

2012/2013

Annual Report

Fair Trading Commission



Mission Statement

*To provide for the maintenance & encouragement of competition
in the conduct of trade, business and in the supply of services
in Jamaica with a view to providing consumers with competitive
prices and product choices.*

FAIR TRADING COMMISSION

52-60 Grenada Crescent

Kingston 5

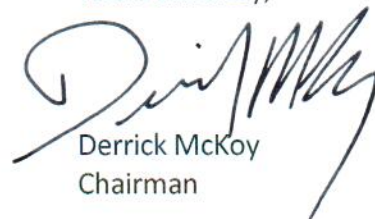
October 10, 2017

The Honourable Karl Samuda
Ministry of Industry, Commerce, Agriculture & Fisheries
4 Saint Lucia Avenue
Kingston 5

Dear Minister:

In accordance with Section 14(1) of the Fair Competition Act, I have the honour of transmitting herein the Commission's Report for the Financial Year 2012/2013 and a copy of the Financial Statements of the Commission's Accounts as at March 31, 2013 duly certified by the Auditors.

Yours sincerely,



Derrick McKoy
Chairman

Contents

Executive Director's Overview.....	1
Members of the Commission 2017-2018.....	2
Members of the Commission 2012-2013.....	3
Role and Functions of the Fair Trading Commission.....	4
Priority Programmes for 2012-2013.....	5
Performance	6
<i>Enforcement</i>	7
<i>Advocacy</i>	11
<i>Public Education</i>	13
Organizational Development	17
Budgetary Allocation & Actual Expenditure.....	18
Compensation	19
Staff of the Commission	20

FINANCIAL STATEMENTS

Executive Director's Overview

From time to time the effect of the Commission's work is realized at some time after the technical work is completed and recommendations are made. This year was no different. In June the Office of Utilities Regulation (OUR) announced that it would establish an interim mobile termination rate of \$5.00 per minute for all networks. This move was consistent with the FTC's June 2010 recommendation when we stated definitively, that to improve competitiveness termination rates should be reduced significantly; and this could only be achieved by amending the relevant regulations. During that same month, both major telecommunications providers, Digicel and LIME announced significant reductions in their respective mobile retail rates.

It is likely that the effect of work on another matter in the telecommunications sector will be realized in the years to come. The FTC's legal action against Digicel which started in 2011 took another turn in 2012 when the Supreme Court ruled that the FCA generally applies to the telecommunications industry; but this Judgment was appealed and is scheduled for hearing in the upcoming Financial Year. This is but another example of the Commission's resilience in pursuing competition issues, in particular, in a sector that is very dynamic.

The year featured four Market Studies of significance: (a) the prospects for competition in the credit union sector; (b) the effect on consumers of ADO; (c) an analysis of the maintenance schedule of diesel and gasoline vehicles; and (d) the expansion of CB into the retail market for table eggs.

The 13th Annual Shirley Playfair Lecture was delivered by Professor Evan Duggan of UWI Mona, who spoke on the electricity sector. We thank Professor Duggan for highlighting several areas that if addressed in a methodical manner, could serve to benefit our consumers. Other public education activities included the release of guidelines on the purchase of motor vehicles and our regular publications: Competition Matters and FTCNewsline.

Work to strengthen the Staff's capacity is ongoing and persons continue to respond admirably. The work on mobile termination rates and the suit against Digicel is testament to this and we commend the Staff in their continued efforts to upgrade their skills to address issues that are at times difficult to uncover and address appropriately.



David Miller

Members of the Commission 2017-2018

Dr. Derrick McKoy (Chairman)

Mr. Stuart Andrade

Mr. Robert Collie

Dr. Lloyd Waller

Mr. David Miller (Executive Director)

Members of the Commission 2012-2013

Mr. Christopher Samuda (Chairman)

Ms. Michelle Brown

Ms. Dena Davis

Dr. Densil Williams

Mr. David Miller (Executive Director)

Mr. Christopher Samuda and Ms. Michelle Brown, Attorneys-at-Law; Ms. Dena Davis, Insurance Specialist and Dr. Densil Williams, Educator, were appointed Commissioners of the Fair Trading Commission in June 2012 by the Minister of Industry, Investment & Commerce.

Role and Functions of the Fair Trading Commission

Role of the Fair Trading Commission

Established in 1993, the Fair Trading Commission (FTC) administers the Fair Competition Act (FCA), which provides for the maintenance and encouragement of competition in the conduct of trade and business and in the provision of services in Jamaica, with a view to ensuring that markets are competitive and that consumers are provided with competitive prices and product choices.

Functions of the Fair Trading Commission

The functions of the FTC as set out in section 5 of the FCA are to:

- Carry out, on its own initiative or at the request of the Minister or any other person, investigations in relation to the conduct of business in Jamaica in connection with matters falling within the provisions of the FCA;
- Advise the Minister on matters relating to the operation of the FCA;
- Make available to businesses and consumers, general information with respect to their rights and obligations under the FCA;
- Cooperate with and assist any association in developing and promoting the observance of standards of conduct for the purpose of ensuring compliance with the FCA; and
- Undertake studies and publicize reports and information regarding matters affecting the interests of consumers.

The FCA contains two broad categories of prohibitions, those dealing with anti-competitive behaviour and those dealing with anti-consumer behaviour. Regarding anti-competitive behaviour, the FCA addresses abuse of a dominant position, agreements that substantially lessen competition, exclusive dealing, market restriction, resale price maintenance, tied selling, price fixing and bid rigging. Regarding anti-consumer behaviour, the FCA addresses misleading advertising, sale above advertised price, double ticketing and the unavailability of goods advertised at a bargain price.

For the purposes of its investigation, the FTC has the power to obtain any information that it considers necessary. Where the Court determines that the FCA has been breached, the Act allows for a fine of up to JA\$5 million in the case of an enterprise and up to JA\$1 million in the case of an individual.

Priority Programmes for 2012-2013

For the year April 1, 2012 to March 31, 2013, the FTC set as its main priorities the following broad programmes:

1. *Enforcement of the FCA*

Increase emphases on enforcing the provisions of the FCA through the Courts, in relation to business conduct deemed inimical to the competitive process to reduce the incidence of anti-competitive business practices.

