Established in 1983, Consumer Unity & Trust Society (CUTS) is now at the cutting edge of the consumer movement in India as well as across the globe. Today, we operate out of five programme centres and an advocacy centre in India, two resource centres in Africa, and one resource centre in the UK, with a staff strength of over 100. Three programme centres are located in Jaipur and one each in Chittorgarh and Calcutta, India. The advocacy centre is located at New Delhi in India, and resource centres are at Lusaka, Zambia; Nairobi, Kenya; and London, UK.

The organisation elects its Board/Executive Committee every fourth year, while the Secretariat is headed by the Secretary General. Over 1200 individuals and 300 organisations are its members. The organisation is accredited to the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Commissions for Sustainable Development (UNCSD).

CUTS also works with several regional, national and international organisations, such as Consumer International (CI); the International Centre for Trade and Sustainable Development (ICTSD); South Asia Watch on Trade, Economics & Environment (SAWTEE); and the Consumer Coordination Council of India etc. It also serves on several policy-making bodies of the Government of India.

OUR CENTRES

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From the Secretary General, CUTS International

CUTS reached a milestone with the setting up of CUTS Africa Resource Centre (CUTSARC) at Lusaka, Zambia, in December 2000 as its first overseas resource centre. This year marks the sixth year of CUTS ARC in Zambia.

The objective of launching the Lusaka office was to promote South-South civil society cooperation on trade and development, and create long-term capacity of civil society representatives to address the issues of equity and accountability. The Centre has been entrusted the responsibility of consolidating and expanding the activities of the organisation on South-South civil society cooperation in international trade, economics and environment.

ARC, Lusaka has established contacts with research and advocacy organisations, donor agencies, inter-governmental and governmental bodies, including, Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC), Consumers International Regional Office for Africa (CI-ROAF), United Nations Economic Commission for Africa (UNECA), United Nations Conference on Trade and Development (UNCTAD) and the African Union (AU).

In the year 2006, the Centre undertook a project entitled, ‘Capacity Building for Eastern and Southern African (ESA) Civil Society Organisations (CSOs) during the Economic Partnership Agreement (EPA) negotiations’. The project produced a background paper and a point of entry for CSOs in Zambia in the EPA negotiations. The Centre further implemented a project entitled, ‘Research Case Study on EPA in Zambia’. The objective of the project was to influence or provide technical input to the EPA negotiations, through research and advocacy. The Centre continued implementing activities under the project entitled, ‘Linkages between Trade, Development and Poverty Reduction (TDP)’ in 2006. Under the project, the Centre carried out two case studies to identify the impact of liberalisation on the two sectors, e.g. agro-processing and textile in Zambia.

A project entitled, ‘Market Linkages for Small Scale Farmers and Producers in Zambia’ was initiated in 2006, which aims at building capacity of small scale
farmers and producers to understand and make use of trade agreements and to bring out key issues surrounding international trade.

CUTS ARC, Lusaka continued its capacity building activities for members of consumer groups and CSOs in the region and also staff members of the Centre during the reporting period. The capacity building of the Centre have been carried out through organising training workshops; enabling civil society representatives to participate in the meetings and workshops; and providing resource support to consumer organisations in preparing research reports through various reader-friendly publications.

The organisation gratefully acknowledges the support of, among other donors, HIVOS, Regional Office, Zimbabwe; Ford Foundation, US; Department for International Development (DFID), UK; Commonwealth Foundation (CF); Oxfam Novib, The Netherlands; Danish Association for International Co-operation (MS-Zambia); and the Canadian International Development Agency (CIDA).

Jaipur
July 2007

Pradeep S Mehta
Secretary General
Our Organisation

Consumer Unity and Trust Society Africa Resource Centre (CUTSARC), Lusaka, began its operation as a registered Non Governmental Organisation (NGO) in Zambia, in December 2000. This year marks the sixth year of CUTS ARC in Zambia. The Centre is affiliated to CUTS International and bears the historical transformation of the organisation to gain international recognition. Over the past years, the Centre has established itself and contributed effectively in the policy making process in Zambia, and the region as a whole. This has been due to the Centre’s strength in research, advocacy and networking.

