



Coimisiún um
Iomalocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission

COMPETITION AND CONSUMER PROTECTION COMMISSION
FINANCIAL STATEMENTS FROM THE DATE OF ESTABLISHMENT 31 OCTOBER
2014 TO PERIOD ENDING 31 DECEMBER 2014

COMPETITION AND CONSUMER PROTECTION COMMISSION

CONTENTS	PAGE
INFORMATION	3
STATEMENT OF COMMISSION'S RESPONSIBILITIES	4 - 5
STATEMENT ON INTERNAL FINANCIAL CONTROL	6 - 7
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	8
STATEMENT OF ACCOUNTING POLICIES	9 - 12
INCOME AND EXPENDITURE ACCOUNT	13
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	14
BALANCE SHEET	15
CASHFLOW STATEMENT	16
NOTES TO THE FINANCIAL STATEMENTS	17 - 27

COMPETITION AND CONSUMER PROTECTION COMMISSION

INFORMATION

Members of the Commission:	Isolde Goggin – Chairperson Karen O'Leary Stephen Calkins Gerald FitzGerald Patrick Kenny
Commission Address:	4 Harcourt Road Dublin 2 Parnell House 14 Parnell Square Dublin 1
Accountants:	Crowleys DFK 16/17 College Green Dublin 2
Auditors:	The Comptroller and Auditor General Dublin Castle Dublin 2
Web Site:	www.ccpc.ie

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT OF COMMISSION'S RESPONSIBILITIES

The Competition and Consumer Protection Commission (referred to as the Commission) was established on 31st October 2014, by the Minister for Jobs, Enterprise and Innovation, under the Competition and Consumer Protection Act, 2014.

The Competition and Consumer Protection Act, 2014 dissolved the National Consumer Agency (NCA) and the Competition Authority (TCA) with effect from 30th October 2014. Under the terms of Part 2 of the Act, the staff, assets, rights and obligations of legacy bodies were transferred to the Competition and Consumer Protection Commission in accordance with the Act.

The functions of the Commission are as follows:

- To promote competition;
- To promote and protect the interests and welfare of consumers;
- To carry out an investigation, either on its own initiative or in response to a complaint made to it by any person;
- To enforce and encourage compliance with the relevant statutory provisions;

In performing its functions, the Commission:

- Shall promote, where appropriate, the development of alternative dispute resolution procedures as a means of resolving disputes arising out of consumer transactions;
- Shall foster and promote contacts, and co-operate and consult with consumer groups and such other persons or bodies as the Commission considers could assist in the promotion or development of consumer protection and welfare and competition matters;
- Shall promote public awareness and conduct public information campaigns for the purpose of educating and providing information to the public in relation to consumer protection and welfare;
- Shall promote public awareness and conduct public information campaigns in relation to issues of competition.
- Shall set the strategic objectives for the Commission and to ensure all reasonable steps are taken to achieve them

Section 31 of the Competition and Consumer Protection Act, 2014 requires that the Commission prepare financial statements in such form as may be approved by the Minister of Jobs, Enterprise and Innovation after consultation with the Minister of Public Expenditure and Reform.

In preparing those financial statements, the Commission is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commission will continue in operation.
- Disclose and explain any material departures from applicable accounting standards.

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT OF COMMISSION'S RESPONSIBILITIES


(CONTINUED)

The Commission confirms that it has complied with the above requirements in preparing the financial statements. The Commission is responsible for the keeping of proper books of account which disclose with reasonable accuracy at any time its financial position and which enable it to ensure that the financial statements comply with the section 31 of the Competition and Consumer Protection Act, 2014. The Commission is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Competition and Consumer Protection Commission:


Isolde Goggin
Chairperson

Date: 21/12/15


Karen O'Leary
Member

Date: 21/12/15

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT ON INTERNAL FINANCIAL CONTROL

RESPONSIBILITY FOR SYSTEM OF INTERNAL FINANCIAL CONTROL

On behalf of the members of the Competition and Consumer Protection Commission, we acknowledge our responsibility for ensuring that an effective system of internal financial controls is maintained and operated.