2. *Advocacy*

Advise policymakers on the implications of existing and proposed policies to ensure that those policies do not result in the hindering of competition. This includes the participation in policy discussions at an early stage and recommendation of least restrictive means of achieving stated objectives.

3. *Public Education*

Inform and educate policymakers, decision makers, businesses and consumers on the benefits of competitive markets to promote a better understanding of the role of the FTC in fostering a competitive economic environment.

4. *Organizational Development*

- Maintain and enhance a presence in the international competition arena to further facilitate the growth and development of the Staff of the FTC; and provide advice on regional competition issues to other CARICOM member States.
- Streamline and improve internal processes to enhance the delivery of services to all external Stakeholders as well as to the Staff and Commissioners of the organization.



ENFORCEMENT

Complaints

For the period April 1, 2012 to March 31, 2013, the FTC investigated 354 cases. This comprises 124 cases that were unresolved at the end of the previous Financial Year; and 230 cases which were received during the 2012-2013 Financial Year. For the current review period, 188 cases were resolved and closed.

Of the 354 cases investigated, 80 per cent were classified as matters relating to anti-consumer behaviour; 9 per cent as anti-competitive behaviour; and 2 per cent as requests for opinion or information. Nine per cent of complaints received were considered as being outside the purview of the FCA; and were therefore transferred to other agencies, where appropriate.

Table 1: Cases Investigated during 2012-2013 Financial Year

	Total
Unresolved at March 31, 2012	124
Received	230
Total Cases investigated	354
Closed	188
Unresolved at March 31, 2013	166
Resolution Rate	53.11%

Figure 1: Classification of Cases Investigated

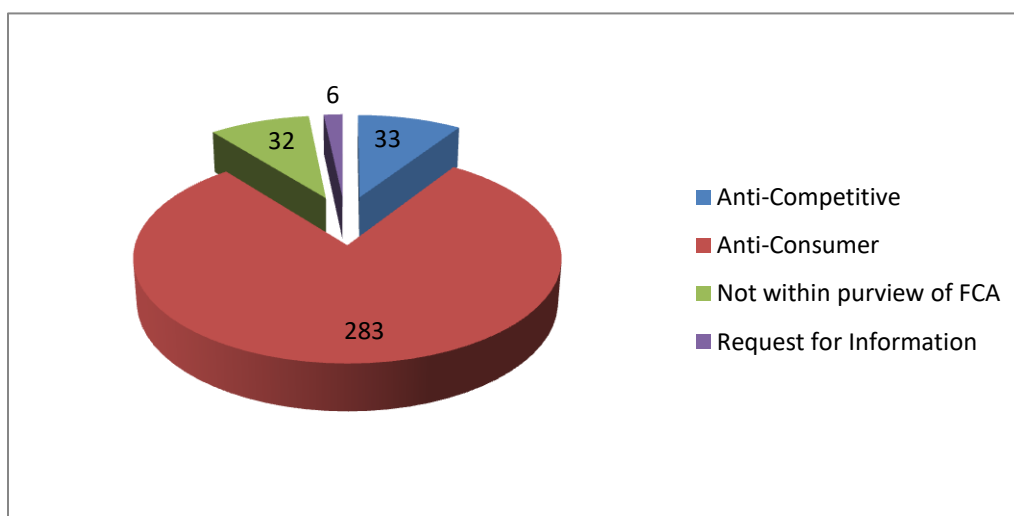


Table 2: Complaints Received (by Category) during the 2011-2012 & 2012-2013 Financial Years

INDUSTRY CATEGORY	COMPLAINTS RECEIVED			
	2011-2012		2012-2013	
	Number	Percentage of Total	Number	Percentage of Total
Telecommunications	69	29.2	48	20.9
Household appliances & supplies	12	5.1	14	6.1
Motor Vehicles	44	18.6	60	26.1
Financial & insurance services	19	8.1	11	4.8
Real estate & construction	8	3.4	15	6.5
Education	17	7.2	11	4.8
Professional services	4	1.7	11	4.8
Transportation	6	2.5	2	0.9
Government services	3	1.3	1	0.4
Other	54	22.9	57	24.7
TOTAL	236	100	230	100

During the Financial Year there was a significant reduction in the number of complaints relating to the telecommunications sector which could be attributed to the reduced number of players. Over time the FTC had found that the level of advertising and promotional activities by firms in the telecommunications industry is directly related to the number of complaints received by the FTC. In the previous Financial Year, Digicel acquired the assets of Claro and took control of Claro's operations on March 1, 2012; and from henceforth there was a marked reduction in the level of advertising and promotional activities.

Also, it is noted that the number of complaints relating to the motor vehicle sector was higher than that received in the 2011/2012 Financial Year. The majority of complaints received were about the discrepancy in the model year of motor vehicles sold by Used Car Dealers.

Court matter

Following the filing of a suit by the FTC in the Supreme Court in relation to Digicel's acquisition of Claro in December 2011, attorneys representing both Digicel and Claro filed an application challenging FTC's jurisdiction. They sought the Court's ruling on whether the FCA applies generally to the telecommunications industry, specifically to the acquisition agreement, and to any transactions effected by it. On May 15, 2012 the Court ruled that the FCA generally applies to the telecommunications industry in all these respects.

The Defendants appealed the Judgment and sought to stay all further proceedings until the Appeal is heard. The Court did not grant a stay and a trial date was set for May 13 to May 24, 2013.

Consent Agreement

In September 2012, the FTC entered into a Consent Agreement with the International University of the Caribbean (IUC) and recovered costs of \$120,800. The FTC had received a complaint from a student who alleged that the IUC incorrectly advised her of the courses she needed to complete to earn a Degree from the institution.

Having investigated the matter, the Staff took the position that IUC's conduct was likely to contravene section 37 of the FCA, which addresses misleading representation. The Staff's investigation revealed that the IUC's actions resulted in the original representation, upon which the student had relied, being altered in material respects, to the detriment of the student.

The FTC enters into Consent Agreements in situations where it believes that the FCA has been breached and the Respondents are amenable to settling the matter out of Court. These agreements usually require that the Respondent commit to not repeating the offensive conduct, issue a public apology, provide redress to the Informant(s) as well as pay the Commission's costs.

