



Coimisiún um
Iomparáid agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission

COMPETITION AND CONSUMER PROTECTION COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

COMPETITION AND CONSUMER PROTECTION COMMISSION

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COMPETITION AND CONSUMER PROTECTION COMMISSION

INFORMATION

Members of the Commission:	Isolde Goggin – Chairperson Karen O’Leary Stephen Calkins (<i>retired 25/08/2015</i>) Gerald FitzGerald Patrick Kenny
Commission Address:	Parnell House 14 Parnell Square 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

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 Commission has a wide range of functions, many derived from the legislation governing the two legacy agencies and some new functions under the 2014 Act:

- 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.

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 for Jobs, Enterprise and Innovation after consultation with the Minister for 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.

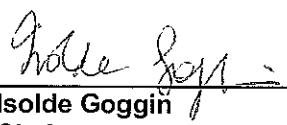
COMPETITION AND CONSUMER PROTECTION COMMISSION

STATEMENT OF COMMISSION'S RESPONSIBILITIES

(CONTINUED)

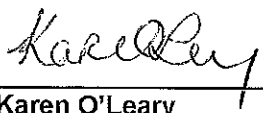
The Commission confirms that it has complied with the above requirements in preparing the financial statements. The Commission is responsible for the keeping of adequate accounting records which disclose with reasonable accuracy at any time its financial position and which enable it to ensure that the 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.

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



Isolde Goggin
Chairperson

Date: 15/12/2016



Karen O'Leary
Member

Date: 15/12/2016

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 internal control processes;
- 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 MANAGEMENT

During 2016, the Competition and Consumer Protection Commission has put in place processes to identify and evaluate financial and business risks by:

- Identifying the nature and extent of 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 do occur.
- Designing and implementing controls to mitigate, to the maximum extent possible, the risk arising.

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.

Following the amalgamation of the National Consumer Agency and the Competition Authority on 31st October 2014, the Commission established its Audit Committee in 2015. The Committee met 4 times in 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

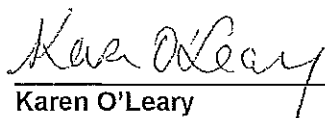
I confirm that the Commission conducted a review of the effectiveness of the system of internal financial control in respect of the 12 months ended 31 December 2015.

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



Isolde Goggin
Chairperson

Date: 15/12/16



Karen O'Leary
Member

Date: 15/12/16



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 year ended 31 December 2015 under 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. The financial statements have been prepared in the form prescribed under Section 31 of the Act, and in accordance with generally accepted accounting practice.

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 and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to 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:

- give a true and fair view of the assets, liabilities and financial position of the Competition and Consumer Protection Commission as at 31 December 2015 and of its income and expenditure for 2015; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Commission were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

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 if I find

- 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
- 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.

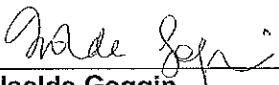
Patricia Sheehan
For and on behalf of
Comptroller and Auditor General
20 December 2016

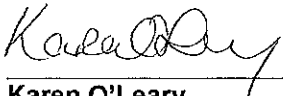
COMPETITION AND CONSUMER PROTECTION COMMISSION
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	31.12.2015	Period from 31.10.2014 to 31.12.2014
INCOME		€	€
Oireachtas Grant	2	7,715,254	1,618,447
Income from Levy	3	2,164,527	331,383
Other income		10,747	-
		<u>9,890,528</u>	<u>1,949,830</u>
Application fees	4	1,136,532	197,886
Application fees reimbursed to D/JEI		(1,136,532)	(197,886)
Transfer (to)/from Capital Account	12	(39,125)	7,770
Net Deferred Funding for Pensions	13	1,043,000	192,000
		<u>10,894,403</u>	<u>2,149,600</u>
EXPENDITURE			
Staff Costs	5	7,567,237	1,103,928
Operational expenses	6	3,608,603	713,789
		<u>11,175,840</u>	<u>1,817,717</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		(281,437)	331,883
Balance brought forward at 1 January		(1,150,254)	(1,482,137)
Balance brought forward at 31 December		<u>(1,431,691)</u>	<u>(1,150,254)</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


Karen O'Leary
Member

Date: 15/12/2016.

15/12/16.

