u>949,369</u>	<u>75,859,369</u>
Net surplus for the year	-	6,273,723	6,273,723
Transfer to retirement benefit reserve	<u>4,136,000</u>	(<u>4,136,000</u>)	<u>-</u>
	<u>4,136,000</u>	<u>2,137,723</u>	<u>6,273,723</u>
Balance at 31 March 2009	<u>79,046,000</u>	<u>3,087,092</u>	<u>82,133,092</u>

CONSUMER AFFAIRS COMMISSION

STATEMENT OF CASH FLOWS

31 MARCH 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net surplus/(deficit)	6,273,723	(3,157,523)
Adjustments for:		
Depreciation	801,353	586,871
Retirement benefit asset	(4,136,000)	-
Interest income	<u> -</u>	(<u>44,344</u>)
Operating cash flows before movements in working capital	2,939,076	(2,614,996)
Changes in operating assets and liabilities:		
Receivables	73,760	(508,095)
Payables	<u>805,371</u>	<u>3,151,280</u>
Net cash provided by operating activities	<u>3,818,207</u>	<u>28,189</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	-	44,344
Purchase of fixed assets	(4,691,837)	(<u>411,558</u>)
Net cash used in financing activities	(4,691,837)	(<u>367,214</u>)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(873,630)	(339,025)
Cash and cash equivalents at beginning of year	<u>1,665,376</u>	<u>2,004,401</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 9)	<u><u>791,746</u></u>	<u><u>1,665,376</u></u>

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2009

1. IDENTIFICATION 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.

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.

Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(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.

The preparation of financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities at the date of the balance sheet and the revenue and expenses during the reported period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

Interpretations and amendments to published standards effective in the reporting period.

During the reporting period, there were no new accounting pronouncements relevant to the Commission's financial statements.

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation -

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

At the date of authorization of these financial statements, there were certain new standards, amendments and interpretations to existing standards which were not issue but which were not yet effective. Those which are considered relevant to the Commission are as follows:

IAS 1 (Revised)	Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income (effective for annual periods beginning on or after 1 January 2009)
IAS 19 (Amended)	Employee Benefits (effective for annual periods beginning on or after 1 January 2009)
IAS 32 (Amended)	Financial Instruments (effective for annual periods beginning on or after 1 January 2009)
IAS 36 (Amended)	Impairment of Assets (effective for annual periods beginning on or after 1 January 2009)
IAS 39 (Amended)	Financial Instruments: Recognition and Measurement effective for annual periods beginning on or after 1 January 2009)
IFRS 7 (Amended)	Financial Instruments: Disclosures (effective for annual Periods beginning on or after 1 January 2009)

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

(b) Impairment of non-current assets -

Fixed assets 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.

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(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.

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 and in hand, net of bank overdraft.

(f) Revenue recognition -

Income is recognized as it accrues unless collectability is in doubt.

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2009

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(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.

4. FINANCIAL RISK MANAGEMENT:

(a) Financial risk factors -

The Commission's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The Commission's overall risk management policies are established to identify and analyze the risks faced by the Commission and to set appropriate risk limits and controls and to monitor risk and adherence to limits. The risk management framework is based on guidelines set by the Board of Directors together with management and seeks to minimize potential adverse effects on the Commission's financial performance.

(i) Market risk -

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Commission has no exposure to this risk.

Currency risk -

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Commission has no exposure to this risk.

(ii) Capital risk

Capital risk is the risk that the Commission fails to comply with mandated regulatory requirements resulting in breach of those requirements. The Commission's objectives when managing capital are to comply with capital requirements, safeguard the Commission's ability to continue as a going concern and to maintain strong capital base to support the development of its business.

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2009

4. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(iii) **Operational risk**

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the Commission's processes, personnel, technology and external factors, other than financial risks, such as generally accepted standards of corporate behaviour. The Commission manages operational risk so as to avoid financial loss and damage to its reputation.

(b) **Fair value estimation -**

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>2009</u> ₹	<u>2008</u> ₹
Personal emoluments	41,487,094	34,335,489
Travelling and subsistence	<u>12,156,784</u>	<u>8,595,819</u>
	<u>53,643,878</u>	<u>42,931,308</u>

The organization employed twenty six (26) persons at the end of the year (2008-38).