Significant Case

On June 23, 2010, the FTC released its report on the allegation by LIME that Digicel had been engaging in discriminatory pricing with respect to its fixed to mobile (FTM) termination rates between the fixed networks of Digicel and Lime, which resulted in Lime's fixed business customers paying \$8.50 per minute to place calls to Digicel's mobile network whereas Digicel's fixed customers pay only \$4 per minute to place calls to Digicel's mobile network.

The main finding outlined in the report was that Digicel was dominant in the termination of calls on its own network and that by maintaining a price differential for fixed business telephony service offered on its network, as against that offered on LIME's network to the latter's subscribers, competition in the wider fixed and mobile voice market was likely being affected as well as competition in the narrower significant other relevant market of fixed line voice services to business customers. The FTC's main recommendation was "...that the relevant regulations be amended to limit the opportunity for any supplier to directly influence the price that rival suppliers charge for competing services. The FTC recognized however, that it would take considerable time for the aforementioned suggestion to be implemented; and contemplated taking the matter to the Court for it to decide on the attendant issues.

Market events subsequent to the release of the Report validated the findings and recommendation contained in the report. Specifically, on June 5 2012, the Office of Utilities Regulation (OUR) announced that it would establish an interim mobile termination rate of \$5.00 per minute for all networks; this announced action on the part of the OUR was consistent

with the course of action recommended by the FTC to safeguard competition in the industry and resulted in an immediate improvement in the competitiveness of the market.

On June 15, 2012, LIME announced a significant reduction in its mobile retail rates. In response, Digicel reduced its mobile retail rates on June 22, 2012. To the extent that the OUR now has the authority to set the FTM termination rates, the FTC is of the view that pursuing the matter through the Court is no longer necessary to safeguard competition.

ADVOCACY

Review of Legislation

- The FTC completed a review of the legislation which regulates the practices of Land Surveyors, specifically with a view to identifying provisions relating to fees and assessing whether any of the provisions may be anti-competitive.

The FTC concluded that there is no conflict between said legislation and the provisions of the FCA. Specifically, the legislation which governs surveyors does not appear to prevent surveyors from acting independently and setting their own fees.

- Upon the request of the Ministry of Tourism, comments were submitted on the draft Timeshare Vacations Act (TVA). Three suggestions were made:
 - i. TVA should make specific reference to the FCA in order to avoid the jurisdiction issue of whether the provisions of the FCA ought to apply to the TVA, since the TVA is a later specific legislation.
 - ii. with respect to the rights of purchasers of time shares, that a provision for the application of the FCA either as an additional or alternative legislative recourse be included, preferably in the body of the Act, as opposed to, or in addition to the relevant schedules of the TVA. It was pointed out that there is such a provision for the application of the Consumer Protection Act, and by extension the Consumer Affairs Commission.
 - iii. the extent that anti-competitive practices may result from agreements contemplated in the TVA, provision should be made for the application of the FCA, to be referred to in the body of the legislation, and in the schedules where relevant. This could involve words such as ‘...without prejudice to the application of the Fair Competition Act...’ or any similar wording to communicate the intention that the FCA applies to timeshare agreements both from a consumer and producer perspective.

Policy discussions

- The ‘Petroleum Price’ committee, which was formed by the Office of the Prime Minister to review issues that affect the price of petroleum products, to discuss options and to come up with suggestions for reducing the price of petroleum products to consumers.
- The Project Steering Committee for Consumer Protection, hosted by the CARICOM Competition Commission. Other participants include members of the national consumer protection authorities and competition agencies of CARICOM. The objective of the Steering Committee is to develop and conduct research projects geared at identifying consumer

detriment in specific markets of member states, implementing measures to mitigate against consumer detriment as well as increasing awareness of consumer protection issues.

Collaboration with other Agencies

- *Office of Utilities Regulation's 15th Anniversary Forum*: The Executive Director chaired a panel discussion on the topic "Regulatory issues of importance to consumers".
- *Broadcasting Commission*: The Executive Director provided a competition perspective on several initiatives planned by the Broadcasting Commission. The issues discussed included the re-zoning of geographical regions served by subscriber television providers; the importance of encouraging competition in the market primarily through the removal of barriers to entry; and the inherent value of the lower bands of spectrum in the development of data-driven services by telecommunications carriers.

PUBLIC EDUCATION

Guidelines

- *Guideline on the purchase of motor vehicles:* The guideline became necessary to address the high number of complaints from individuals who have purchased motor vehicles in the past 3 years. In particular the FTC received numerous complaints of discrepancy in the model year of vehicles as represented by dealers and valuers. There is also concern that the diesel fuel sold in Jamaica is unsuitable for use in some diesel-powered vehicles. The guideline was posted on the FTC's website: www.jftc.gov.jm.
- Press Release entitled "*FTC urges consumers to be cautious when purchasing motor vehicles*", provided consumers with check points when purchasing vehicles. The check points are: confirm the model year; know the quality of fuel that is to be used in the vehicle; research the vehicle; inspect the vehicle; check for availability of spare parts and understand the warranty and sale agreement.

Public Lecture

The thirteenth lecture in the Shirley Playfair Lecture Series was held on September 11, 2012, under the theme "*Prospects for Competition in the Electricity Sector: from generation to distribution*". The main speaker was Professor Evan Duggan, Dean of the Faculty of Social Sciences, UWI Mona. Dr. Kevin Harriott, Competition Bureau Chief of the FTC, presented on several key issues raised by the FTC regarding the sector. The discussion segment was moderated by Dr. Densil Williams, Commissioner of the FTC.

Professor Duggan was forthright in his view that the most important objective facing Jamaica in the electricity industry at this time is the reduction of electricity prices, of course, subject to whatever constraints that may exist. He highlighted several concerns that must be addressed as a matter of urgency. These include (a) increased competition in the electricity sector; (b) fuel diversity and energy security; (c) greater operational and extractive efficiencies; (d) increasing the share of renewables and accommodating environmental objective; (e) improved regulatory diligence; (f) greater domestic private sector investment/participation in the electricity sector; and (g) greater emphasis and awareness of energy conservation and demand-side management.