The system of internal financial controls can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

KEY CONTROL PROCEDURES

The Commission has taken steps to ensure an appropriate control environment by:

- Scheduling regular meetings at which the Commission was provided with regular updated reports of expenditure;
- Establishing an Audit Committee. Its terms of reference include ensuring systems that continually enhance and guarantee internal financial control;
- Clearly defining management responsibilities, with responding accountability;
- Monitoring and reporting on process;
- Adopting the principles of corporate governance contained in the Code of Practice for the Governance of State Bodies including:
 - Affirmation of compliance with procurement guidelines as set out in the Code.
 - Affirmation of compliance with disposal of assets and access to assets by third parties as set out in the Code.
 - Review and finalisation of policies and procedures to ensure the effectiveness of the systems of internal financial control.
 - Establishing formal procedures to monitor the activities and safeguard the assets of the organisation.

RISK ASSESSMENT

The Competition and Consumer Protection Commission intend to establish processes to identify and evaluate financial and business risks by:

- Identifying the nature and extent of financial risks that face the Commission.
- Assessing the potential of identified risks occurring.
- Evaluating and assessing the internal capacity of the Commission to manage the risks that did occur.

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT ON INTERNAL FINANCIAL CONTROL

(CONTINUED)

CONTROL MECHANISM

The system of internal financial controls is based on a framework of regular management information, a system of delegation and accountability, a set of financial procedures, administrative procedures including segregation of duties and rigorous ongoing checks by the finance function. In particular it includes:

- A comprehensive budgeting system with an annual budget, which is reviewed and approved by the members of the Commission.
- Setting authorisation limits for the disbursement of the Commission's funds.
- Regular review by the members of the Commission of periodic and annual financial information and reports (including management accounts), which indicate financial performance against budgets.

The Commission established its Audit Committee in 2015. The Committee met for the first time on 23rd March 2015.

Mechanisms for ensuring the adequacy of the security of the Information and Communication Technology (ICT) systems that included the establishment of appropriate policies and control procedures had been established.

ANNUAL REVIEW OF CONTROLS

The Commission did not conduct a review of the effectiveness of the system of internal financial control in respect of the 2 months financial period ended 31st December 2014. The Commission intends to conduct the review in the year ended 31st December 2015.

Signed on behalf of the Competition and Consumer Protection Commission:


Isolde Goggin
Chairperson

Date: 21/12/15



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Competition and Consumer Protection Commission

I have audited the financial statements of the Competition and Consumer Protection Commission for the period 31 October 2014 to 31 December 2014 under the Competition and Consumer Protection Act 2014. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 31 of the Act and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Commission

The Commission is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of its affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Commission's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Commission's affairs at 31 December 2014 and of its income and expenditure for the period 31 October 2014 to 31 December 2014.

In my opinion, proper books of account were kept by the Commission. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Commission's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Seamus McCarthy
Comptroller and Auditor General
29 December 2015

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT OF ACCOUNTING POLICIES

ACCOUNTING POLICIES

1. GENERAL

The Competition and Consumer Protection Commission was established on 31st October 2014, by the Minister for Jobs, Enterprise and Innovation, under the Competition and Consumer Protection Act, 2014.

The Act also provided for the dissolution of the National Consumer Agency (NCA) and The Competition Authority (TCA) with effect from 30th October 2014.

The staff, assets, rights and obligations of legacy bodies were transferred to the Competition and Consumer Protection Commission in accordance with the Act. A Summary of the assets and liabilities transferred on the 31st October 2014 is set out below.

Net Assets	NCA €	TCA €	TOTAL €
Fixed Assets	73,264	79,157	152,421
Cash on Hand and at Bank	321,627	144,421	466,048
Debtors and Prepayments	1,761,479	30,559	1,792,038
Creditors and Accruals	(1,870,909)	(169,315)	(2,040,224)
Provision	-	(1,700,000)	(1,700,000)
Pension liabilities	(2,216,000)	(12,828,000)	(15,044,000)
Deferred pension funding	2,216,000	12,828,000	15,044,000
Net Assets Transferred to the Commission	285,461	(1,615,178)	(1,329,717)
Capital and Reserves			
Capital Accounts	73,264	79,156	152,420
Income and expenditure	212,197	(1,694,334)	(1,482,137)
	285,461	(1,615,178)	(1,329,717)

2. BASIS OF ACCOUNTING

The financial statements are prepared under the accruals method of accounting, except as indicated below, in accordance with generally accepted accounting principles under the historical cost convention.

The Financial Statements are in the form approved by the Minister for Jobs, Enterprise and Innovation with the concurrence of the Minister for Public Expenditure and Reform.

