



COMPETITION AND CONSUMER PROTECTION COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

COMPETITION AND CONSUMER PROTECTION COMMISSION

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COMPETITION AND CONSUMER PROTECTION COMMISSION

INFORMATION

Members of the Commission:	Isolde Goggin – Chairperson Patrick Kenny Fergal O’Leary Brian McHugh
Commission Address:	Bloom House Railway Street Dublin 1
Accountants:	Crowleys DFK 16/17 College Green Dublin 2
Auditors:	The Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
Web Site:	www.ccpc.ie

COMPETITION AND CONSUMER PROTECTION COMMISSION
GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

Governance

The Board of the Competition and Consumer Protection Commission (referred to as the Commission) was established under the Competition and Consumer Protection Act 2014 (the 2014 Act). The 2014 Act dissolved the National Consumer Agency (NCA) and the Competition Authority (TCA) with effect from 30 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 (CCPC) in accordance with the 2014 Act.

The functions of the Commission are set out in section 10 of the 2014 Act. The Commission has a wide range of functions derived from the legislation governing the two legacy agencies and some new functions under the 2014 Act. Its functions include:

- investigating and challenging practices that are damaging to consumers and/or the wider economy.
- bringing anti-competitive behaviour and practices that are harmful to consumers to an end, where necessary via court actions.
- providing information to consumers to help them make informed decisions, including a specific role relating to financial services.
- examining certain mergers and acquisitions to ensure that there is not a substantial lessening in competition in markets.
- advising policy makers in relation to consumer protection and competition matters.
- promoting compliance with the new regulatory regime in the grocery sector aimed at ensuring balance and fairness in commercial relationships.
- engaging in market surveillance in relation to the safety of products covered by EU Directives.

The Commission is accountable to the Minister for Business, Enterprise and Innovation and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The day-to-day management, control and direction of the CCPC are the responsibility of the Chairperson, the Members of the Commission and the senior management team.

Commission Responsibilities

The work and responsibilities of the Commission are set out in documented procedures which contain the matters specifically reserved for Commission decision as set out in Section 10 (7) of the 2014 Act i.e. functions that the Commission may not delegate. Standing items considered by the Commission include:

- reports from committees,
- financial reports,
- formal Commission decisions,
- declaration of interests,
- reports from divisions, and reserved matters.

Section 31 of the 2014 Act requires the Commission to keep, in such form as may be approved by the Minister for Business, Enterprise and Innovation with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

COMPETITION AND CONSUMER PROTECTION COMMISSION
GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

In preparing these 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 it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Commission is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 31 of the Competition and Consumer Protection Act 2014. The maintenance and integrity of the corporate and financial information on the CCPC's website is the responsibility of the Commission.

The Commission is responsible for approving the annual plan and budget. Evaluation of the performance of the CCPC by reference to the annual plan and budget is discussed regularly at Commission meetings.

The Commission is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commission considers that the financial statements of the CCPC give a true and fair view of the financial performance and the financial position of the CCPC at 31 December 2019.

Commission Structure

The CCPC is governed by a Commission which consists of a Chairperson and up to six members, all of whom are appointed by the Minister for Business, Enterprise and Innovation for a term not exceeding five years. Commission members may be reappointed for a further period of five years with the permission of the Minister. Commission members cannot be appointed for more than two terms. The Chairperson is responsible for the running of the organisation and for its corporate governance. The Chairperson is assisted in the management, control and direction of the CCPC by the Members and other senior executives. The Chairperson and Members form a collegiate decision-making Commission for key statutory decisions, in addition to having whole-time executive responsibilities.

The Commission has two scheduled meetings per month. In addition, Ad Hoc meetings are scheduled where matters arising are urgent, are reserved to the Commission and cannot be delegated and/or where there are statutory timeframes. Examples would be decisions on Phase 2 mergers, use of enforcement powers or requests for co-operation from foreign agencies. The table below details the appointment period for current members:

Board Member	Role	Date Appointed
Isolde Goggin	Chairperson	1 st October 2016 (date renewed)
Patrick Kenny	Member	9 th January 2017 (date renewed)
Fergal O'Leary	Member	18 th July 2016
Brian McHugh	Member	1st September 2017

An external evaluation of the Commission's performance was conducted in line with the 2016 Code of Practice for the Governance of State Bodies.

COMPETITION AND CONSUMER PROTECTION COMMISSION
GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

The Commission has established an **Audit and Risk Committee**.

The Audit and Risk Committee comprises a Chairperson and three members (two of whom are external / independent). The role of the Audit and Risk Committee (ARC) is to support the Commission in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Commission after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are: Conor Blackwell (external Chairperson), Pat Kenny (internal), Jimmy Murphy (external) and Carmel Foley(external). There were 4 meetings of the ARC in 2019.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Commission and Committee meetings for 2019 is set out below including the fees and expenses received by each member:

	Commission	Audit & Risk Committee	Salaries 2019 €	Fees 2019 (paid annually in arrears) €	Expenses in relation to attending Commission meetings 2019 €
Number of meetings	46	4			
Isolde Goggin	42	-	167,162	-	-
Patrick Kenny	42	4	139,889	-	-
Fergal O'Leary	46	-	139,889	-	-
Brian McHugh	43	-	139,889	-	-
Conor Blackwell	-	4	-	1,414	-
Jimmy Murphy	-	4	-	1,414	-
Carmel Foley	-	4	-	-	-
Brian Whitney (retired in Jan 2019)	-	0/0	-	-	-
			586,829	2,828	-

* Members of the Commission do not receive fees as they are not external (part-time) board members but are employed by the Department of Business, Enterprise and Innovation as full-time Executive Board members of the CCPC.