With respect to promoting increased competition in the sector, he stated that the most effective competitive configuration ought to be supported by facilities such as net billing, net metering, feed in tariff and power wheeling. He added that this is the purpose of the UWI Think Tank of which he is a member, that is, to model various scenarios that will "contribute invaluable, informed insights into what the anatomy of the sector should look like and what choices will allow us to avoid the fault lines and hit the sweet spots". The full text of the presentation is available on the FTC website – www.jftc.gov.jm.

One hundred & thirty-two persons were in attendance, representing a wide cross section of organizations as well as committees that speak on energy issues. Industry participants represented were: Jamaica Public Service Company Ltd., Jamaica Energy Partners, Jamaica Solar Energy Association, Jamaica Chamber of Commerce and Private Sector Organization of Jamaica. Other organizations represented include: Bureau of Standards Jamaica, RBC Bank Jamaica Limited, National Water Commission, Office of Utilities Regulation, National Environment & Planning Agency, JAMPRO, Ministry of Science Technology & Mining and Trade Board Limited. The comments and questions from these representatives were quite instructive; and therefore spurred further interests and discussions.

The Lecture was aired on Cable News and Sports (CNS) TV Jamaica in October 2012.

FTC Publications

The FTC published its annual magazine and four issues of its newsletter, during the review period.

- The 17th issue of the FTC's annual magazine *Competition Matters 2013* was published in January 2013 and distributed to over 700 persons, locally and overseas. The theme of the 32-page magazine is "*Competition benefits Consumers*". Articles published include, *Market Liberalisation, Competition Policy and the Consumer: Telecommunications in Barbados*, contributed by the Barbados competition agency; and *Competition and Open Markets* by Dr. Peter-John Gordon, Lecturer at the University of the West Indies.
- Four issues of *FTCNewslne* were published. The newsletter which is published quarterly contains information on competition matters dealt with by the FTC. The issues were emailed to over 300 persons, including representatives of the major television stations, newspapers and radio stations. The aim of the newsletter is to provide insights into the work of the FTC; and to assist persons in better identifying issues that may pose competition concerns.

Market Studies

- Credit Union Sector

The study, *the Prospects for Competition in the Credit Union Sector*, examined, among other things, the provision of ancillary services by credit unions given that it has been established that Credit Unions compete with Banks in several respects. Against the background of increasing concern among credit union members, that the fees being charged by credit unions are excessive and sometimes higher than that charged by Banks, the study (i) assessed the degree of competition in the credit union sector in the provision of ancillary services; (ii) identified factors that restrict competition; and (iii) suggested ways in which competition could be enhanced for the benefit of consumers.

The key findings were that (i) there was no significant increase in the average fees for the period 2007-2010; (ii) the price spread between the lowest and highest average fees widened in 2010 relative to 2007; (iii) the credit union sector has over 40 suppliers with no individual credit union having market share greater than 15 percent with respect to assets; (iv) the sector is concentrated in at least twelve out of thirteen geographic regions in terms of branches; (v) consumer power is twofold in that consumers can engage in comparison shopping for the supplier that best meet their needs and also, as shareholders in credit unions, members can raise concerns at Annual General Meetings; (vi) banks compete with credit unions as they offer several similar services; and (vii) the average fees at credit unions is lower than the average fee for banks for seven selected services.

The recommendations were that (a) qualifications for membership in credit unions should be adjusted to allow more persons to become eligible to join any given credit union; and (b) since consumers are also part owners of the credit unions in which they are members, they should be encouraged to play a more active role in the operations of their credit union through, for example, participation at the Annual General Meeting.

- Automotive diesel oil market

The study sought to: (i) examine whether the automotive diesel oil (ADO) supplied in Jamaica is compatible with the engine technologies of vehicles being sold by local car dealers; and (ii) identify the obligations of dealers under the Fair Competition Act.

The main conclusion of the study was that information regarding the quality of the ADO available to consumers is considered to be material information because it is likely to affect consumers' purchasing decision. Further, the high content of sulphur in the ADO being supplied to the local market is likely to reduce the useful life of several motor vehicles being sold. Consequently, the FTC has recommended that this information be explicitly conveyed to consumers prior to purchase. A report on the study was made available to the Jamaica Used Car Dealers Association and the Automobile Dealers Association of Jamaica as well as to Petrojam, the Ministry of Transport and Works, the Ministry of Science, Technology, Energy and Mining; and to the National Environment and Planning Agency.

- Market for table eggs

An assessment of the expansion of Caribbean Boilers (CB) into the retail market for table eggs

CB is one of two major suppliers of ready-to-lay hens ('pullets'). Egg farmers use pullets to supply table eggs to final consumers. The assessment was conducted at the request of the Jamaica Egg Farmers Association Limited which expressed fear that the expansion would provide CB with an unfair strategic advantage over small farmers.

On the face of it, CB's participation in the table egg market suggests that it had adequate incentives to adversely affect competition in the market for table eggs; further, CB's

participation in the pullet market suggests that it would have some opportunity to adversely affect competition in the market for table eggs. Indeed, small farmers could not compete with CB in the market for table eggs if the difference (margin) between the price at which they acquire pullets and the price at which CB sells table eggs is sufficiently small. The smaller the margin, the less competitive pressure small farmers could exert and remain profitable.

All other things held constant, if CB could increase the price paid by small farmers for pullets, it would squeeze the margin sufficiently small to weaken its competitors in the market for table eggs. The focus of the assessment, therefore, was to determine whether CB is likely to have sufficient opportunity to increase the price small farmers paid for pullets.

The main finding of the assessment is that the other major supplier of pullets, Jamaica Boilers, has the capacity to serve a sufficiently large number of the small farmers which would likely switch if the price of pullets sold by CB rendered them uncompetitive in the market for table eggs. This means that small farmers have a reasonable alternative supplier of pullets and therefore had the opportunity to avoid any substantial price increase which might be imposed by CB. Ultimately, this would mitigate attempts by CB to weaken competitive constraints in the market for table eggs.

Accordingly, the FTC concluded that CB's expansion into the retail market for table eggs is unlikely to lead to a substantial lessening of competition.