Financial Reporting Standards recommended by the accountancy bodies are adopted as they become operative. The unit of currency is the Euro.

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT OF ACCOUNTING POLICIES

(CONTINUED)

3. GRANT

Income shown in the accounts under Department of Jobs, Enterprise and Innovation (D/JEI) Grants is accounted for on a cash receipts basis.

In addition, D/JEI provides funding for the Public Awareness and Financial Services functions, on the condition that these funds would be reimbursed to D/JEI upon receipt of the Commission levy.

4. LEVY

The Commission is responsible for consumer information and education functions relating to financial services under section 10(3)(j) of the Act 2014.

The cost of the Commission's financial services function is funded by a levy on regulated financial service entities. Income is taken into account in respect of the levy in the period in which the regulated financial service entities were subject to regulation by the Central Bank.

Section 24D of the Consumer Protection Act 2007 provides that the Commission may enter into an arrangement with a prescribed body in relation to the collection of the levies. An agreement was signed with the Central Bank, one of the prescribed bodies, who collected the levies on behalf of the Commission.

Provisions for correcting a surplus or deficiency in Levy income that occur in a financial year are defined in Section 24C of the Consumer Protection Act (as inserted by the Central Bank Reform Act 2010), whereby the levy is reduced or increased the following year to reflect Commission expenditure in the performance of the consumer information and education functions referred to above.

5. APPLICATION FEES

Fees received by the Commission for the issuing of credit intermediary licences, pawnbroker licences, fixed payment notices, mergers and costs awarded by the courts are recorded as income of the Commission which are then reimbursed to D/JEI.

6. PERIOD OF FINANCIAL STATEMENTS

These financial statements have been prepared for the 2 month period from the establishment date 31st October 2014 to 31st December 2014.

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT OF ACCOUNTING POLICIES

(CONTINUED)

7. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Income and Expenditure Account on a straight line basis, at the rates set out below, so as to write off the assets, adjusted for residual value, over their expected useful lives as follows:-

Computer Hardware	20%
Computer Software	20%
Office Equipment	20%
Furniture	10%

8. CAPITAL ACCOUNT

State grants used for the purchase of fixed assets are transferred to the capital account in the year in which the expenditure is incurred and are credited to income over the estimated useful lives of the related assets. The capital account represents the unamortised amount of income used to finance fixed assets.

9. FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into euro and recorded at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet rate or a forward purchase contract rate where such contracts exist.

10. PENSIONS

Staff of the Commission comprise those directly employed by the Commission and officers on secondment and assignment from the civil service, public service and Central Bank. The Commission has no pension liability in respect of seconded and assigned staff. The Commission pays a superannuation contribution to D/JEI, the Central Bank and agencies (Office of Public Works, Houses of the Oireachtas, Department of Justice) for seconded and assigned staff at a rate of either 25% or 30% (depending upon date of entry to the Civil/Public Service), that is charged to expenditure.

The Competition and Consumer Protection Commission operates a defined benefit pension scheme for its staff, which is funded annually on a pay as you go basis from monies available to it, including monies provided by D/JEI and from contributions deducted from staff salaries.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method.

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT OF ACCOUNTING POLICIES

(CONTINUED)

10. PENSIONS (continued)

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are reflected in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from D/JEI.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from D/JEI.


The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect 1st January 2013. All new employees to the Competition and Consumer Protection Commission, who are new entrants to the Public Sector, on or after 1st January 2013 are members of the Single Scheme.

COMPETITION AND CONSUMER PROTECTION COMMISSION
INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

	Note	Period from 31.10.2014 to 31.12.2014 €
INCOME		
Grant	1	1,618,447
Income from Levy	2	331,383
		<u>1,949,830</u>
Application fees	3	197,886
Application fees reimbursed to D/JEI		(197,886)
Transfer from/(to) Capital Account	12	7,770
Net Deferred Funding for Pensions	13	192,000
		<u>2,149,600</u>
EXPENDITURE		
Staff Costs	4	1,103,928
Operational expenses	6	713,789
		<u>1,817,717</u>
SURPLUS FOR THE PERIOD		331,883
Accumulated Surplus at beginning of period		-
ACCUMULATED SURPLUS		331,883
Reserves transferred from National Consumer Agency		212,197
Reserves transferred from The Competition Authority		(1,694,334)
		<u>(1,150,254)</u>

The Statement of Accounting Policies and notes 1 - 20 form part of these financial statements. All income and expenditure for the year relates to continuing activities.