MISSION AND OBJECTIVES

The mission and objectives of the organisation are to function as a resource, coordination as well as a networking Centre to promote South-South cooperation on trade and development by involving state and non-state actors (NSAs).

The Centre has been engaged in establishing civil society cooperation in the areas of trade, economic policies and environment in Africa ever since its inception. This is in line with the Centre’s effort to form national, regional and international coordination system and alliance building among organisations working on similar social and economic issues. The primary responsibility of ARC, Lusaka, is to function as a resource Centre to Africa-based NGOs, consumer organisations, government and regulatory agencies.

The Centre presently focuses on capacity-building activities in the areas of international trade, consumer protection, foreign direct investment (FDI) and competition policy issues at the national, regional and international levels. In this regard, the Centre has established links with NGOs, donor agencies, inter-governmental and governmental bodies, especially in the Eastern and Southern Africa (ESA).

The Centre has been working in the areas of competition policy, investment, consumer protection, regional and multilateral trade and regulation, New
Partnership for Africa’s Development (NEPAD), market linkages, and capacity building for media institutions on trade and economic reporting.

**STRUCTURE**
The governing structure of the Centre comprises the Executive Committee and the Advisory Committee. The functions of these committees are as follows:

1) **Executive Committee**
   - to give policy direction and guidelines to the organisation; and
   - to ensure that the aims and objectives of the organisation are achieved.

2) **Advisory Committee**
   - to give advice on project work being undertaken by the Centre; and
   - to attend meetings of the Centre as resource persons, when requested for by the Centre.

**HUMAN AND MONETARY RESOURCES**
The staff comprises a Coordinator, Programme Officer and an Administrative Assistant. Of the three staff members, one is female. A conscious policy of Cuts is that at least one-third of the staff should comprise females.

**TRADE AND DEVELOPMENT**
Since its inception, the Centre has been engaged in establishing itself through involvement in projects independently and also with partner organisations. The present work programme contains research, advocacy, training/capacity building and networking on international trade, consumer protection, competition policy, FDI, and economic development. The Centre is currently implementing the following projects:

- Linkages between Trade, Development and Poverty Reduction (TDP).
- Research Case Study on Economic Partnership Agreements (EPA) in Zambia.
- Capacity Building on Competition Policy in Select Countries of Eastern and Southern Africa (7Up3).
- Market Linkages for Small Scale Farmers and Producers in Zambia.
- Capacity Building on Media Coverage on Trade and Development Reporting in Zambia.

As part of the work, the Centre has established links with consumer organisations/other civil society groups in COMESA and SADC countries. In Zambia, ARC is a member of the Civil Society Trade Network of Zambia (CSTNZ), and it works closely with the Zambia Competition Commission.
(ZCC), Zambia Consumer Association (ZACA), Zambian Ministry of Commerce Trade and Industry (MCTI), Zambia Investment Centre (ZIC), the Ministry of Foreign Affairs (MoFA), Service Centre for Development Cooperation (Kepa) Zambia, CIDA, Danish Association for International Corporation (MS-Zambia), Participatory Ecological Land Use Management (PELUM) Association Zambia, Organisation Development and Community Management Trust (ODCMT) Jesuit Centre for Theological Reflection (JCTR) and Economic Association of Zambia (EAZ).

**STRATEGIC PLAN**

Planning of activities of the Centre has been done by the staff in consultation with the CUTS Head Office for the purpose of avoiding duplication of programmes. As part of the planning process, the Centre has identified a number of research, advocacy, networking organisations and donor agencies for the collaborative work.