Other outreach activities

- Following on the adjustments of the General Consumption Tax rates, the Executive Director was a guest on CVM television's morning show *CVM at Sunrise*. Consumer issues relating to the adjustments were discussed. Representatives of the Tax Administration & Audit Department and the Consumer Affairs Commission were also guests.
- The Staff participated in Oberlin High School's Career Day. The main functions of the FTC as well as career options were presented to students at the grades 11-13 level.

ORGANIZATIONAL DEVELOPMENT

As the first country to develop and implement competition Law in CARICOM the FTC continues to lend its expertise and assist other agencies within the region as they work to develop their laws and strategies. In providing guidance to the regional bodies, the FTC conducted research on best practices in competition law administration, which served as a guide. This collaboration therefore benefits all participants.

Regional Presence

- The FTC participated in teleconferences hosted by the CARICOM Competition Commission (CCC). The discussions focused on facilitating the work of the CCC, in particular the development of mechanisms through which information may be shared between the CCC and competition and national consumer agencies of the region.
- Participated in the Project Steering Committee for Consumer Protection, hosted by the CCC. The meeting comprised members of the national consumer protection authorities and competition agencies of CARICOM. The objective of the Steering Committee is to develop and conduct research projects geared at identifying consumer detriment in specific markets of member states, implementing measures to mitigate against consumer detriment as well as increasing awareness of consumer protection issues.
- Participated in discussions on the proposed CARICOM/Canada Cooperation Agreement and submitted comments. The key points of our comments were: (a) Each CARICOM state must have in place the necessary legislative framework to give effect to the agreement. The legislative framework for some CARICOM countries is either non-existent or uncertain with respect to their ability to enter into such arrangements; and (b) Regarding the option of having the CCC being a party to such a proposed cooperation agreement, it has been noted that the Revised Treaty of Chaguaramus does not seem to provide for the CCC to have legal personality.
- Participated in the seminar “*Legal Framework for Financial Services, Consumer Protection & Consumer Loan Agreements: Consumers’ Rights and Obligations*”, which was hosted by Consumers International in Bridgetown, Barbados.

Of interest to the FTC were issues such as (a) loan agreements which allow for the recall of loans at any time; (b) bundling of financial products; (c) crediting accounts on the next working day, after payment; (d) hidden fees and charges; and (e) adhesion contracts.

Internal Processes

The FTC through the Ministry commenced the process of obtaining ISO certification. Consequently, the Staff participated in several sensitization and Gap Audit sessions.

BUDGETARY ALLOCATION & ACTUAL EXPENDITURE

The following table summarizes the actual amounts spent by the FTC in 2012-2013 as well as in the previous Financial Year. Also included is the Approved Budgetary Allocation for the 2012-2013 Financial Year.

Object	2012-2013 Approved (\$)	2012-2013 Actual Expenditure (\$)	2011-2012 Actual Expenditure (\$)
Compensation of Employees	53,529,828	49,199,807	52,996,262
Travel Expense & Subsistence	5,080,000	6,497,478	5,528,566
Rental Of Bldg., Machinery & Equip.	8,120,000	9,831,452	8,294,425
Public Utility Services	2,146,000	2,389,658	2,221,093
Purchase of other Goods & Services	2,541,000	4,906,313	6,882,036
Asset Purchases	0	40,186	0
Total	71,416,828	72,824,708	75,922,382

COMPENSATION

- Commissioners Compensation**

Name and Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Christopher Samuda (Chairman)	\$50,000 per month	0	0	0	450,000
Michelle Brown (Commissioner)	\$27,500 per month	0	0	0	247,500
Dena Davis (Commissioner)	\$27,500 per month	0	0	0	247,500
Densil Williams (Commissioner)	\$27,500 per month	0	0	0	220,000

- Senior Executive Compensation**

Name and Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
David Miller <i>Executive Director</i>	2012/2013	6,402,054	0	975,720	319,792	0	0	7,697,566
Ann-Marie Grant <i>General Manager</i>	2012/2013	5,761,756	0	975,720	266,682	0	0	7,004,158
Delroy Beckford <i>Senior Legal Counsel</i>	2012/2013	5,647,526	0	975,720	0	0	0	6,623,246
Kevin Harriott <i>Competition Bureau Chief</i>	2012/2013	5,622,987	0	838,362	281,149	0	0	6,742,498

Staff of the Commission

Staff of the Commission during the year April 1, 2012 to March 31, 2013

Executive Director	-	Mr. David Miller
General Manager	-	Miss Ann-Marie Grant
Senior Legal Counsel	-	Dr. Delroy Beckford
Competition Bureau Chief	-	Dr. Kevin Harriott
Legal Officer	-	Miss Wendy Duncan
Legal Officer	-	Mrs. Sashawah Grant-Newby
Competition Analyst	-	Miss Verlis Morris
Competition Analyst	-	Miss Shaneka Stewart
Accountant	-	Mr. Gregory McHargh
Research Officer	-	Miss Kristina Barrett
Research Officer	-	Mr. Lyndel McDonald
Complaints Officer	-	Mr. Paul Cooper
Executive Secretary	-	Mrs. Jean Lally
Legal Secretary	-	Miss Kathleen Francis
Senior Secretary	-	Miss Deborah Wilson
Clerk/Typist	-	Miss Shurleon Fraser
Clerk/Typist	-	Mrs. Latoya Wallace
Telephone Operator	-	Miss Peta-Gay Thaxter
Driver	-	Mr. Alwyn Hutchinson
Office Attendant	-	Mrs. Carol Fraser

Fair Trading Commission

Financial Statements

Year ended March 31, 2013

Page

Independent Auditor's Report

Financial statements

Statement of financial position	1
Statement of financial performance	2
Statement of changes in equity	3
Statement of cash flows	4
Notes to the financial statements	5 - 14



AUDITOR GENERAL'S DEPARTMENT
40 KNUTSFORD BOULEVARD
P.O. BOX 455
KINGSTON 10
JAMAICA

ANY REPLY OR SUBSEQUENT REFERENCE
TO THIS COMMUNICATION SHOULD BE
ADDRESSED TO THE AUDITOR GENERAL
AND NOT TO ANY OFFICER BY NAME
AND THE FOLLOWING REFERENCE
QUOTED: -

Tel. No.: 926-8309/926-5963/926-5846
Fax Number: 968-4690
Email: audgen@auditorgeneral.gov.jm

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Fair Trading Commission

Report on the Financial Statements

I have audited the accompanying financial statements of the Fair Trading Commission, set out on pages 1 to 14, which comprise the statement of financial position as at March 31, 2013, statements of financial performance, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of the
Fair Trading Commission**

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

Opinion

In my opinion the financial statements give a true and fair view of the financial position of the Fair Trading Commission as at March 31, 2013, and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Report on Additional Requirements of the Fair Competition Act

I have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit. In my opinion, proper accounting records have been maintained and the Financial Statements are in agreement therewith and give the information required in the manner so required.