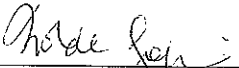
COMPETITION AND CONSUMER PROTECTION COMMISSION

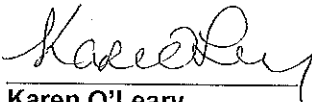
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	31.12.2015	Period from 31.10.2014 to 31.12.2014
	€	€
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	(281,437)	331,883
Experience gains/(losses) on retirement benefit obligations	23,000	56,000
Changes in assumptions underlying the present value of retirement benefit obligations	2,139,000	(1,814,000)
Total actuarial gains/(losses) in the year	<u>2,162,000</u>	<u>(1,758,000)</u>
Adjustment to deferred retirement benefits funding	(2,162,000)	1,758,000
Total Comprehensive Income for the year	<u>(281,437)</u>	<u>331,883</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


 Karen O'Leary
 Member

Date: 15/12/2016 .

15/12/2016

COMPETITION AND CONSUMER PROTECTION COMMISSION

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

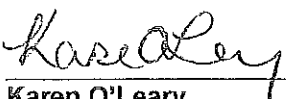
	Note	As at 31 December 2015	As at 31 December 2014
		€	€
FIXED ASSETS			
Property, plant & equipment	8	183,776	144,651
CURRENT ASSETS			
Receivables	9	910,008	518,372
Cash and cash equivalents		351,971	466,305
		<u>1,261,979</u>	<u>984,677</u>
CURRENT LIABILITIES (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Payables	10	<u>(993,671)</u>	<u>(434,932)</u>
NET CURRENT ASSETS		452,084	694,396
LONG TERM LIABILITIES (AMOUNTS FALLING DUE AFTER ONE YEAR)			
Provision	11	(1,700,000)	(1,700,000)
RETIREMENT BENEFITS			
Deferred retirement benefit funding asset	13(iv)	15,875,000	16,994,000
Retirement benefit obligations	13(iii)	(15,875,000)	(16,994,000)
TOTAL NET LIABILITIES		<u>(1,247,916)</u>	<u>(1,005,604)</u>
REPRESENTING			
Capital Account	12	183,775	144,650
Retained revenue reserves		(1,431,691)	(1,150,254)
		<u>(1,247,916)</u>	<u>(1,005,604)</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: 15/12/2016


Karen O'Leary
Member

15/12/2016

COMPETITION AND CONSUMER PROTECTION COMMISSION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	31.12.2015	Period from 31.10.2014 to 31.12.2014
Net Cash Flow from Operating Activities			€
Excess expenditure over income		(281,437)	331,883
Transfer to capital account	12	(39,125)	(7,771)
Depreciation of fixed assets	8	(69,760)	11,866
(Increase)/decrease in receivables	9	(391,636)	(518,372)
Increase/(decrease) in payables	10/11	558,739	2,134,932
Disposal of fixed assets		(51,528)	-
Net cash (outflow) from Operating Activities		(274,747))	1,952,538
 Cash flows from Investing Activities			
Payment to acquire property, plant & equipment	8	160,413	(4,096)
 Net cash flows from Investing Activities		160,413	(4,096)
 Cash flow from Financing Activities			
Bank interest received		-	-
Transferred from legacy agencies			(1,482,137)
 Net Increase/(Decrease) in cash and cash equivalents		(114,334)	466,305
 Cash and cash equivalents at the beginning of the period		466,305	-
Cash and cash equivalents at the end of the period		351,971	466,305

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 30 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. The Competition and Consumer Protection Commission is a Public Benefit Entity.

B) STATEMENT OF COMPLIANCE

The financial statements of the Competition and Consumer Protection Commission for the year ended 31 December 2015 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. These are the Competition and Consumer Protection Commission's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. The transition to FRS 102 has not affected its reported financial position or financial performance.

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 Jobs, 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 Competition and Consumer Protection 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; one exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts basis.

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

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 19.5 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 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.

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/JEI.

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, other than freehold land and artwork, 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 2015

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 balance sheet rate 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 2015

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/JEI, 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 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.