Isolde Goggin
Chairperson


Karen O'Leary
Member

Date: 21/12/15

21/12/15

COMPETITION AND CONSUMER PROTECTION COMMISSION
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

	Note	Period from 31.10.2014 to 31.12.2014
SURPLUS FOR THE FINANCIAL PERIOD		331,883
Experience gains/(losses) on pension scheme		(1,758,000)
Changes in assumptions underlying the present value of pension scheme liabilities		-
Actuarial gains/(losses) on pension liabilities	13	(1,758,000)
Adjustment to deferred pension funding		1,758,000
		<u>331,883</u>

The Statement of Accounting Policies and notes 1 - 20 form part of these financial statements.


Isolde Goggin
Chairperson


Karen O'Leary
Member

Date: 21/12/15

21/12/15

COMPETITION AND CONSUMER PROTECTION COMMISSION

**BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	As at 31 December 2014
FIXED ASSETS	8	144,651
CURRENT ASSETS		
Debtors and Prepayments	9	518,372
Cash on Hand and at Bank		466,305
		<u>984,677</u>
CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)		
Creditors and Accruals	10	434,932
Provision	11	1,700,000
		<u>2,134,932</u>
NET CURRENT ASSETS		<u>(1,150,255)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS		(1,005,604)
Deferred Pension Funding	13(iv)	16,994,000
Pension Liabilities	13(iv)	(16,994,000)
TOTAL NET LIABILITIES		<u>(1,005,604)</u>
CAPITAL AND RESERVES		
Capital Account	12	144,650
Income and Expenditure Account		(1,150,254)
		<u>(1,005,604)</u>

The Statement of Accounting Policies and notes 1 - 20 form part of these financial statements.


Isolde Goggin
Chairperson


Karen O'Leary
Member

Date: 21/12/15

21/12/15

COMPETITION AND CONSUMER PROTECTION COMMISSION
CASHFLOW STATEMENT
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

	Note	Period from 31.10.2014 to 31.12.2014
Reconciliation of Surplus to net cash inflow from operating activities		
		€
Surplus for the period		331,883
Transfer to capital account	12	(7,771)
Depreciation charged to Income and Expenditure account	8	11,866
(Increase) in debtors	9	(518,372)
Increase in creditors	10/11	2,134,932
Net cash inflow from operating activities		1,952,538
<u>CASHFLOW STATEMENT</u>		
Net cash inflow from operating activities		1,952,538
Capital expenditure		
Payment to acquire fixed assets	8	(4,096)
Proceeds from sale of fixed assets	8	-
Return on investments and servicing of finance		
Bank interest received		-
Transferred from legacy agencies		(1,482,137)
Increase in cash		466,305
Reconciliation of net cash flows to movement in net funds		
Increase in cash in the period		466,305
Net funds at the end of the period		466,305

The Statement of Accounting Policies and notes 1 - 20 form part of these financial statements.


Isolde Goggin
Chairperson

Date: 21/12/15


Karen O'Leary
Member

21/12/15

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

	Period from 31.10.2014 to 31.12.2014 €
1. GRANT	
D/JEI - Vote 34 - Subhead R0107 – Pay	840,153
D/JEI - Vote 34 - Subhead R0107 – Non Pay	803,294
D/JEI - Vote 34 - Subhead R0109 – Pay	31,196
D/JEI - Vote 34 - Subhead R0109 – Non Pay	50,000
	<hr/> 1,724,643
D/JEI - Vote 34 - Subhead R0109 – Pay (Reimbursed)	(31,196)
D/JEI - Vote 34 - Subhead R0109 – Non Pay (Reimbursed)	(50,000)
Employee pension contributions remitted 13	(25,000)
	<hr/> <hr/> 1,618,447

2. LEVY

Invoices totaling €1,988,301 covering the liability for the year ended 31 December 2014 as provided for in S.I. No. 458/2014 - Consumer Protection Act 2007 (National Consumer Agency) Levy Regulations 2014, were issued in October by the Central Bank. €1,656,917 was recognised in the National Consumer Agency financial statements for the 10 month period to 30 October 2014 and the remaining €333,384 is recognised as income in these financial statements. An amount of €1,625,000 had been transferred to the Commission by 31 December 2014. An amount of €388,307 remains to be collected at period end by the Central Bank.