Key Personnel Changes

Mr. Brian Whitney retired as Chair and member of the ARC and was replaced as Chair by existing member Mr. Conor Blackwell in January 2019. Ms. Carmel Foley joined the ARC in January 2019.

A new Head of Finance was appointed in October 2019.

COMPETITION AND CONSUMER PROTECTION COMMISSION
GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Commission is responsible for ensuring that the CCPC has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are outlined in Note 5 to the financial statements.

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2019	2018
	€	€
Legal advice	76,863	109,053
Strategy and organisational development	-	7,780
Economic advice	164,437	32,340
IT consultancy	14,176	1,353
Other	20,757	-
Total consultancy costs	276,233	150,526
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	276,233	150,526
Total	276,233	150,526

COMPETITION AND CONSUMER PROTECTION COMMISSION
GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Commission which is disclosed in Consultancy costs above.

	2019	2018
	€	€
Legal fees - enforcement	100,343	71,669
Utilisation / reduction in legal provision *	-	(1,125,000)
Conciliation and arbitration payments	-	-
Settlements	-	1,125,000
Total	100,343	71,669

* See note 11 to the financial statements for further detail.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019	2018
	€	€
Domestic		
- Commission *	153	511
- Employees	42,934	41,693
International		
- Commission *	14,718	10,530
- Employees	69,188	61,653
Total	126,993	114,387

* includes travel and subsistence of €3,865 paid directly to Commission Members in 2019 (2018 €5,499). The balance of €11,006 (2018: €5,542) relates to expenditure paid in connection with travel undertaken by Commission Members. A breakdown of expenses among Commission Members is contained in Note 5 to the financial statements.

COMPETITION AND CONSUMER PROTECTION COMMISSION
GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

Hospitality Expenditure

The Statement of Income and Expenditure includes the following hospitality expenditure:

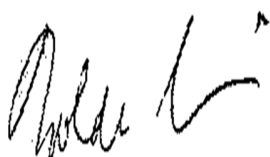
	2019	2018
	€	€
Staff and corporate hospitality	3,785	1,196
Client hospitality	-	-
Total	<u>3,785</u>	<u>1,196</u>

Statement of Compliance

The Commission has adopted the Code of Practice for the Governance of State Bodies (the Code), as published by the Department of Public Expenditure and Reform in August 2016. The Commission has procedures in place to ensure compliance with the Code and the Commission was in compliance with the Code for 2019.

The Code of Practice for the Governance of State Bodies provides that agreement may be sought by State bodies from their relevant Minister/parent Department in respect of provisions that may be applied proportionately for use by them. The Commission wrote to the Department of Business, Enterprise and Innovation (DBEI) in this regard and received clarification and agreement in respect of the following:

- Provisions in relation to role of the Board, role of the Chairperson and role of Board members
The stewardship structure of the Commission is atypical. There is no Board structure. The Commission undertakes the collective role of a Board with the Chairperson undertaking the role of an accounting officer. Therefore, in addition to performing its duties as a "Board", the Commission also performs executive functions.



Isolde Goggin
Chairperson

Date 9th July 2020



Brian McHugh
Member

Date 3rd July 2020

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT ON INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

On behalf of the Competition and Consumer Protection Commission, we acknowledge the Commission's responsibility for ensuring that an effective system of Internal Control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of Internal Control is designed to manage risks to a tolerable level rather than eliminate it. The system can therefore 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.

The system of Internal Control, which accords with the guidance issued by the Department of Public Expenditure and Reform has been in place in the CCPC for the year ended 31 December 2019 and up to the date of approval of the financial statements.

CAPACITY TO HANDLE RISK

The Audit and Risk Committee comprises a Chairperson and three members (two of whom are external / independent). The ARC met 4 times in 2019.

The Commission has a properly constituted internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies (revised 2016). The Commission's monitoring and review of effectiveness of the systems of Internal Control is informed by the work of the outsourced internal auditor and the Audit and Risk Committee. The following external reviews were carried out in 2019:

- Review of Effectiveness of Internal Controls;
- Business Continuity and Disaster Recovery;
- Competition Enforcement & Mergers Competence and Capacity;
- Review of Procurement;
- A follow up review in respect of the recommendations made in 2017 & 2018 internal audit reviews.

The Commission has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff to alert management on emerging risks and control weaknesses. This policy is reviewed by the Commission on an annual basis and, where revisions are approved, is presented to the CCPC's Audit and Risk Committee for review.

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

RISK AND CONTROL FRAMEWORK

The CCPC has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A corporate risk register is in place which identifies the key risks facing the CCPC and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Commission on a quarterly basis. The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

The most up-to-date Corporate Risk Register is provided in advance of each Audit and Risk Committee meeting along with a memo detailing any changes, including the reasoning for such changes.

The systems of Internal Control are 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.