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2009

6. FIXED ASSETS:

	<u>Leasehold Improvement</u> ₤	<u>Furniture Fixtures, and Equipment</u> ₤	<u>Computers</u> ₤	<u>Total</u> ₤
Year Ended 31 March 2009 -				
Net book value				
1 April 2008	1,329,017	1,968,992	1,322,231	4,620,240
Additions	120,000	3,898,244	673,593	4,691,837
Depreciation charge	(40,781)	(527,086)	(233,486)	(801,353)
31 March 2009	<u>1,408,236</u>	<u>5,340,150</u>	<u>1,762,338</u>	<u>8,510,724</u>
At 31 March 2009 -				
Cost	1,691,250	8,512,510	3,681,536	13,885,296
Accumulated depreciation	(283,014)	(3,172,360)	(1,919,198)	(5,374,572)
Net book value	<u>1,408,236</u>	<u>5,340,150</u>	<u>1,762,338</u>	<u>8,510,724</u>
Year Ended 31 March 2008 -				
Net book value				
1 April 2007	1,368,298	2,173,316	1,253,939	4,795,553
Additions	-	130,707	280,851	411,558
Depreciation charge	(39,281)	(335,031)	(212,559)	(586,871)
31 March 2008	<u>1,329,017</u>	<u>1,968,992</u>	<u>1,322,231</u>	<u>4,620,240</u>
At 31 March 2008 -				
Cost	1,571,250	4,614,266	3,007,943	9,193,459
Accumulated depreciation	(242,233)	(2,645,274)	(1,685,712)	(4,573,219)
Net book value	<u>1,329,017</u>	<u>1,968,992</u>	<u>1,322,231</u>	<u>4,620,240</u>

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2009

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 31 March 2010.

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

	<u>2009</u>	<u>2008</u>
	<u>\$'000</u>	<u>\$'000</u>
Current service cost	(2,091)	(2,274)
Interest cost	(5,180)	(3,682)
Expected return on plan assets	27,515	19,290
Net actuarial gain recognised in year	(38,535)	2,146
Change in disallowed assets	21,801	(4,098)
Past service cost - non vested benefits	(<u>266</u>)	(<u>266</u>)
 Net income recognized in income statement	 <u>3,244</u>	 <u>11,116</u>

This amount is included in staff costs.

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

	<u>2009</u>	<u>2008</u>
	<u>\$'000</u>	<u>\$'000</u>
Present value of funded obligations	(42,261)	(35,776)
Fair value of plan assets	<u>215,295</u>	<u>206,069</u>
	173,034	170,293
 Unrecognized actuarial losses	 (35,930)	 (36,923)
Unrecognized past service cost	801	1,333
Unrecognized amount due to limitation	(<u>58,859</u>)	(<u>59,793</u>)
 Asset recognized in balance sheet	 <u>79,046</u>	 <u>74,910</u>

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 MARH 2009

7. RETIREMENT BENEFIT ASSET (CONT'D):

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

	<u>2009</u>	<u>2008</u>
	<u>\$'000</u>	<u>\$'000</u>
Net asset at start of year	75,696	63,607
Net income recognized in the income statement	3,244	11,116
Contributions paid by the commission	<u>106</u>	<u>187</u>
	<u>79,046</u>	<u>74,910</u>

(d) Key financial assumptions used:

	<u>2009</u>	<u>2008</u>
	%	%
Discount rate	16	12
Rate of escalation of pensionable earnings	12	9
Rate of increase in pensions	5	5
Expected long term rate of return on scheme assets	15	10

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

8. RECEIVABLES:

	<u>2009</u>	<u>2008</u>
	<u>₹</u>	<u>₹</u>
Staff receivables	135,647	174,453
Withholding tax	198,780	198,780
Other receivables	509,757	544,711
Prepayments	<u>57,562</u>	<u>57,562</u>
	<u>901,746</u>	<u>975,506</u>

9. CASH AND CASH EQUIVALENTS:

	<u>2009</u>	<u>2008</u>
	<u>₹</u>	<u>₹</u>
Petty cash	3,000	3,000
Local currency accounts	<u>1,231,487</u>	<u>1,662,376</u>
	1,234,487	1,665,376
Bank overdraft	<u>(442,741)</u>	<u>-</u>
	<u>791,746</u>	<u>1,665,376</u>

Bank overdraft represents outstanding cheques at year end.

CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2009

10. PAYABLES:

	<u>2009</u>	<u>2008</u>
	₹	₹
Accounts payable	1,337,959	2,160,450
Other payables and accruals	<u>5,779,165</u>	<u>4,151,303</u>
	<u>7,117,124</u>	<u>6,311,753</u>

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>	<u>Variance</u> Favourable/ (Unfavourable)
	₹	₹	₹
Income:			
Grant - general	81,457,000	86,282,708	4,825,708
Other	<u>-</u>	<u>1,314,865</u>	<u>1,314,865</u>
	<u>81,457,000</u>	<u>87,597,573</u>	<u>6,140,573</u>
Expenditure:			
Personal emoluments	42,022,000	41,487,094	534,906
Travelling and subsistence	9,225,000	12,156,784	(2,931,784)
Other operating and general expenses	11,888,000	16,824,763	(4,936,763)
Rent	12,156,000	6,147,589	6,008,411
Public utilities	<u>3,910,000</u>	<u>3,906,267</u>	<u>3,733</u>
	<u>79,201,000</u>	<u>80,522,497</u>	<u>(1,321,497)</u>
Operating surplus	2,256,000	7,075,076	4,819,076
Capital:			
Purchase of fixed assets	<u>2,256,000</u>	<u>4,691,837</u>	<u>(2,435,837)</u>
TOTAL	<u>-</u>	<u>2,383,239</u>	<u>2,383,239</u>

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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 31 March 2010, which revealed that the scheme was adequately funded.