	Period from 31.10.2014 to 31.12.2014 €
3. APPLICATION FEES	
Merger Fees**	80,000
Credit Intermediaries and pawnbroker licence fees*	112,484
Fixed Payment Notices*	3,600
Other income (Social welfare etc.)	1,802
Application fees reimbursed to D/JEI	(174,001)
Due to D/JEI	(23,885)
	<hr/> <hr/> -

*Number of licences issued (credit intermediaries - 176, pawnbrokers - 2).

Fixed payment notices - 12. Number of cases which costs were awarded by the courts - NIL.

Merger notifications – 10.

**Merger Income under the Competition Act 2002, part 3 Section B, as amended by Section 55 of the Competition and Consumer Protection Act 2014, merger notifications to the commission are accompanied by a fee of €8,000.

All merger receipts, credit intermediary receipts, fixed payment notices or other miscellaneous income received by the Commission are paid over to D/JEI.

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

	Period from 31.10.2014 to 31.12.2014 €
4. STAFF COSTS	
Salaries and wages – Assigned and Seconded Staff	706,266
Salaries and Wages – Central Bank Staff*	136,054
Superannuation – Staff Scheme	184,000
Superannuation – Assigned and Seconded Staff	38,023
Superannuation – Central Bank Seconded Staff*	31,707
Staff training	7,878
	<u>1,103,928</u>

Actual Staffing Levels – WTE 84.50

Approved ECF Staffing Levels 106

The Department of Jobs, Enterprise and Innovation administers the payroll for the Commission. Pension Levy deducted by the Department from the Commission staff was retained by the Department.

* As of 31st December 2014, fourteen Central Bank staff were seconded to the Commission to carry out the Commission's personal finance functions. The seconded staff remain as employees of the Central Bank which continues to pay their salaries. The Commission is responsible for reimbursing the pay costs, including superannuation contributions, of these seconded staff to the Central Bank. This reimbursement is carried out after the levy is collected from the financial services industry each year.

CHAIRPERSON'S REMUNERATION

The Chairperson was appointed on 31st October 2014. The Chairperson received a salary of €27,664 and expenses to the value of €596 covering the period 31st October 2014 to 31st December 2014.

The Chairperson is a member of an unfunded defined benefit public sector scheme and her pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme.

The Chairperson did not receive any performance related payments or any other benefit in kind during the period.

5. MEMBERS' TRAVEL AND SUBSISTENCE EXPENSES

	Period from 31.10.2014 to 31.12.2014 €
Member	
Karen O'Leary	-
Stephen Calkins	-
Gerald FitzGerald	-
Patrick Kenny	-
	<u>-</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

6. OPERATIONAL EXPENSES	Non-Levy 2014 €	Levy 2014 €	Total 2014 €
Post and Telecommunications	8,307	1,522	9,829
IT Equipment and Services	44,556	31,929	76,485
Printing and Stationery	3,473	94	3,567
Travel and Subsistence	7,060	2,272	9,332
Office Premises and General Maintenance	81,609	23,199	104,808
European Consumer Centre*	27,391	-	27,391
Incidental Expenses	7,302	460	7,762
Staff Related Expenditure	113	9	122
Legal Fees	9,418	-	9,418
Accountancy, Internal Audit, Evaluation Fees	46,141	13,893	60,034
Audit fee	9,162	7,605	16,767
Marketing, Promotion & Consumer Awareness Activities**	181,635	75,085	256,720
Depreciation	11,737	129	11,866
Call Centre	63,170	31,861	95,031
Insurance	4,678	1,463	6,141
Bank Charges	312	190	502
Amalgamation costs	17,664	-	17,664
Exchange loss	350	-	350
	524,078	189,711	713,789

*The European Consumer Centre (ECC) Ireland is part of a European network that provides advice, information and support on consumer rights when buying goods and services in another European country. The Commission co-funds the operation of ECC Ireland along with the European Commission.

** In performing its functions under the Act to promote and protect the interests of consumers, the Commission is required to carry out public awareness and information campaigns and to undertake research and analysis for the purpose of educating and advising consumers in relation to consumer protection. The allocation of this expenditure is as follows:

	Non-Levy 2014 €	Levy 2014 €	Total 2014 €
Advertising	13,573	2,472	16,045
Research	148,113	47,229	195,342
Public Relations	13,858	7,603	21,461
Distribution Services	-	845	845
Financial Education	-	15,374	15,374
Other	6,091	1,562	7,653
	181,635	75,085	256,720

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

7. LEVY RELATED FUNCTIONS

Included in Note 1, 4 and 6 are the following income and expenses for the levy related functions.

