Audit Report

CONSUMER UNITY AND TRUST SOCIETY (CUTS)

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements for the year ended 31st December 2008.

Respective responsibilities of directors and auditors
As described in the company's act 1994 directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion
We conducted our audit in accordance with Auditing Standards. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act, 1994 and, the accounting and other records and registers have been properly kept in accordance with the Act.

J.K MUSONDA AND COMPANY
CHARTERED ACCOUNTANTS
P.O BOX 34575
LUSAKA

May-09
CONSUMER UNITY AND TRUST SOCIETY

SUMMARISED INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

<table>
<thead>
<tr>
<th>NOTE</th>
<th>YEAR</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2007</td>
</tr>
<tr>
<td></td>
<td>ZMK '000</td>
<td>ZMK '000</td>
</tr>
<tr>
<td>Income</td>
<td>281,318</td>
<td>150,571</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(282,255)</td>
<td>(285,737)</td>
</tr>
<tr>
<td>Surplus / (Deficit)</td>
<td>(837)</td>
<td>(135,166)</td>
</tr>
</tbody>
</table>

MOVEMENT ON ACCUMULATED FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>(6,369)</td>
<td>129,797</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(837)</td>
<td>(135,166)</td>
</tr>
<tr>
<td>Balance as at 31.12.2008</td>
<td>(6,306)</td>
<td>(6,363)</td>
</tr>
</tbody>
</table>
## Operating Statement

**For the Year Ended 31 December 2008**

<table>
<thead>
<tr>
<th>NOTE</th>
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<th>YEAR</th>
</tr>
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<td>ZMK ’000</td>
<td>ZMK ’000</td>
</tr>
</tbody>
</table>

### Income

- Revenue: 279,518
- Exchange Gain: 1,803

**Total Income:** 281,318

### Expenditure

- Accountancy fees: 5,000
- Advertising: 1,747
- Bank Charges: 3,101
- Subscriptions / Donations: 3,615
- Depreciation: 42
- Administration Expenses: 1,577
- Economic Partnership Agreement Meetings: -
- Printing / Stationery: 13,227
- Postage / Telephones: 16,383
- Interest Payable: 658
- Workshop & Conference Facility Expenses: 11,782
- Capacity Buildings Conferences: -
- MS Zambia Strategic Plan Policy: -
- Travel: 94,871
- Transport: 15,656
- Market Linkage Workshop: -
- Rent: 19,868
- Repairs & Maintenance: 4,069
- Access to secure market policy seminar: -
- Hotculture and poverty seminar: -
- NEPAD Projects: -
- Office Teas & Cleaning: 788
- Legal / Consultancy fees: -
- AWEPOW Project: -
- Licence / Insurance: 1,761
- Consultation Workshop: 2,641
- Training and Staff Welfare: -
- Salaries: 71,098
- NAPSA: 2,732
- PAYE: 10,119

**Total Expenditure:** 282,285

**Net Movement:** (927)