The target is to become a reputed regional resource centre for policy research, advocacy and training on international trade, consumer protection, economic and regulatory policies having outreach to all anglophone countries in Africa by the year 2007. In order to achieve its short-term objectives, the Centre draws up workable plans, which would be suitable to the national and regional context.
Work Programme on Trade and Development

Projects and Research

POLICY RESEARCH
The objectives of the policy research are to promote dialogue, capacity-building and advocacy on key development issues at the national, regional and international levels. The details on policy research activities carried out by CUTS ARC during 2006 are mentioned below:

Economic Partnership Agreement Scenario for Zambia
CUTS ARC produced an information pack on the EPA negotiations between the ESA countries and the European Union (EU). The toolkit aimed at enhancing stakeholders understanding on the ongoing negotiations for a new trading agreement between the EU and ESA, to replace current preferences.

Campaign toolkit for Zambia: Linkages between Trade, Development and Poverty Reduction
Under the TDP project, a toolkit was produced to enhance the debate on trade and development, in particular the impact of trade liberalisation on the agro-and textiles sectors in Zambia.

Information Catalogue on Market Linkages
The Centre produced an information catalogue which contains Zambia’s trade commitments on bilateral, regional and multilateral level. It further explains the barriers affecting Zambia’s exports.

TRAINING AND CAPACITY BUILDING
Lobby and Advocacy Workshop on Market Linkages
CUTS ARC, Lusaka, with the support from MS-Zambia, organised a lobby and advocacy workshop under the project entitled, ‘Trade and Market Linkages for Small Scale Farmers in Zambia’ at Mansa, Zambia, on November 20-21, 2006.
In the workshop, small scale farmers and producers urged the Government to revisit the agriculture marketing policy if agriculture is to contribute to economic development. The small-scale farmers in Zambia own nearly about two-thirds of the agricultural land. Agriculture has become an increasingly important contributor to the Zambian economy. However, small-scale farmers have not benefited much from the liberalisation, mostly because of lack of access to inputs and markets.

The sector has suffered significant challenges as a result of liberalisation which include: poor pricing mechanisms; inability to access markets; lack of information on market requirement and standards; branding; packaging poor representation of small scale farmers’ interests; and low budget allocation to the sector. Participants acknowledge the need for an effective policy which is coherent with efforts to address poverty such as the Millennium Development Goals (MDGs).

**Trade and Market Linkages Strategy for Small Scale Producers in Eastern Province**

A two-day training workshop was organised by CUTS ARC, Lusaka, in partnership with the MS-Zambia at Chipata, Zambia, on August 10-11, 2006.

The objectives were to enable farmers to better exploit domestic and international markets through increased knowledge and networks; to build an alliance of organisations to lobby and advocate for policies favourable to regional producers; to empower farmers to advocate for favourable trade
arrangements and to establish practical market linkages at regional, national and international levels.

The workshop was organised in three sessions, which involved presentations, group discussions, and plenary sessions. Papers were presented by Farmer Support Organisation (FOSUP), Export Board of Zambia (EBZ) and by Vladimir Chilinya of CUTS ARC. Discussion themes included opportunities and challenges for small scale farmers in regional and international agriculture markets and agro-processing; establishing effective institutional linkages in agriculture trade; and creating networks to ensure farmers have access to information finance and markets etc.

The workshop identified several problems for producers, such as lack of institutional structures and failure to plan for markets before production. Participants produced several recommendations relating to the problems, including that District Farmers Associations (DFAs) have a strong role in community sensitisation on developments in the agricultural trade sector; capacity-building initiatives continue in the province and strategic partners help link DFAs financing institutions.

**Technical Workshop on EPAs**
ARC, Lusaka and CSTNZ, jointly organised a technical workshop on EPAs, at Lusaka, Zambia, on March 16, 2006. The workshop was held under the project
entitled: ‘Capacity Building of Eastern and Southern African Civil Society during the EPA negotiations’, being implemented by CUTS London Resource Centre (CUTS LRC) in six countries.

The project has the following objectives:
• to contribute to the achievement of a development-friendly gender-sensitised outcome of the EPA negotiations, especially for Zambia and other ESA group of countries;
• to build the capacity of non-state actors (NSAs) to engage with the EPA negotiations; and
• directly contribute to the efforts to attain MDGs, particularly MDG 1: to eradicate extreme hunger and poverty, and MDG 8: to develop a global partnership for development.