	Period from 31.10.14 to 31.12.14 €
Income	
Income from Levy	<u>331,383</u>
Expenditure	
<u>Pay</u>	
Salaries and Wages	161,472
Pension	37,485
Staff training	<u>1,984</u>
	200,941
<u>Non-Pay</u>	
Post & Telecommunications	1,522
IT Equipment & Services	31,929
Printing & Stationery	94
Travel & Subsistence	2,272
Office Premises & General Maintenance	23,199
Incidental Expenses	460
Staff Expenditure	9
Accountancy, Internal Audit, Evaluation Fees	13,893
Audit Fee	7,605
Advertising	31,003
Public Relations	7,603
Distribution Services	845
Financial Education	15,374
Research	18,698
Other Marketing Consumer Awareness Activities	1,562
Depreciation	129
Call Centre	31,861
Insurance	1,463
Bank Charges	<u>190</u>
	189,711
Total Expenditure	<u>390,652</u>
(Deficit) for the period	<u>(59,269)</u>
Surplus transferred from NCA at 31 st October 2014	311,937
Surplus at 31 st December	<u>252,668</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

8. FIXED ASSETS

	Computer Hardware €	Computer Software €	Furniture €	Office Equipment €	Total €
<u>Cost</u>					
Transferred from Legacy Agencies	374,161	253,197	304,046	99,629	1,031,033
Additions	4,096	-	-	-	4,096
Disposals*	-	-	-	-	-
At 31 st December 2014	378,257	253,197	304,046	99,629	1,035,129
<u>Depreciation</u>					
Transferred from Legacy Agencies	328,100	223,668	252,404	74,440	878,612
Charge for the year	4,273	1,649	4,336	1,608	11,866
Disposals*	-	-	-	-	-
At 31 st December 2014	332,373	225,317	256,740	76,048	890,478
<u>Net Book Value</u>					
At 31 st December 2014	45,884	27,880	47,306	23,581	144,651
At 31 st October 2014	46,061	29,529	51,642	25,189	152,421

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

	As at 31 December 2014 €
9. DEBTORS AND PREPAYMENTS	
Levy	388,307
Less: Provision for doubtful debts	(22,081)
Prepayments	152,146
	<u>518,372</u>
	As at 31 December 2014 €
10. CREDITORS AND ACCRUALS	
Creditors	50,947
Accruals	147,756
Repayment of grant	193,387
Professional Services Withholding Tax	16,494
Value Added Tax	2,463
Due to D/JEI	23,885
	<u>434,932</u>
	As at 31 December 2014 €
11. PROVISION FOR LEGAL COSTS	
As at 31 st October 2014	1,700,000
Charged to Income and Expenditure	-
Utilised in the year	-
	<u>1,700,000</u>
As at 31 st December 2014	<u>1,700,000</u>

At the period ended 31st December 2014, the Commission was engaged in a Supreme Court appeal of a High Court decision.

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

12. CAPITAL ACCOUNT

**As at
31 December
2014
€**

Assets transferred from legacy agencies	152,420
Transfer to Income and Expenditure account	
Grants used to acquire fixed assets	4,096
Amortisation in line with asset depreciation	(11,866)
Disposal of fixed assets	-
Transfer from capital account	(7,770)
	<hr/>
Closing Balance at period ended 31 st December 2014	<u>144,650</u>

13. SUPERANNUATION

i. Commission Staffing

In accordance with Section 29 of the Competition and Consumer Protection Act, 2014, the Commission has prepared and submitted to the Minister for his approval a scheme for the granting of superannuation benefits to these staff members and in respect of such members of the staff of the Commission as it may think fit. Administrative approval for the staff superannuation scheme has been received from the Department of Public Expenditure and Reform.