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/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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 balance sheet 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, mortality rates and healthcare cost trend 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
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Period from 01.01.2015 to 31.12.2015 €	Period from 31.10.2014 to 31.12.2014 €
2. OIREACHTAS GRANT		
D/JEI - Vote 32 - Subhead C.8(i) – Pay	5,266,254	840,153
D/JEI - Vote 32 - Subhead C.8(i) – Non Pay	2,575,000	803,294
D/JEI - Vote 32 - Subhead C.8(ii) – Pay	424,389	31,196
D/JEI - Vote 32 - Subhead C.8(ii) – Non Pay	858,000	50,000
	9,123,643	1,724,643
D/JEI - Vote 32 - Subhead C.8(ii) – Pay (Reimbursed)	(424,389)	(31,196)
D/JEI - Vote 32 - Subhead C.8(ii) – Non Pay (Reimbursed)	(858,000)	(50,000)
Employee pension contributions remitted	(126,000)	(25,000)
	7,715,254	1,618,447

3. LEVY

Invoices totalling €2,164,527 covering the liability for the year ended 31 December 2015 as provided for in S.I No.457 of 2015 - Consumer Protection Act 2007 (Competition and Consumer Protection Commission) Levy Regulations 2015, were issued in October by the Central Bank. An amount of €815,815 remained to be collected at year end by the Central Bank.

	Period from 01.01.2015 to 31.12.2015 €	Period from 31.10.2014 to 31.12.2014 €
4. APPLICATION FEES		
Merger Fees**	640,000	80,000
Credit Intermediaries and pawnbroker licence fees*	463,734	112,484
Fixed Payment Notices*	9,900	3,600
Other income (Social welfare etc.)	22,898	1,802
Application fees reimbursed to D/JEI	(1,080,537)	(174,001)
Due to D/JEI	(55,995)	(23,885)
	-	-

*Number of licences issued (credit intermediaries - 728, pawnbrokers - 4).

Fixed payment notices – 33. Number of cases which costs were awarded by the courts - NIL.

Merger notifications – 80.

**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 YEAR ENDED 31 DECEMBER 2015

	Period from 01.01.2015 to 31.12.2015	Period from 31.10.2014 to 31.12.2014
5. STAFF COSTS	€	€
Salaries and wages	4,913,320	706,266
Salaries and Wages – Central Bank Staff*	637,209	136,054
Superannuation – Staff Scheme	1,265,000	184,000
Superannuation – Assigned and Seconded Staff	470,408	38,023
Superannuation – Central Bank Seconded Staff*	153,041	31,707
Staff training	128,259	7,878
	<u>7,567,237</u>	<u>1,103,928</u>
Actual Staffing Levels – WTE	84	84.50
Approved ECF Staffing Levels	106	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 2015, ten 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.

A) CHAIRPERSON'S REMUNERATION

The Chairperson was appointed on 31st October 2014. The Chairperson received salary payments of €170,122 (2014: €25,203) and expenses to the value of €3,038 (2014: €596) in the year 2015.

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 year.

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

B) EMPLOYEE BENEFITS BREAKDOWN

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

From	To	2015
€60,000	- €69,999	5
€70,000	- €79,999	13
€80,000	- €89,999	2
€90,000	- €99,999	7
€100,000	- €109,999	4
€110,000	- €119,999	1
€120,000	- €129,999	-
€130,000	- €139,999	3
€140,000	- €149,999	-
€150,000	- €159,999	-
€160,000	- €169,999	-
€170,000	- €179,999	1

C) MEMBERS' TRAVEL AND SUBSISTENCE EXPENSES

Member	Period from 01.01.2015 to 31.12.2015 €	Period from 31.10.2014 to 31.12.2014 €
Karen O'Leary	2,070	-
Stephen Calkins	1,253	-
Gerald FitzGerald	8,296	-
Patrick Kenny	1,503	-
	<u>13,122</u>	<u>-</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

6. OPERATIONAL EXPENSES

	2015			2014
	Non-Levy	Levy	Total	Total
	€	€	€	€
Post & Telecommunications	57,826	14,429	72,255	9,829
IT Equipment & Services	162,303	71,346	233,649	76,485
Printing & Stationery	12,425	3,995	16,420	3,567
Travel & Subsistence	80,573	14,403	94,976	9,332
Office Premises & General Maintenance	465,958	172,034	637,992	104,808
European Consumer Centre*	214,840	-	214,840	27,391
Incidental Expenses	38,700	4,181	42,881	7,762
Staff Related Expenditure	-	-	-	122
Legal Fees	31,696	-	31,696	9,418
Internal Audit, Evaluation Fees, Accountancy	266,035	42,970	309,005	60,034
Audit fee	8,330	610	8,940	16,767
Marketing, Promotion & Consumer Awareness Activities**	600,729	480,274	1,081,003	256,720
Recruitment	2,877	26,584	29,461	-
Depreciation	62,624	7,136	69,760	11,866
Call Centre	362,621	144,630	507,251	95,031
Insurance	37,624	9,535	47,159	6,141
Bank Charges	1,580	427	2,007	502
Loss on disposal of fixed assets	51,197	331	51,528	-
Levy Collection Fees	-	17,273	17,273	-
Levy Refunds	-	26	26	-
Amalgamation Costs	107,581	26,112	133,693	17,664
Allowance for doubtful debts	-	2,652	2,652	-
Exchange (gain)/Loss	3,784	352	4,136	350
	<u>2,569,303</u>	<u>1,039,300</u>	<u>3,608,603</u>	<u>713,789</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:

	2015			2014
	Non-Levy	Levy	Total	Total
	€	€	€	€
Advertising	44,830	35,219	80,049	16,045
Research	65,246	27,942	93,188	68,887
Public Relations	76,314	32,498	108,812	21,461
Media Buy and Distribution Services	398,651	356,619	755,270	127,300
Financial Education	-	23,710	23,710	15,374
Other	<u>15,688</u>	<u>4,286</u>	<u>19,974</u>	<u>7,653</u>
	<u>600,729</u>	<u>480,274</u>	<u>1,081,003</u>	<u>256,720</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

7. LEVY RELATED FUNCTIONS

Included in Note 2, 5 and 6 are the following income and expenses for the levy related functions.

	Year Ended 31 December 2015 €	Period Ended 31 December 2014 €
Income		
Income from Levy	2,164,527	331,383
Expenditure		
<u>Pay</u>		
Salaries and Wages	983,202	161,472
Pension	231,438	37,485
Staff training	<u>9,053</u>	<u>1,984</u>
	1,223,693	200,941
<u>Non-Pay</u>		
Post & Telecommunications	14,429	1,522
IT Equipment & Services	71,346	31,929
Printing & Stationery	3,995	94
Travel & Subsistence	14,403	2,272
Office Premises & General Maintenance	172,034	23,199
Incidental Expenses	4,181	460
Staff Expenditure	-	9
Internal Audit, Evaluation Fees, Accountancy	42,970	13,893
Audit Fee	610	7,605
Advertising	35,219	2,472
Public Relations	32,498	7,603
Media Buy and Distribution Services	356,619	29,376
Financial Education	23,710	15,374
Research	27,942	18,698
Other Marketing Consumer Awareness Activities	4,286	1,562
Recruitment	26,584	-
Depreciation	7,136	129
Loss on disposal of fixed assets	331	-
Call Centre	144,630	31,861
Insurance	9,535	1,463
Bank Charges	427	190
Levy Collection Fees	17,273	-
Levy Refunds	26	-
Amalgamation costs	26,112	-
Provision for doubtful debts	2,652	-
Exchange (Gain)/Loss	<u>352</u>	<u>-</u>
	1,039,300	189,711
Total Expenditure	<u>2,262,993</u>	<u>390,652</u>
(Deficit) for the year/period	<u>(98,466)</u>	<u>(59,269)</u>
Surplus at 1st January	252,668	311,937
Surplus at 31 st December	<u>154,202</u>	<u>252,668</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

8. PROPERTY, PLANT & EQUIPMENT

	Computer Hardware €	Computer Software €	Furniture €	Office Equipment €	Total €
<u>Cost</u>					
At 1 st January 2015	378,257	253,197	304,046	99,629	1,035,129
Additions	107,035	53,378	-	-	160,413
Disposals	(221,306)	-	(191,067)	(28,023)	(440,396)
At 31 st December 2015	263,986	306,575	112,979	71,606	755,146
<u>Depreciation</u>					
At 1 st January 2015	332,373	225,317	256,740	76,048	890,478
Charge for the year	38,557	20,569	2,466	8,168	69,760
Disposals	(214,834)	-	(153,530)	(20,504)	(388,868)
At 31 st December 2015	156,096	245,886	105,676	63,712	571,370
<u>Net Book Value</u>					
At 31 st December 2015	107,890	60,689	7,303	7,894	183,776
At 31 st December 2014	45,884	27,880	47,306	23,581	144,651