We confirm that a control environment containing the following elements is in place:

- A comprehensive budgeting system with an annual budget, which is reviewed and approved by the Members of the Commission;
- Authorisation limits are set 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;
- There are clearly defined management responsibilities, including financial responsibilities which have been assigned with corresponding accountability;
- There are policies and procedures for all key business processes, which are reviewed regularly;
- Monitoring and reporting on internal control processes, including an Annual Assurance Statement completed by Directors/Heads of Unit;
- There are mechanisms and systems aimed at ensuring the security of the Information and Communication Technology (ICT) systems;
- There are formal procedures to monitor the activities and safeguard the assets of the organisation and;
- Payment of CCPC's salaries is conducted through the National Shared Services Office (NSSO) and is covered by an Employee Services Management Agreement between the NSSO and the CCPC's parent Department (DBEI).

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

ONGOING MONITORING AND REVIEW

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to senior management and the Commission, where relevant, in a timely manner. We can confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- There are regular reviews by the Commission and senior management of periodic and annual performance and financial reports which indicate performance against budget and forecasts

PROCUREMENT

We confirm that during 2019 the CCPC has procedures in place to ensure compliance with current procurement rules and matters arising regarding controls over procurement are highlighted under internal control issues.

REVIEW OF EFFECTIVENESS

We confirm that the CCPC has procedures to monitor the effectiveness of its risk management and control procedures. The Commission's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within the CCPC responsible for the development and maintenance of the internal control framework.

We confirm that the Commission conducted an annual review of the effectiveness of the internal controls for 2019. The Statement on Internal Control has been reviewed by the Audit and Risk Committee and the Commission to ensure it accurately reflects the control system in operation during the reporting period.

A review of Internal Controls in 2019 was carried out and signed off by the Commission in February 2020.

The Commission is reasonably assured that the system of Internal Control instituted and implemented in the CCPC for the financial year ended 31st December 2019 is effective.

COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

INTERNAL CONTROL ISSUES

Details of weaknesses	Mitigating actions
<p>Procurement</p> <p>The 2017 audit found:</p> <ul style="list-style-type: none">that no current procurement contract was in place in respect of expenditure on mobile phone services in an amount of €37,000 (approx.). <p>A separate issue was identified during 2018 in relation to procurement:</p> <ul style="list-style-type: none">This issue relates to a difference between the contract duration on the RFT and Award Notice versus the final contract for media buy services. Both the RFT and the Award Notice made reference to a contract duration of two years with the provision for one 12 month extension, however, due to an administration error, the duration on the signed contract provided for two 12 month extensions. The first attempt at a formal procurement process for a replacement service using an OGP framework wasn't successful, due to issues with the pricing schedule, which meant that the second 12 month extension, provided for in the contract, had to be used.	<p>The formal procurement of mobile phone services was part of ICT procurement in Q2 2019 and a new contract is now in place. The value of non-compliant spend on these services in 2019 was €14,835.</p> <p>A second attempt at procurement of a replacement service has been completed with a new contract in place since Q2 2019. The value of non-compliant spend on these services in 2019 was €38,101.</p> <p>An internal audit on procurement took place in 2019 and the audit noted that the existing controls, risk and governance in place in relation to procurement are basically sound and can provide a satisfactory level of assurance regarding the effective and efficient achievement of CCPC's objectives.</p>

On behalf of the Competition and Consumer Protection Commission:



Date: 9th July 2020

Isolde Goggin
Chairperson



Date: 3rd July 2020

Brian McHugh
Member



Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Competition and Consumer Protection Commission

Opinion on the financial statements

I have audited the financial statements of the Competition and Consumer Protection Commission for the year ended 31 December 2019 as required under the provisions of section 31 of the Competition and Consumer Protection Act 2014. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Competition and Consumer Protection Commission at 31 December 2019 and of its income and expenditure for 2019 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Competition and Consumer Protection Commission and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Competition and Consumer Protection Commission has presented certain other information together with the financial statements. This comprises the governance statement and Commission members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

10 July 2020

Appendix to the report

Responsibilities of Commission members

As detailed in the governance statement and Commission members' report, the Commission members are responsible for

- the preparation of financial statements in the form prescribed under section 31 of Competition and Consumer Protection Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 31 of the Competition and Consumer Protection Act 2014 to audit the financial statements of the Competition and Consumer Protection Commission and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Competition and Consumer Protection Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Competition and Consumer Protection Commission to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

COMPETITION AND CONSUMER PROTECTION COMMISSION
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
INCOME		€	€
Oireachtas Grant	2	9,732,193	9,658,212
Income from Levy	3	2,568,251	2,199,706
Other Income		14	14
		<u>12,300,458</u>	<u>11,857,932</u>
Application Fees	4	949,178	1,332,370
Application Fees Reimbursed/Reimbursable to D/BEI		(949,178)	(1,332,370)
Transfer from/(to) Capital Account	12	8,959	24,974
Net Deferred Funding for Pensions	13	1,200,000	1,115,000
		<u>13,509,417</u>	<u>12,997,906</u>
EXPENDITURE			
Staff Costs	5	8,252,342	7,696,105
Operational Expenses	6	5,467,013	4,176,514
		<u>13,719,355</u>	<u>11,872,619</u>
(DEFICIT) / SURPLUS FOR THE YEAR		(209,938)	1,125,287
Balance brought forward at 1 January		615,353	(509,934)
Balance brought forward at 31 December		<u>405,415</u>	<u>615,353</u>

The Statement of Cash Flows and Notes 1 - 20 form part of these financial statements.