ii. Analysis of total pension costs charged to expenditure

**31 December 2014
€**

Current service cost	143,000
Interest on pension scheme liabilities	66,000
Less Employee contributions	(25,000)
	<u>184,000</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

iii. Movement in net pension liability during the financial period

	31 December 2014
	€
Net pension liability transferred from legacy agencies	(15,044,000)
Current service cost	(143,000)
Past service costs	-
Interest costs	(66,000)
Benefits paid in period	17,000
Actuarial loss	<u>(1,758,000)</u>
Net pension liability at 31 December	<u>(16,994,000)</u>

iv. Deferred funding asset for pensions

The Commission recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The Commission has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for Pensions recognised in the Income & Expenditure Account was as follows:

	31 December 2014
	€
Funding recoverable in respect of current period costs	209,000
Benefits paid in period	<u>(17,000)</u>
	<u>192,000</u>

The deferred funding asset for pensions as at 31 December 2014 amounted to €16,994,000.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

v. History of defined benefit obligations

	31 December 2014
	€
Defined benefit obligations	16,994,000
Experience losses / (gains) on scheme liabilities	
Amount	(1,758,000)
Percentage of scheme liabilities	10.3%
The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounts to €1,758,000.	

vi. Description of scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

The valuation used for FRS 17 (Revised) disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2014.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the period ended 31 December 2014 were as follows:

	31 December 2014
Discount rate	2.2%
Inflation rate	1.7%
Salary increases	3.7%
Pension increases	3.2%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The number of members in the Scheme and the number of deaths are too small to analyse and produce any meaningful Scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the pension liabilities are:

	2014
	Years
Male aged 65	21
Female aged 65	23.5

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

14. LATE PAYMENTS IN COMMERCIAL TRANSACTIONS

The Commission has overall responsibility for the organisation's compliance with the Prompt Payment of Accounts Act, 1997, which came into effect on 2 January 1998, and the European Communities (Late Payment in Commercial Transactions) Regulations 2012, which came into effect on 16 March 2013. The Commission has delegated this responsibility to management.

The system of internal control incorporates such controls and procedures that are considered necessary to ensure compliance with the Act. The organisation's system of internal control includes accounting and computer controls designed to ensure the identification of invoices and contracts for payment within the prescribed payment dates as defined by the Act. These controls are designed to provide reasonable, though not absolute, assurance against non-compliance with the Act. The Commission is satisfied that the Competition and Consumer Protection Commission complied with the provisions of the Act in all material aspects. There was no late payment interest paid in the period.

15. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2014.

16. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st December 2014.

17. COMMISSION MEMBERS' INTERESTS

The Commission adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of interests by Commission Members and these procedures have been adhered to in the year. There were no transactions in the period in relation to the Commission's activities in which the Commission Members had any beneficial interest. The Competition and Consumer Protection Commission is now recognised as a public body under the Ethics in Public Office Acts, 1995 and 2001 and in accordance with Statutory Instrument No 607 of 2008, which came into operation on 1 January, 2009, the Commission Members are obliged to submit declarations of interest in respect of the period ended 31st December 2014 to the Standards in Public Office Commission.

COMPETITION AND CONSUMER PROTECTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 OCTOBER 2014 TO 31 DECEMBER 2014

18. PREMISES

- a) Land and Buildings: The Competition and Consumer Protection Commission do not own land and buildings.
- b) Leasehold Property: The Competition and Consumer Protection Commission rents office space at the following addresses.

Location	Lease Expiry Date	Break Clause	Annual Premium €'000
4-5 Harcourt Road* Dublin 2	October 2015	None	454
Parnell House** 14 Parnell Square Dublin 1	N/A	N/A	N/A

*Harcourt road is leased through The Commissioner of Public Works in Ireland.

**Parnell House is occupied rent free, on which the Department of Jobs, Enterprise and Innovation holds the lease.

19. ACCOUNTING PERIOD

The financial statements cover 2 month period from 31st October 2014 to 31st December 2014. As this is the first accounting period of the new Commission comparative figures are not included in the primary statements. The following table is produced for information purposes showing combined key figures of the dissolved bodies for 2013 compared with the 2014 figures of the dissolved bodies for 10 months and the new Commission for 2 months.

	€ million	
	Income	Expenditure
NCA and Competition Authority combined 2013	12.525	12.796
NCA 10 month to 31 Oct 2014	5.227	5.595
Competition Authority 10 months to 31 Oct 2014	4.767	4.400
CCPC 2 months to 31 December 2014	<u>2.150</u>	<u>1.818</u>
Total 2014	12.144	11.813

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Competition and Consumer Protection Commission at its meeting on the 21st December 2015.