In this context, the technical workshop aimed at consulting experts and stakeholder organisations on existing EPA impact assessments and the implications for civil society, marginalised and vulnerable.
Advocacy and Networking

Advocacy work on international trade barriers faced by poor countries was carried out through policy briefs, news bulletins, press releases, lobbying and workshops. The Centre was involved in advocacy on competition policy, fair trade, poverty reduction, and stakeholder involvement in decision-making. The target group comprised civil society/consumer organisations, government/regulatory agencies, chambers of commerce, labour unions, etc.

CONSULTATIONS AND SEMINARS

Regional Dialogue on the EPA and Economic Development

Over 55 representatives of CSOs from ESA agreed on a common position on EPAs. Speaking at the occasion, Erastus Mwencha, Secretary-General, COMESA

L to R: Sajeev Nair, Regional Director, CUTS ARC, Lusaka; Erastus Mwencha, Secretary General, COMESA; and George Lipimile, Executive Director, ZCC
echoed civil society’s fears that the EU was applying ‘underhand methods’ in the negotiations by saying that the Economic Development Fund (EDF) was sufficient for development in the ESA countries. He called upon the EU to provide ESA countries with real and secure market access through EPAs and to ensure that development remained at the heart of negotiations.

Regional Conference of TDP Project
ARC, Lusaka, in collaboration with CUTS Centre for International Trade, Economics & Environment (CUTS CITEE), organised a Regional Conference on ‘Linkages between Trade, Development and Poverty Reduction’ at Nairobi, Kenya, on October 16-17, 2006.
The objectives of the Regional Conference were to:

- to provide a discussion forum to deliberate on the various trade-related capacity building initiatives in Africa from the point of view of development and poverty reduction;
- to promote the cross fertilisation of experiences and lessons learnt from existing TDP initiatives; and
- to facilitate appropriate civil society policy responses evolving synergistic positions and take forward well-argued viewpoints for pro-poor development and sustainable economic growth.

There were about 50 participants including representatives from the Kenyan Government and NGOs, research institutes and private sector bodies from across ESA. The countries represented in the conference included Kenya, South Africa, Tanzania, Uganda and Zambia.

Consultative Workshop on EPA Negotiations
ARC, Lusaka, jointly with CSTNZ hosted a national workshop on the EPA negotiations in Kitwe, Zambia, on September 11, 2006.

The objectives of the workshop were to:

- inform and consult stakeholders on the threats and opportunities of the EPAs and raise recommendations to the government and trade negotiators;
- build the capacity of organisations in the Copperbelt to effectively engage and participate in the EPA negotiations process;
- contribute to the realisation of a development-friendly EPA with the EU; and
- develop a national advocacy document.

Participants debated on key issues of concern and came up with several recommendations. Some of them were:

- the negotiation team should be strengthened with the inclusion of more competent members including different stakeholders and take inputs from the civil society;
- the list of sensitive products should be drawn by considering sectors across the country;
- stakeholders should provide government with information and recommendations on how to best go about developing certain sectors, for eg. the dairy sector;
- lobby and advocacy should be a continuous process as this can have a larger impact on outcomes;
• the Government of Zambia should provide subsidies and other incentives to local investors to enhance competitiveness, value-addition and production capacity; and
• an assessment should be carried out on what Zambia has attained out of its various memberships in different organisations: COMESA, SADC and WTO.

National Consultative Dialogue on TDP

The objectives of the dialogue were to:
• facilitate cross-fertilisation of experiences and lessons learnt on linkages between trade, development and poverty reduction in the developing countries;
• strengthen the ability of developing countries through the provision of policy support and other know-how and do-how on trade and development issues;
• facilitate synergy between governments and CSOs to strengthen collective perspectives and positions; and
• advocate development-oriented trade policies, based on learning from research and other activities, by taking into account the interests and priorities (needs and aspirations) of the poor and marginalised sections of the society and look into the aspects of policy coherence.