On behalf of the Commission of the Competition and Consumer Protection Commission:



Isolde Goggin
Chairperson

Date: 9th July 2020



Brian McHugh
Member

Date: 3rd July 2020

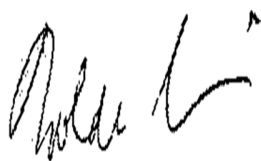
COMPETITION AND CONSUMER PROTECTION COMMISSION

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019	2018
	Notes	€	€
(DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR		(209,938)	1,125,287
Experience (losses) on retirement benefit obligations	13iii	(257,000)	(646,000)
Changes in assumptions underlying the present value of retirement benefit obligations	13iii	(4,877,000)	595,000
Past service (losses)	13iii	(5,778,000)	-
Total actuarial (losses) in the year		<u>(10,912,000)</u>	<u>(51,000)</u>
Adjustment to deferred retirement benefits funding		10,912,000	51,000
Total Comprehensive Income for the year		<u><u>(209,938)</u></u>	<u><u>1,125,287</u></u>

The Statement of Cash Flows and Notes 1 – 20 form part of these financial statements.

On behalf of the Commission of the Competition and Consumer Protection Commission:



Isolde Goggin
Chairperson

Date: 9th July 2020



Brian McHugh
Member

Date: 3rd July 2020

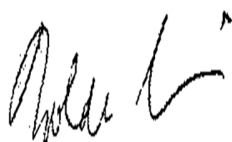
COMPETITION AND CONSUMER PROTECTION COMMISSION

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	As at 31 December 2019 €	As at 31 December 2018 €
FIXED ASSETS			
Property, plant & equipment	8	176,202	185,161
CURRENT ASSETS			
Receivables	9	511,809	249,344
Cash and cash equivalents		528,620	657,482
		<u>1,040,429</u>	<u>906,826</u>
CURRENT LIABILITIES (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Payables	10	<u>(635,014)</u>	<u>(291,473)</u>
NET CURRENT ASSETS		405,415	615,353
NET ASSETS (BEFORE LONG TERM LIABILITIES)		581,617	800,514
LONG TERM LIABILITIES (AMOUNTS FALLING DUE AFTER ONE YEAR)			
Provision	11	-	-
RETIREMENT BENEFITS			
Retirement benefit obligations	13iii	(35,775,000)	(23,663,000)
Deferred retirement benefit funding asset	13iv	35,775,000	23,663,000
TOTAL NET ASSEST / (LIABILITIES)		<u><u>581,617</u></u>	<u><u>800,514</u></u>
REPRESENTING			
Capital Account	12	176,202	185,161
Retained revenue reserves		405,415	615,353
		<u><u>581,617</u></u>	<u><u>800,514</u></u>

The Statement of Cash Flows and Notes 1 - 20 form part of these financial statements.

On behalf of the Commission of the Competition and Consumer Protection Commission:



Isolde Goggin
Chairperson
Date: 9th July 2020



Brian McHugh
Member
Date: 3rd July 2020

COMPETITION AND CONSUMER PROTECTION COMMISSION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019	2018
Net Cash Flow from Operating Activities		€	€
Excess (expenditure over income) / income over expenditure		(209,938)	1,125,287
Bank interest received		(14)	(14)
Transfer (from)/to capital account	12	(8,959)	(24,974)
Depreciation of fixed assets	8	89,011	75,508
Loss on disposal of fixed assets	6	1,459	1,606
(Increase) in receivables	9	(262,465)	(45,692)
Increase / (Decrease) in payables	10/11	343,541	(1,127,532)
Net cash (outflow) / inflow from Operating Activities		(47,365)	4,189
 Cash flows from Investing Activities			
Payment to acquire property, plant & equipment	8	(81,511)	(52,139)
Net cash flows from Investing Activities		(81,511)	(52,139)
 Cash flow from Financing Activities			
Bank interest received		14	14
Net (Decrease)/Increase in cash and cash equivalents		(128,862)	(47,936)
 Cash and cash equivalents at the beginning of the year		657,482	705,418
Cash and cash equivalents at the end of the year		528,620	657,482

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

The basis of accounting and significant accounting policies adopted by the Competition and Consumer Protection Commission are set out below. They have all been applied consistently throughout the year and for the preceding year.

A) GENERAL

The Competition and Consumer Protection Commission was established on 31 October 2014, by the Minister for Business, 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 30 October 2014. The staff, assets, rights and obligations of legacy bodies were transferred to the Commission in accordance with the Act. The Competition and Consumer Protection Commission is a Public Benefit Entity.

B) STATEMENT OF COMPLIANCE

The financial statements of the Commission for the year ended 31 December 2019 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

C) BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Business, Enterprise and Innovation with the concurrence of the Minister for Public Expenditure and Reform. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Commission's financial statements.

The Financial Statements are prepared in Euro which is the functional currency of the Commission.