.....
Pamela Monroe Ellis (Mrs.)

2017/01/24

Date

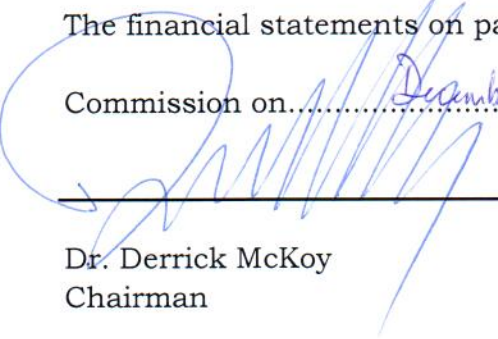
Fair Trading Commission
Statement of Financial Position
as at March 31, 2013

Page 1

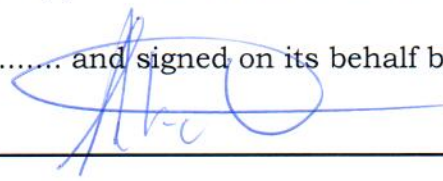
	Notes	2013 \$	Restated 2012 \$
Non-current assets			
Property, plant and equipment	6	<u>2,624,369</u>	<u>3,235,472</u>
Current assets			
Receivables and prepayments	7	1,117,689	1,075,792
Cash and cash equivalents	8	<u>4,345,234</u>	<u>3,888,596</u>
Total current assets		<u>5,462,923</u>	<u>4,964,388</u>
Current Liabilities			
Accounts payable		2,271,739	3,162,136
Statutory liabilities		15,751,836	16,043,145
Accruals		<u>7,799,830</u>	<u>8,949,616</u>
Total current liabilities	9	<u>25,823,405</u>	<u>28,154,897</u>
Net current liabilities		(20,360,482)	(23,190,509)
Net liabilities		<u>(17,736,113)</u>	<u>(19,955,037)</u>
Equity			
GOJ Capital Fund		15,568	30,806
Accumulated deficit		<u>(17,751,681)</u>	<u>(19,985,843)</u>
		<u>(17,736,113)</u>	<u>(19,955,037)</u>

The financial statements on pages 1 to 14 were approved for issue on behalf of the

Commission on..... *December 7, 2016* and signed on its behalf by:



Dr. Derrick McKoy
Chairman



Mr. Stuart Andrade
Commissioner

The accompanying notes on pages 5 - 14 form an integral part of the financial statements.

Fair Trading Commission
Statement of Financial Performance
for the year ended March 31, 2013

Page 2

	Notes	2013 \$	2012 \$
Revenue			
Income - GOJ Subvention	3(f)	74,681,731	69,764,018
Appropriations-In-Aid		<u>120,700</u>	<u>189,520</u>
Total operating revenue		<u>74,802,431</u>	<u>69,953,538</u>
Operating expenses			
Compensation of employees	10	49,199,807	52,996,262
Travelling and transportation	11	6,497,478	5,528,566
Premises related expenses	12	9,831,452	8,294,425
Public utilities	13	2,389,658	2,221,093
Goods and services	14	4,169,661	4,937,925
Depreciation	6	651,289	1,875,696
Bank charges	15	<u>85,363</u>	<u>68,415</u>
Total operating expenses		<u>72,824,708</u>	<u>75,922,382</u>
Net profit/(loss) from operations		<u>1,977,723</u>	<u>(5,968,844)</u>
Other income		98,162	100,832
Interest income	3(f)	136,579	284,924
Foreign exchange gain		6,460	4,516
Transfer from GOJ/USAID Grant	3(d)	<u>15,238</u>	<u>304,616</u>
		<u>256,439</u>	<u>694,888</u>
Surplus/(Deficit) for the year		<u><u>2,234,162</u></u>	<u><u>(5,273,956)</u></u>

The accompanying notes on pages 5 - 14 form an integral part of the financial statements.

Fair Trading Commission
Statement of Changes in Equity
for the year ended March 31, 2013

Page 3

	Notes	GOJ Capital Fund \$	General Reserve \$	Total \$
Balance at March 31, 2011		335,422	(15,717,300)	(15,381,878)
Deficit for the year		-	(5,273,956)	(5,273,956)
Transfer to income	3(d)	(304,616)	-	(304,616)
Balance at March 31, 2012		30,806	(20,991,256)	(20,960,450)
Prior period adjustment	16	-	1,005,413	1,005,413
Restated balance at March 31, 2012		30,806	(19,985,843)	(19,955,037)
Surplus for the year		-	2,234,162	2,234,162
Transfer to income	3(d)	(15,238)	-	(15,238)
Balance at March 31, 2013		15,568	(17,751,681)	(17,736,113)

The accompanying notes on pages 5 - 14 form an integral part of the financial statements.

Fair Trading Commission
Statement of Cash Flows
for the year ended March 31, 2013

Page 4

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Surplus/(Deficit) for the year		2,234,162	(5,273,956)
Adjustments:			
Depreciation	6	651,289	1,875,696
			-
Operating surplus before changes in working capital		2,885,451	(3,398,260)
Changes in working capital:			
Increase in accounts receivable		(41,897)	(138,150)
(Decrease)/increase in current liabilities		(2,331,492)	674,621
Net cash provided/(used) by operating activities		512,062	(2,861,789)
Cash flows from investing activities			
Capital expenditure	6	(40,186)	(578,405)
Net cash provided by investing activities		(40,186)	(578,405)
Cash flows from financing activities			
Transfer from Capital Fund		(15,238)	(304,616)
Net cash used by financing activities		(15,238)	(304,616)
Increase/(decrease) in cash and cash equivalents		456,638	(3,744,810)
Cash and cash equivalents at beginning of year		3,888,596	7,633,406
Cash and cash equivalents at end of year		4,345,234	3,888,596

The accompanying notes on pages 5 - 14 form an integral part of the financial statements.