One of the recommendations that emerged from the dialogue was that trade liberalisation was rushed in the Zambian case. Closing down of many local industries has been due to opening of the market to imports and stiff domestic competition. Since liberalisation, the Zambian economy has been experiencing increasing hardship. More firms have closed as compared to the new ones that have been established, unemployment has increased and so has the gap between the rich and the poor. In general, poverty has increased. There is need for a more cautious approach when signing international trade protocols. Further, it was voiced that Zambia must reassess gains from trade arrangements already signed. The Government must provide better direction and support to the business community to hasten the adjustment process. In order for trade liberalisation to benefit the poor, there is a great need to establish coherence between liberalisation initiatives and national development policies/plans/strategies.
PARTICIPATION/REPRESENTATION

In accordance with the mission of the Centre, viz, coordination, as well as networking, with like-minded organisations to promote civil society cooperation, the Centre took part in activities organised by its partners. The Centre received support from many of its partner organisations in various ways in implementing its programmes. During the reporting period, the representatives of the Centre took part in the following events:

- COMESA NSAs Forum on EPAs, facilitated by Oxfam Novib, The Netherlands, at Addis Ababa, on November 07-08, 2006, which witnessed the adoption of the Lusaka EPA communiqué and the Nairobi CSO response to the EPA, ESA draft.
- Consultative meeting on the draft quality of service standards for the telecommunication sector in Zambia organised by the Communications Authority (CA).
- NSA Consultative meeting on 10th European Development Fund (EDF), on November 24, 2006 that discussed the framework and various components under the EDF 10 for Zambia.
- A two-day Lobby workshop for Access to Markets Organisations organised by Catholic Organisation for Relief and Development (CORDAID) at Lusaka, Zambia, on November 13-14, 2006 to help organisations improve their lobby strategies, through exchange of best practices.
- The COMESA Comprehensive Africa Agriculture Development Programme (CAADP) Focal Points Meeting, in collaboration with the NEPAD Secretariat, on August 28, 2006.
- A Meeting for the Movement for emerging NGOs, organised by the ODCMT in Zambia, on January 14, 2006.
- Debt Cancellation to Trade Justice workshop organised by the Jubilee Movement in Zambia, on November 21-22, 2006.
- The Post Hong Kong workshop from August 31 to September 02, 2006, to review the progress made under the World Trade Organisation (WTO) Doha Development Agenda (DDA).
Outreach

Advocacy work on international trade and development issues encountered by the poor countries has been carried out through publication of policy briefs, news bulletins, newsletters e-newsletters, press releases and workshops. The Centre was involved in advocacy on competition policy, consumer protection, development- oriented FDI policy, fair trade, poverty reduction, and stakeholder involvement in decision-making process.

NEWSLETTER
The Centre produced four issues of the newsletter entitled, 'Tradequity' on trade and development issues. These were distributed among the partner organisations, development agencies, government and other stakeholders.

The key themes of the newsletter published in 2006 comprise:
• Aid for Trade and LDCs
• Can NePAD Deliver Africa’s Expectations
• Suspension of Doha Round and its Implications for Developing Countries
• Promoting Development through EPAs

ELECTRONIC BULLETINS
CUTS ARC Sounds
CUTS ARC Sounds is an electronic newsletter circulated among the partner and networking organisations. The content of the news bulletin comprise activities of the Centre and other relevant news items on trade, consumer protection and development impacting the region.
Consumer Watch
Consumer Watch e-newsletter is a joint initiative of ARC Lusaka and ZACA, published with the objective of enhancing consumer welfare through sensitisation, information dissemination and capacity building of consumers, business entities and government. The newsletter focuses on bringing out issues such as violation of consumer rights and measures to be taken by the relevant authorities to protect stakeholders.