D) REVENUE

Oireachtas Grant

Revenue is generally recognised on an accruals basis. An exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts basis. The DBEI provides funding for the Public Awareness and Financial Education functions, on the condition that these funds would be reimbursed to DBEI upon receipt of the Commission levy.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

E) LEVY INCOME

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

The cost of the Commission's financial services function is funded by a levy on regulated financial service entities (this funds a total of 21 staff). Income is taken into account in respect of the levy for 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 (as inserted by the Central Bank Reform Act 2010) provides that the Commission may enter into an arrangement with a prescribed body in relation to the collection of the levies.

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.

Costs related solely to levy funded activities are recorded as levy expenditure, while costs related solely to exchequer funded activities are recorded as exchequer expenditure. Other costs that are in relation to both levy and exchequer funded CCPC functions (mainly services costs) are apportioned on the basis of the split of total staff numbers assigned to levy funded functions and exchequer funded functions respectively.

F) APPLICATION FEES INCOME

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/BEI.

G) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at their historical cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment at rates estimated to write off the cost less the estimated residual value of each asset on a straight-line basis over their estimated useful lives, as follows:

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

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life. If there is objective evidence of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

H) 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.

I) 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 reporting date or a forward purchase contract rate where such contracts exist.

J) RECEIVABLES

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Commission will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

K) PROVISIONS

Provisions are recognised when the Commission has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

L) CONTINGENCIES

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Commission's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

M) OPERATING LEASE

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

N) EMPLOYEE BENEFITS

Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

Retirement Benefits

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/BEI, and the Central Bank 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 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/BEI and from contributions deducted from staff salaries. Defined benefit contributions are retained by the CCPC.

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 of the Commission, who are new entrants to the Public Sector, on or after 1st January 2013 are members of the Single Scheme. Single Scheme contributions are remitted to the Department of Public Expenditure and Reform.

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

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

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/BEI.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

O) CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

(a) Impairment of property, plant and equipment

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(b) Depreciation and Residual Values

The Commission have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

(c) Provision for doubtful debts

The Commission makes an estimate of the recoverable value of trade debtors and other debtors. The Commission uses estimates based on historical experience in determining the level of debts, which may not be collected. These estimates include such factors as the current rating of the debtor, the ageing profile of debtors and historical experience. The level of provision required is reviewed on an on-going basis.

(d) Provisions

The Commission makes provisions for legal and constructive obligations, which it knows to be outstanding at the period end date. These provisions are generally made based on historical or other pertinent information, adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. As a result of this and the level of uncertainty attaching to the final outcomes, the actual out-turn may differ significantly from that estimated.

(e) Retirement benefit obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. OIREACHTAS GRANT

All funding is provided through the Department of Business, Enterprise and Innovation (DBEI) Vote 32

Vote Subhead	2019	2018
	€	€
C.8 (i) – Pay	6,090,193	5,697,212
C.8 (i) – Non Pay	3,870,000	4,169,000
C.8 (ii) – Pay	831,985	780,989
C.8 (ii) – Non Pay	1,052,000	810,000
	<u>11,844,178</u>	<u>11,457,201</u>
C.8 (ii) Pay (Reimbursed)	(831,985)	(780,989)
C.8 (ii) – Non Pay (Reimbursed)	(1,052,000)	(810,000)
Employee pension contributions retained	(228,000)	(208,000)
	<u>9,732,193</u>	<u>9,658,212</u>

	2019	2018
	€	€
3. LEVY		
Opening Balance 01 Jan	11,862	(28,429)
Levy invoices issued	2,568,251	2,199,706
Levy receipts collected	(2,476,260)	(2,154,896)
Levy bad debt	(3,921)	(4,519)
Closing Balance 31 Dec	<u>99,932</u>	<u>11,862</u>

Invoices totalling €2,568,251 covering the liability for the year ended 31 December 2019 as provided for in S.I No.509 of 2019 - Consumer Protection Act 2007 (Competition and Consumer Protection Commission) Levy Regulations 2019, were issued in October. An amount of €99,932 remained to be collected at year end.

Levy invoices are written off when they are deemed irrecoverable. This normally occurs when an organisation has ceased operating.

	2019	2018
	€	€
4. APPLICATION FEES		
Merger Fees*	368,000	768,000
Credit Intermediaries and pawnbroker licence fees**	528,188	538,199
Fixed Payment Notices**	8,700	4,500
Court Awards	3,051	8,550
Other income (Social welfare etc.)	41,239	13,121
Application fees reimbursed to D/BEI	(886,923)	(1,272,571)
Compensation paid to consumer	(3,051)	(8,000)
Due to D/BEI	(59,204)	(51,799)
	<u>-</u>	<u>-</u>

*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.

Merger notifications – 2019: 46 (2018: 96).

**Number of licences issued: credit intermediaries – 861 (2018: 840), pawnbrokers – 3 (2018: 3).

Fixed payment notices – 29 (2018: 15). Number of cases where costs were awarded by the courts -2 (2018: 2).