COMPETITION AND CONSUMER PROTECTION COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. RECEIVABLES	As at 31 December 2015 €	As at 31 December 2014 €
Levy	815,815	388,307
Less: Provision for doubtful debts	(24,733)	(22,081)
Prepayments	101,658	152,146
Other Debtors	<u>17,268</u>	<u>-</u>
	<u>910,008</u>	<u>518,372</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 2015 €	As at 31 December 2014 €
Creditors	8,754	50,947
Accruals	182,156	147,756
Repayment of grants	711,094	193,387
Professional Services Withholding Tax	29,410	16,494
Value Added Tax	6,262	2,463
Due to D/JEI	<u>55,995</u>	<u>23,885</u>
	<u>993,671</u>	<u>434,932</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 2015

	As at 31 December 2015 €	As at 31 December 2014 €
11. PROVISION FOR LEGAL COSTS		
As at 1 st January 2015	1,700,000	1,700,000
Charged to Income and Expenditure	-	-
Utilised in the year	-	-
As at 31 st December 2015	<u>1,700,000</u>	<u>1,700,000</u>

At the year ended 31 December 2015 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. As at the date of approving these financial statements the final settlement figure had yet to be determined.

In November 2015 the Commission became engaged in another High Court action, which was heard in April 2016. The High Court ordered the Commission to pay the plaintiff's costs but the Commission has appealed this decision to the Supreme Court. The hearing is scheduled to take place in January 2017.

The Commission is satisfied that the provision of €1.7 million is now sufficient to cover both the above cases.

12. CAPITAL ACCOUNT	As at 31 December 2015 €
Opening balance	144,650
Transfer to Income and Expenditure account	
Grants used to acquire fixed assets	160,413
Amortisation in line with asset depreciation	(69,760)
Disposal of fixed assets	<u>(51,528)</u>
Transfer from capital account	39,125
Closing Balance at period ended 31 st December 2015	<u>183,775</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13. RETIREMENT BENEFIT COSTS

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 retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves

31 December 2015
€

Current service cost	999,000
Interest on retirement benefit scheme liabilities	392,000
Less Employee contributions	<u>(126,000)</u>
	1,265,000

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

31 December 2015
€

Net retirement benefit obligation at 1 January	(16,994,000)
Current service cost	(999,000)
Past service costs	-
Interest costs	(392,000)
Benefits paid in period	348,000
Experience gain on liabilities	23,000
Changes in actuarial assumptions	<u>2,139,000</u>
Net retirement benefit obligation at 31 December	<u>(15,875,000)</u>

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 was as follows:

	31 December 2015
	€
Funding recoverable in respect of current year retirement benefit costs	1,391,000
Benefits paid in period	<u>(348,000)</u>
	1,043,000

The deferred funding asset for retirement benefit as at 31 December 2015 amounted to €15,875,000.

v. History of defined benefit obligations

	2015	2014	2013	2012
	€'000	€'000	€'000	€'000
Defined benefit obligations	15,875	16,994	-	-
Experience losses/(gains) on defined benefit scheme liabilities	(23)	(56)	-	-
Employee Contributions	(0.1%)	(0.3%)	0%	0%

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 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 2015.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 December 2015 were as follows:

	31 December 2015
Discount rate	2.60%
Inflation rate	1.60%
Salary increases	3.60%
Pension increases	3.10%

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:

	2015 Years
Male aged 65	21.1
Female aged 65	23.6

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 31 December 2015.

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2015.

17. RELATED PARTY DISCLOSURES

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 2015 to the Standards in Public Office Commission.

Key management personnel in the Competition and Consumer Protection Commission consist of Chairperson and members of the Commission. Total remuneration paid to key management personnel in 2015 was €673,398 (2014: €99,594).

COMPETITION AND CONSUMER PROTECTION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

18. LEASE COMMITMENTS

The Competition and Consumer Protection Commission do not own land and buildings. 4 Harcourt Road, Dublin 2 is leased through The Commissioner of Public Works in Ireland. 14 Parnell House, Parnell Square, Dublin 1 is occupied rent free, on which the Department of Jobs, Enterprise and Innovation holds the lease.

At 31 December 2015 the Competition and Consumer Protection Commission had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payable within one year	€
Payable within two to five years	-
Payable after five years	-
	-
	-

Operating lease payments recognised as an expense were €454,000 (2014: €75,600)

19. ACCOUNTING PERIOD

The financial statements are prepared for the 12 month period 1 January 2015 to 31 December 2015.

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 15th December 2016