INTERACTION WITH MEDIA
The Centre interacts actively with the print media in its advocacy programmes. There were several press statements and articles from CUTS ARC, Lusaka that appeared in the media.
Networking with Stakeholders and Other NGOs

ARC Lusaka has established links with most of the CSOs working on trade and development issues in ESA. The Centre gives priority to do collaborative work with like-minded organisations with the objective of skills sharing and to achieve its objective of South-South civil society cooperation on trade and development.

The Centre has established networks with CSOs and consumer organisations in Uganda, Kenya, Malawi, Zambia, South Africa, Seychelles, Mozambique, Namibia, Mauritius, Ethiopia and Zimbabwe. The representatives of these organisations have been participating in various training and other programmes being organised by ARC Lusaka.

During the 2006 period, the Centre was actively involved in networking with CSOs, regulatory and government agencies, inter-governmental bodies and business associations, etc.
The Road Ahead

The Centre is committed to strengthening its collaborative work with various stakeholders in the coming years. The Centre has continued to establish new contacts with organisations in the region and in Zambia for collaborative work and networking. A dynamic mailing list has been prepared by the Centre for distribution of printed and electronic publications.

The target is to become a reputed regional resource centre for policy research, advocacy and training on international trade, consumer protection, economic and regulatory policies having outreach to all anglophone countries in Africa by the year 2007. In order to achieve its short-term objectives, the Centre draws up workable plans, which would be suitable to the national and regional context.
CONSUMER UNITY AND TRUST SOCIETY

RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2006

The Board is responsible for preparing financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust Society and the surplus and deficit and cash flows for the year. In preparing these financial statements, the Board has selected suitable accounting policies and then applied them, made judgments and estimates that are reasonable and prudent and followed applicable accounting standards.

The Board is responsible for ensuring that the Trust Society keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust. The Board is also responsible for safeguarding the assets of the Trust and taking reasonable steps for the preparation and detection of fraud and other irregularities.

In the opinion of the Board

(i) The operating statement is drawn up so as to give a true and fair view of the operations of the Trust Society for the year ended 31st December, 2006
(ii) The balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Trust Society as at 31st December, 2006
(iii) There are reasonable grounds to believe that the Trust Society will be able to settle its obligations as and when they fall due

These financial statements set out on pages 3 to 10 were approved by the Board of Directors on ____________ and signed on its behalf by:

DIRECTOR

SECRETARY

DATE 02.03.07
## CONSUMER UNITY AND TRUST SOCIETY

### SUMMARIED INCOME AND EXPENDITURE ACCOUNTS
**YEAR ENDED 31ST DECEMBER, 2005**

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<td>Expenditure</td>
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### MOVEMENT ON ACCUMULAT

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<td><strong>19,710,157</strong></td>
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### CONSUMER UNITY AND TRUST SOCIETY

#### DETAILED OPERATING STATEMENT
YEAR ENDED 31ST DECEMBER, 2006

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<th>INCOME</th>
<th>2006</th>
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**EXPENDITURE**

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<td>Market Linkage Workshop</td>
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<tr>
<td>Office rental</td>
<td>17,368,000</td>
<td>22,560,000</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>6,740,554</td>
<td>40,877,888</td>
</tr>
<tr>
<td>Postage and telephones</td>
<td>23,535,497</td>
<td>26,036,796</td>
</tr>
<tr>
<td>Photocopying</td>
<td>-</td>
<td>9,108,900</td>
</tr>
<tr>
<td>Repairs and maintenance equipment</td>
<td>5,252,830</td>
<td>-</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>92,431,276</td>
<td>132,677,540</td>
</tr>
<tr>
<td>Trade Development Project and Research</td>
<td>15,690,000</td>
<td>-</td>
</tr>
<tr>
<td>Travelling expenses</td>
<td>12,667,300</td>
<td>276,398,006</td>
</tr>
<tr>
<td>Utilities and cleaning materials</td>
<td>452,240</td>
<td>-</td>
</tr>
</tbody>
</table>

**TOTAL EXPENDITURE**

343,833,487 553,186,479

**SURPLUS / (DEFICIT) FOR THE PERIOD**

110,086,727 (158,927,664)