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

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. STAFF COSTS	2019	2018
	€	€
Salaries and Wages	6,424,593	5,544,648
Salaries and Wages – Central Bank Staff*	176,087	209,496
Superannuation – Staff Scheme	1,427,000	1,515,000
Superannuation – Assigned and Seconded Staff	75,023	300,182
Superannuation – Central Bank Seconded Staff*	39,663	53,442
Staff training	109,976	73,337
	<u>8,252,342</u>	<u>7,696,105</u>
Actual Staffing Levels – WTE (at year end)	104	102

From 1 January 2019 onwards, members of public service defined benefit pension schemes pay an additional superannuation contribution (ASC) arising from the Public Service Stability Agreement (2018- 2020) and the Public Service Pay and Pensions Act 2017. ASC has replaced the pension-related deduction (PRD) which ceased at the end of 2018. While PRD was a temporary emergency measure, ASC is a permanent contribution in respect of pensionable remuneration.

The DBEI administers the payroll for the Commission (migrated to Payroll Shared Services Centre during 2017). Additional Superannuation Contributions of €227,742 deducted by the Department from the Commission staff was retained by the Department. The Department also remitted single scheme employee contributions €114,638 to DPER in respect of Commission staff.

There were no termination payments made in the year. Included in salaries and wages above are amounts of €1,537 relating to overtime.

* As of 31 December 2019, one Central Bank staff member was seconded to the Commission to assist with carrying out the Commission's personal finance functions. The seconded staff member remains as an employee of the Central Bank which continues to pay their salary. The Commission is responsible for reimbursing the pay costs, including superannuation contributions, of this seconded staff member to the Central Bank. This reimbursement is carried out after the levy is collected from the financial services industry each year.

A) CHAIRPERSON'S REMUNERATION

The Chairperson was appointed on 31 October 2014 (having been Chairperson of the Competition Authority up to then). The Chairperson was reappointed on 1st October 2016 for a five year term ending 30th September 2021. The Chairperson received salary payments of €167,162 (2018: €161,270) and incurred travel costs to the value of €8,470 (2018: €6,860) in the year 2019.

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 relevant public sector defined benefit superannuation scheme.

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

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

B) EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits (from €60,000 upwards)

From	To	2019	2018
€60,000	- €69,999	6	9
€70,000	- €79,999	9	10
€80,000	- €89,999	11	7
€90,000	- €99,999	3	4
€100,000	- €109,999	3	1
€110,000	- €119,999	-	-
€120,000	- €129,999	-	-
€130,000	- €139,999	3	3
€140,000	- €149,999	-	-
€150,000	- €159,999	-	-
€160,000	- €169,999	1	1
		36	35

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments on behalf of the employee, but exclude employer's PRSI.

C) MEMBERS' TRAVEL AND SUBSISTENCE EXPENSES

Member	2019	2018
	€	€
Isolde Goggin	8,470	6,860
Patrick Kenny	4,470	693
Fergal O'Leary	336	623
Brian McHugh	1,595	2,865
	14,871	11,041

Key management personnel remuneration is disclosed in note 17 to the financial statements.

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. OPERATIONAL EXPENSES

	2019			2018
	Non-Levy €	Levy €	Total €	Total €
Post & Telecommunications	48,930	12,580	61,510	78,791
IT Equipment & Services	333,313	175,408	508,721	408,100
Printing & Stationery	20,603	4,445	25,048	17,386
Travel & Subsistence - National	41,057	2,030	43,087	42,204
Travel & Subsistence – International	80,413	3,493	83,906	72,183
Office Premises & General Maintenance	598,600	149,515	748,115	691,086
European Consumer Centre*	207,096	-	207,096	213,052
Incidental Expenses	46,192	7,410	53,602	65,198
HR Related Expenditure	10,086	1,034	11,120	-
Legal Fees	175,082	2,124	177,206	180,722
Legal Settlements	-	-	-	1,125,000
Reduction in legal provision	-	-	-	(1,125,000)
Other consultancy costs	440,414	4,608	445,022	79,909
Internal Audit	23,321	5,830	29,151	22,422
Financial administration	135,969	37,092	173,061	171,855
Audit fee	19,600	4,900	24,500	23,000
Marketing, Promotion & Consumer Awareness Activities**	933,785	1,014,412	1,948,197	1,373,522
Recruitment	278,497	-	278,497	107,814
Depreciation	89,011	-	89,011	75,508
Call Centre	398,610	99,653	498,263	497,093
Insurance	41,534	10,527	52,061	51,227
Bank Charges	912	175	1,087	1,098
Loss on disposal of fixed assets	1,459	-	1,459	1,606
Allowance for doubtful debts	-	6,584	6,584	2,847
Prompt Payment Interest & Compensation	516	193	709	-
Exchange (gain)/Loss	-	-	-	(109)
	<u>3,925,000</u>	<u>1,542,013</u>	<u>5,467,013</u>	<u>4,176,514</u>

*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:

	2019			2018
	Non-Levy €	Levy €	Total €	Total €
Advertising	48,223	364	48,587	97,909
Research	132,173	127,967	260,140	131,760
Public Relations	93,999	40,145	134,144	134,153
Media Buy and Distribution Services	650,906	506,695	1,157,601	762,901
Financial Education	-	337,587	337,587	241,842
Other	8,484	1,654	10,138	4,957
	<u>933,785</u>	<u>1,014,412</u>	<u>1,948,197</u>	<u>1,373,522</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. LEVY RELATED FUNCTIONS

Included in Note 3, 5 and 6 are the following income and expenses for the levy related functions.