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

1. IDENTIFICATION

The Fair Trading Commission (FTC) was established to enforce the regulations of the Fair Competition Act enacted March 9, 1993 and began operations September 9, 1993. The main activity of the Fair Trading Commission is the maintenance and encouragement of competition in the conduct of trade, business and services with a view to providing consumers with competitive prices and choices.

2. REPORTING CURRENCY

These financial statements are expressed in Jamaica Dollars (\$), which is the Commission's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied for the years presented.

(a) Statement of Compliance and Basis of Preparation

The financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) and interpretations issued by the International Public Sector Accounting Standards Board (IPSASB). The IPSASB is an independent board of the International Federation of Accountant (IFAC). IPSAS are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of the financial statements to conform to IPSAS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The financial statements are prepared under the historical cost convention, modified for the inclusion of certain investments at fair value.

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

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line basis at annual rates estimated to write off the carrying value of the assets over the period of their estimated useful lives. Annual rates are as follows:

Motor vehicles	25%
Furniture & Fixtures	10%
Computer equipment	25%

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is the written down immediately to its recoverable amount.

(c) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, and short term deposits.

(d) Capital Fund

This fund represents capital grants received and is written off on a straight line basis over the life of the assets. An amount equivalent to depreciation is charged in the statement of financial performance.

(e) Employee Benefits

A provision is made for the estimated liability for untaken annual vacation leave due as a result of services rendered by employees up to the reporting date.

(f) Revenue recognition

Revenue represents subvention received from the Government of Jamaica and grants received from various multi-national funding agencies.

Interest income is recognized in the income statement for all interest bearing instruments on an accrual basis unless collectability is doubtful.

(g) Taxation

No provision has been made for taxation as the Commission is tax exempt under Section 51 of the Fair Competition Act as provided for by Section 12(l) of the Income Tax Act of Jamaica.

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

4. PENSION SCHEME

The Commission operates a contributory pension scheme for its employees, with benefits based on the employees' earnings during recognized service. The Fund balance as at March 31, 2013 was \$73,375,066.59 (2012: \$65,158,925.75).

5. FINANCIAL AND CAPITAL RISK MANAGEMENT

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

(i) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. The Commission mitigates against this risk by assigning a mark-up of ten percent for inflation in the budget. However, when there is a reduction in the budget the Commission institutes measures to deal with the shortfall.

(ii) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Commission manages its foreign exchange risk by holding foreign currency bank accounts in reputable financial institutions.

(iii) Interest Rate Risk

Interest rate risk is that the value of a financial instrument will fluctuate due to changes in market interest rates. The Commission has no significant interest bearing assets or liabilities, income and operating cash flows are substantially independent of changes in market interest rates. The Commission's interest rate risk arises from deposits.

(iv) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission has limited concentrations of credit risk. This risk is managed through adherence to staff loans and advances policy as well as maintaining good relationship with suppliers.

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

5. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

(v) Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Commission manages this risk by keeping committed credit lines available.

(vi) Capital Risk

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

(vii) Operational Risk

Operational risk is the risk of direct or indirect, loss arising from a variety of causes associated with the Commission's processes, personnel, technology and other external factors, other than financial risks. The Commission manages operational risk to avoid financial loss and damage to its reputation by adhering to good corporate governance practices.

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

6. PROPERTY, PLANT AND EQUIPMENT

	USAID Furniture, Fixtures & Equipment	GOJ Motor Vehicles	GOJ Office Furniture	GOJ Fixtures & Fittings	GOJ Computers	Total
At cost:	\$	\$	\$	\$	\$	\$
April 1, 2011	876,678	1,640,861	1,133,471	3,388,774	11,139,160	18,178,944
Additions	-	-	8,157	-	570,248	578,405
Disposals	-	-	-	-	(617,711)	(617,711)
March 31, 2012	876,678	1,640,861	1,141,628	3,388,774	11,091,697	18,139,638
Adjustments	-	-	(83,488)	(138,033)	913,547	692,026
Restated March 31, 2012	876,678	1,640,861	1,058,140	3,250,741	12,005,244	18,831,664
Additions	-	-	-	37,345	2,841	40,186
March 31, 2013	876,678	1,640,861	1,058,140	3,288,086	12,008,085	18,871,850
Depreciation:						
April 1, 2011	876,678	1,640,861	840,658	1,509,925	9,783,473	14,651,595
Charge for the year	-	-	31,928	241,908	1,601,860	1,875,696
Disposals	-	-	-	-	(617,711)	(617,711)
March 31, 2012	876,678	1,640,861	872,586	1,751,833	10,767,622	15,909,580
Adjustments	-	-	(7,225)	(35,111)	(271,052)	(313,388)
Restated March 31, 2012	876,678	1,640,861	865,361	1,716,722	10,496,570	15,596,192
Charge for the year	-	-	31,973	239,314	380,002	651,289
March 31, 2013	876,678	1,640,861	897,334	1,956,036	10,876,572	16,247,481
Net book value:						
March 31, 2013	-	-	160,806	1,332,050	1,131,513	2,624,369
Restated March 31, 2012	-	-	192,779	1,534,019	1,508,674	3,235,472
March 31, 2012	-	-	269,042	1,636,941	324,075	2,230,058

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

7. ACCOUNTS RECEIVABLE

	2013	2012
	\$	\$
GCT recoverable	417,417	394,311
Interest receivable	3,154	14,052
Salary advance	5,000	24,500
Withholding tax recoverable	509,744	477,527
Prepayments	71,059	59,680
Other receivables	<u>111,315</u>	<u>105,722</u>
	<u><u>1,117,689</u></u>	<u><u>1,075,792</u></u>

8. CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
Short term deposits	2,131,586	3,827,910
Balances at bank	2,207,648	54,686
Petty cash	<u>6,000</u>	<u>6,000</u>
	<u><u>4,345,234</u></u>	<u><u>3,888,596</u></u>

9. CURRENT LIABILITIES

	2013	2012
	\$	\$
<i>Accounts Payable</i>		
Electricity	291,619	193,645
Rental of office space	1,749,096	1,356,155
Other payables	231,024	205,867
Bank overdraft	<u>-</u>	<u>1,406,469</u>
Balance carried forward to next page	<u><u>2,271,739</u></u>	<u><u>3,162,136</u></u>

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

9. CURRENT LIABILITIES (CONT'D)

	2013	2012
	\$	\$
Balance brought forward from previous page	<u>2,271,739</u>	<u>3,162,136</u>
<i>Statutory liabilities</i>		
Owed by parent Ministry	721,738	939,331
Owed by parent Ministry 2011/2012	878,614	878,614
Owed by FTC	257,186	330,902
Owed to TAJ (i)	<u>13,894,298</u>	<u>13,894,298</u>
	<u>15,751,836</u>	<u>16,043,145</u>
<i>Accruals</i>		
Vacation leave payable	4,220,519	2,984,098
Outstanding retroactive salaries	<u>3,579,311</u>	<u>5,965,518</u>
	<u>7,799,830</u>	<u>8,949,616</u>
	<u>25,823,405</u>	<u>28,154,897</u>

- (i) This represents unpaid Education Tax and PAYE deductions and related interest and penalties charged by the Tax Administration of Jamaica relating to financial year 2013 and prior. The Commission was granted a waiver of \$12,180,415.18 during the financial year 2014/2015 regarding this amount.

10. SALARIES AND OTHER STAFF COSTS

	2013	2012
	\$	\$
Salaries – Permanent	43,071,969	44,715,114
Salaries – Temporary and Wages	841,367	810,104
Vacation leave	1,236,421	2,984,098
Clothing and robing allowance	44,460	43,605
Meal allowances	302,213	304,442
Overtime allowances	223,162	217,558
Staff welfare	180,050	192,570
Health plan	1,700,955	2,034,146
Pension contribution	<u>1,599,210</u>	<u>1,694,625</u>
	<u>49,199,807</u>	<u>52,996,262</u>

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

11. TRAVELLING AND TRANSPORTATION

	2013	2012
	\$	\$
Motor vehicle allowances	6,495,078	5,527,966
Taxi fare	<u>2,400</u>	<u>600</u>
	<u>6,497,478</u>	<u>5,528,566</u>

12. PREMISES RELATED EXPENDITURE

	2013	2012
	\$	\$
Rental of building	9,747,852	8,193,100
Other rental	<u>83,600</u>	<u>101,325</u>
	<u>9,831,452</u>	<u>8,294,425</u>

13. UTILITIES

	2013	2012
	\$	\$
Electricity	1,596,236	1,388,635
Telephone and facsimile	<u>793,422</u>	<u>832,458</u>
	<u>2,389,658</u>	<u>2,221,093</u>

14. GOODS AND SERVICES

	2013	2012
	\$	\$
<i>Professional Services</i>		
Advertising and public relations	815,668	769,883
Consultancy	35,000	332,650
Consultancy – legal fees	60,000	39,000
Commissioners' stipends	<u>1,165,000</u>	<u>1,817,875</u>
Balance carried forward to next page	<u>2,075,668</u>	<u>2,959,408</u>

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

14. GOODS AND SERVICES (CONT'D)

	2013	2012
	\$	\$
Balance brought forward from previous page	<u>2,075,668</u>	<u>2,959,408</u>
<i>Office and General Expenses</i>		
Drugs and first aid	13,251	7,730
Text and reference books	2,500	28,809
Food and drink	180,059	265,213
Printing and stationery	357,803	323,326
Postal and cable	65,500	60,550
Subscriptions	58,215	69,418
Repairs and maintenance	21,043	99,533
Computer expenses	777,322	452,839
Appropriation in aid expenses	-	25,000
Insurance	174,002	162,963
Sundry expenses	<u>17,300</u>	<u>4,790</u>
	<u>1,666,995</u>	<u>1,500,171</u>
<i>Motor vehicle expenses</i>		
Petrol and oil	218,969	251,282
Motor vehicle repair and maintenance	<u>128,782</u>	<u>133,668</u>
	<u>347,751</u>	<u>384,950</u>
<i>Miscellaneous Expenses</i>		
Sanitation, security services and donations	<u>79,247</u>	<u>93,396</u>
	<u>4,169,661</u>	<u>4,937,925</u>

15. BANK CHARGES

	2013	2012
	\$	\$
RBTT – IDB US\$ Account	1,049	1,829
RBTT Current Account	<u>84,314</u>	<u>66,586</u>
	<u>85,363</u>	<u>68,415</u>

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2013

16. PRIOR PERIOD ADJUSTMENTS

The financial statements for the year ended March 31, 2012 were restated to address an understatement of the fixed assets balance. This resulted from the incorrect treatment of an asset purchased, as expenditure, duplication of asset balances and overprovision for depreciation. The effects of the restatement are reflected below:

Fair Trading Commission
Statement of Financial Position
As at March 31, 2012

	Previous 2012 \$	Effect of change \$	Restated 2012 \$
Non-current assets			
Property, plant and equipment	2,230,059	1,005,413	3,235,472
Current assets			
Receivable and prepayments	1,075,792	-	1,075,792
Cash and cash equivalents	3,888,596	-	3,888,596
Total current assets	4,964,388	-	4,964,388
Current liabilities			
Accounts payable	3,162,136	-	3,162,136
Statutory liabilities	16,043,145	-	16,043,145
Accruals	8,949,616	-	8,949,616
Total current liabilities	28,154,897	-	28,154,897
Net current liabilities	(23,190,509)	-	(23,190,509)
Net liabilities	(20,960,450)	1,005,413	(19,955,037)
Equity			
GOJ Capital Fund	30,806	-	30,806
Accumulated deficit	(20,991,256)	1,005,413	(19,985,843)
	(20,960,450)	1,005,413	(19,955,037)