	2019	2018
	€	€
Income		
Income from Levy	2,568,251	2,199,706
Other income	<u>14</u>	<u>14</u>
	2,568,265	2,199,720
Expenditure		
<u>Pay</u>		
Salaries and Wages	1,007,312	992,100
Pension	39,664	53,442
Staff training	<u>16,611</u>	<u>15,874</u>
	1,063,587	1,061,416
<u>Non-Pay</u>		
Post & Telecommunications	12,580	15,801
IT Equipment & Services	175,408	120,782
Printing & Stationery	4,445	3,498
Travel & Subsistence	5,523	2,185
Office Premises & General Maintenance	149,515	138,674
Incidental Expenses	7,410	11,973
HR Related Expenditure	1,034	-
Legal fees	2,124	2,933
Internal Audit and Accountancy	42,922	43,746
Audit Fee	4,900	4,600
Marketing, Promotion & Consumer Awareness Activities	1,014,412	798,061
Other consultancy	4,608	4,995
Recruitment	-	11,085
Depreciation	-	10,457
Loss on disposal of fixed assets	-	-
Call Centre	99,653	99,497
Insurance	10,527	10,245
Bank Charges	175	167
Movement in bad debt provision	6,584	2,847
Prompt payment interest & Compensation	193	-
Exchange Loss/Gain	-	6
	<u>1,542,013</u>	<u>1,281,552</u>
Total Expenditure	<u>2,605,600</u>	<u>2,342,968</u>
(Deficit) for the year	<u>(37,335)</u>	<u>(143,248)</u>
Surplus at 1 January	99,111	242,359
Surplus at 31 December	<u>61,776</u>	<u>99,111</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. PROPERTY, PLANT & EQUIPMENT

	Computer Hardware €	Computer Software €	Furniture €	Office Equipment €	Total €
<u>Cost</u>					
At 1 January 2019	215,638	364,393	9,553	111,808	701,392
Additions	46,247	-	35,020	244	81,511
Disposals	(14,621)	(82,145)	-	-	(96,766)
At 31 December 2019	247,264	282,248	44,573	112,052	686,137
<u>Depreciation</u>					
At 1 January 2019	152,522	311,398	4,427	47,884	516,231
Charge for the year	37,230	22,780	7,646	21,355	89,011
Disposals	(13,162)	(82,145)	-	-	(95,307)
At 31 December 2019	176,590	252,033	12,073	69,239	509,935
<u>Net Book Value</u>					
At 31 December 2019	70,674	30,215	32,500	42,813	176,202
At 31 December 2018	63,116	52,995	5,126	63,924	185,161

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. RECEIVABLES	As at 31 December 2019 €	As at 31 December 2018 €
Levy	99,932	11,862
Less: Provision for doubtful debts	(6,063)	(3,400)
Prepayments	350,836	192,429
Other Debtors	<u>67,104</u>	<u>48,453</u>
	<u>511,809</u>	<u>249,344</u>

The fair values of debtors and prepayments approximate to their carrying amounts. All debtors are due within one year. Debtors are shown net of impairment in respect of doubtful debts.

10. PAYABLES	As at 31 December 2019 €	As at 31 December 2018 €
Creditors	85,184	1,270
Accruals	198,588	202,111
Repayment of grants	215,748	-
Professional Services Withholding Tax	56,965	29,868
Value Added Tax	19,325	6,425
Due to D/BEI – Application Fees	<u>59,204</u>	<u>51,799</u>
	<u>635,014</u>	<u>291,473</u>

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end date. The terms of accruals are based on the underlying contracts. Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	As at 31 December 2019	As at 31 December 2018
	€	€
11. PROVISION FOR LEGAL COSTS		
As at 1 January	-	1,125,000
Reduction in the year	-	-
Utilised in the year	-	<u>(1,125,000)</u>
As at 31 December	<u>-</u>	<u>-</u>

In early 2016, the Commission was engaged in a Supreme Court appeal against a decision of the High Court in 2009 ordering the former Competition Authority (now the Commission) to pay a percentage of the other party's taxed costs. In advance of the Supreme Court hearing in April 2016, a settlement of the case was reached resulting in a reduction in the percentage of costs payable by the Commission.

The Commission was also engaged in a High Court action, which was heard in April 2016. The High Court ordered the Commission to pay the plaintiff's costs. The Commission appealed the High Court decision in this case to the Supreme Court but was unsuccessful in its appeal.

Both cases have been settled and the costs were paid during 2018.

12. CAPITAL ACCOUNT

	As at December 2019	As at December 2018
	€	€
Opening balance	185,161	210,136
Transfer to Statement of Income and Expenditure		
Grants used to acquire fixed assets	81,511	52,139
Amortisation in line with asset depreciation	(89,011)	(75,508)
Disposal of fixed assets	<u>(1,459)</u>	<u>(1,606)</u>
Transfer from/(to) Statement of Income and Expenditure	<u>(8,959)</u>	<u>(24,975)</u>
Closing Balance at year ended 31 December	<u>176,202</u>	<u>185,161</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. RETIREMENT BENEFIT COSTS

i. Commission Staffing

In 2014, the Minister for Business, Enterprise and Innovation approved, with the consent of the Minister for Public Expenditure and Reform, a superannuation scheme for Commission staff under the provisions of section 29 of the Competition and Consumer Protection Act 2014.

New entrant staff, employed by the Commission after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Deductions from staff salaries are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the Act.

ii. Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves

	31 December 2019	31 December 2018
	€	€
Current service cost	1,103,000	1,208,000
Interest on retirement benefit scheme liabilities	552,000	515,000
Less Employee contributions	<u>(228,000)</u>	<u>(208,000)</u>
	1,427,000	1,515,000

iii. Movement in net retirement benefit obligations during the financial year

	31 December 2019	31 December 2018
	€	€
Net retirement benefit obligation at 1 January	(23,663,000)	(22,497,000)
Current service costs	(1,103,000)	(1,208,000)
Interest costs	(552,000)	(515,000)
Benefits paid in period	455,000	608,000
Experience (loss) on liabilities	(257,000)	(646,000)
Past service (loss) *	(5,778,000)	-
Changes in actuarial assumptions	<u>(4,877,000)</u>	595,000
Net retirement benefit obligations at 31 December	<u>(35,775,000)</u>	<u>(23,663,000)</u>

*Following clarification received from the DBEI in 2020, the pension liability of former Commission members has been accounted for in the 2019 financial statements.

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iv. Deferred funding asset for retirement benefits

The Commission recognises amounts owing from the State for the unfunded deferred liability for retirement benefits 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 retirement benefit 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 retirement benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves is as follows:

	31 December 2019 €	31 December 2018 €
<u>Funding recoverable in respect of current year retirement</u>		
Benefit costs	1,655,000	1,723,000
Benefits paid in year	(455,000)	(608,000)
	1,200,000	1,115,000

The deferred funding asset for retirement benefit as at 31 December 2019 amounted to €35,775,000.

v. History of defined benefit obligations

	2019 €'000	2018 €'000	2017 €'000	2016 €'000	2015 €'000
Defined benefit obligations	35,775	23,663	22,497	19,929	15,875
Experience losses/(gains) on defined benefit scheme liabilities	257	646	1,312	157	(23)
Employee Contributions	0.7%	0.9%	0.8%	0.8%	(0.1%)

vi. Description of scheme

Commission 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 (one eightieth 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.

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Single Scheme

The Single Scheme is the occupational pension scheme for public servants hired since 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credits, known as "referable amounts", accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are revalued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member's pension referable amounts, and the retirement lump sum awarded is, similarly, the total of the scheme member's lump sum referable amounts.

Valuation

The valuation used for FRS 102 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 2019.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 December 2019 were as follows:

	31 December 2019	31 December 2018
Discount rate	1.40%	2.25%
Inflation rate	1.50%	1.75%
Salary increases	3.50%	3.75%
Pension increases	3.00%	3.25%

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:

	31 December 2019 Years	31 December 2018 Years
Male aged 65	21.7	21.5
Female aged 65	24.0	24.0

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 it complied with the provisions of the Act in all material aspects. There was €709 payment interest paid in the year.

15. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2019.

16. CONTINGENT LIABILITIES

There were no contingent liabilities at 31st December 2019.

17. RELATED PARTY DISCLOSURES

The Commission adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform 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 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 31 December 2018 to the Standards in Public Office Commission.

Key management personnel in the Commission consist of Chairperson and Members of the Commission (up to a maximum of 6). Total remuneration paid to key management personnel in 2019 was €586,829 (2018: €566,438). The number of Commission Members varies from time to time. The number of Commission Members was 4 for all of 2019.

The key management personnel are members of an unfunded defined benefit public sector scheme and their entitlements in that regard do not extend beyond the terms of the relevant public service pension scheme.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. LEASE COMMITMENTS

The Competition and Consumer Protection Commission does not own land and buildings. The Commission has commitments in respect of a lease on office accommodation at Bloom House, Railway Street, Dublin 1. This lease is held by the Office of Public Works for a period of 20 years which commenced in 2015.

The Commission sets out in the table below its estimated commitments for annual payments to OPW over the period of the lease held between OPW and the landlord:

	2019	2018
	€	€
Payable within one year	663,632	663,632
Payable within two to five years	2,654,528	2,654,528
Payable after five years	7,134,044	7,797,676
	<u>10,452,204</u>	<u>11,115,836</u>

Operating lease payments recognised as an expense were €649,563 (2018: €602,811).

19. EVENTS AFTER REPORTING PERIOD

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

The Commission recognises that the Covid-19 pandemic is a significant event which has occurred since the reporting date. The Commission is taking the situation seriously and is monitoring the situation, in conjunction with management, on an ongoing basis. The business continues to operate with measures in place to protect staff and the CCPC's stakeholders. Staff are working remotely and services continue to be provided. To date, the operations and most of the entity's activities are being maintained while adjusting to the different way in which the business is being delivered. While the CCPC is unable to reliably predict the impact of Covid-19 on its cash flows, the performance and operations of the CCPC are being monitored closely and regular cash flow forecasts are provided to the Commission and to the DBEI.

The Commission considers that, as the entity provides a public service that is 79% funded by moneys provided by the Exchequer, via the DBEI, it is appropriate to prepare these financial statements on a going concern basis.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Commission of the Competition and Consumer Protection Commission at its meeting on the 27 February 2020.