

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL (CUTS)

FINANCIAL STATEMENTS

For the year ended 31 December 2011

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL (CUTS)

Statement of Executive Committee's responsibilities

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CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL (CUTS)

Statement of Executive Committee's' responsibilities

Section 7(2)(a) of the Societies Act requires the Executive Committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the society and of the surplus or deficit for that year.

In preparing such financial statements, the Executive Committee is required to:

select suitable accounting policies and apply them consistently;

make judgments and estimates that are reasonable and prudent;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The executive committee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute. They are also responsible for safeguarding the assets of the institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The executive committee confirms that in their opinion:

The financial statements give a true and fair view of the state of the Societies' state of affairs at 31st December 2011 and of its Deficit and cash flow for the year then ended;

At the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The financial statements are drawn up in accordance with applicable accounting standards.

This statement is made in accordance with a resolution of the executive committee.

Signed at Lusaka on _____

Chairperson _____

Secretary _____

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSUMER UNIT AND TRUST SOCIET INTERNATIONAL

Report on the financial status

We have audited the Financial Statements of Consumer Trust and Society (CUTS) which comprise the Statement of Financial Position as at 31st December 2011 and the Statement of Comprehensive Income, the Statement of cash flows for the year then ended, statement of detailed expenditure, and notes to the financial statements which include a summary of significant accounting policies and explanatory notes set out on pages 7 to 9.

The Director's responsibility for the financial statements

As described on page 1, the executive committee is responsible for the preparation of the financial statements in accordance with international financial reporting standards. This responsibility includes designing, presentation of financial statements that are free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with approved international auditing reporting standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes an 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 financial statements, and of whether the accounting policies are appropriate to the entity circumstances consistently applied and adequately disclosed.

We explained and performed our audit son 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, whether caused by fraud or other irregularity or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Consumer Unity and Trust Society International (CUTS) as at 31st December 2011 and of its deficit and cash flow for the year then ended in accordance with International financial reporting Standards (IFRS).

Report on other legal and regulatory requirements

In accordance with the company's Act 1994, we report that, in our opinion, the required accounting records and registers have been properly kept in accordance with the Act

Joseph Abrahams

MANAGING PARTNER

Date:.....



CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2011

	31.12.2011	31.12.2010
	ZMW	ZMW
INCOME		
CUTS India	137,050	353,160
CUTS Geneva	-	26,817
Capacity Building Project	-	52,740
Commonwealth	5,832	-
Rental income	17,250	34,320
BETAMPOR Programme	642,842	-
FIAN	46,218	-
Other income	13,488	54,198
TOTAL INCOME	862,679	521,235
EXPENDITURE		
Operation & Administration Expenses	(167,071)	(304,118)
Depreciation	(2,577)	(468)
Establishment expenses	(209,325)	(214,701)
Capacity Building Project	-	(52,740)
LCD Watch Expenses	-	(10,340)
BETAMPOR Expenses	(487,849)	-
TOTAL EXPENDITURE	(866,823)	(582,366)
DEFICIT FOR THE YEAR	(4,144)	(61,132)

Report of the Auditors on page 2 to 3

The notes on page 7 to 9 form part of these financial statements

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2011

		31.12.2011	31.12.2010
		ZMW	ZMW
ASSETS			
NON CURRENT ASSETS			
Tangible Assets	2	8,259	5,556
CURRENT ASSETS			
Bank balances	3	20,441	-
Cash at hand	3	-	1
Receivables	4	-	10,268
TOTAL ASSETS		28,700	15,825
FINANCED BY:			
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds	5	(26,594)	(22,450)
CURRENT LIABILITIES			
Bank overdraft	3	-	16,309
Payables and accruals	6	55,294	21,966
TOTAL FUNDS AND LIABILITIES		28,700	15,825

CHAIRMAN

DATE

SECRETARY

Report of the Auditors on page 2 and 3
The notes on page 7 to 9 form part of these financial statements

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL**STATEMENT OF CASHFLOWS**

for the year ended 31 December 2011

	31.12.2011	31.12.2010
	ZMK	
OPERATING ACTIVITIES		
Deficit for the period	(4,144)	(61,132)
Depreciation	2,577	468
Operating profit before working capital changes	(1,567)	(60,664)
Movement in receivables	10,268	(10,268)
Movement in payables	33,329	21,966
Net cash flows from operating activities	43,597	11,698
FINANCING ACTIVITIES		
Net cash inflow	-	-
INVESTING ACTIVITIES		
Non current assets-tangible bought	(5,280)	-
	(5,280)	-
MOVEMENT IN CASH AND CASH EQUIVALENTS		
	36,750	(48,966)
CASH AND CASH EQUIVALENTS		
At beginning of the period	(16,309)	32,657
At 31 December 2011	20,441	(16,309)
	36,750	(48,966)

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

1 STATEMENT OF ACCOUNTING POLICIES

a) Basis of preparation of Financial statements

The financial statements have been prepared in accordance with the historical cost convention of accounting and comply with operative International Accounting Standards.

b) Income

Income comprises funds received from donors

c) Non current assets-Tangible

Tangible assets are stated in the Statement of Financial Position at cost less accumulated depreciation

d) Depreciation

Depreciation is charged on a straight line basis as follows:

Household furniture	25%
Furniture & Fittings	25%
Office equipment	25%

e) Foreign Currencies

All transactions are reported in the Zambian Kwacha at the rate ruling on the day of the transaction. Liabilities and assets are converted into local currency at the rate ruling on the Statement of Financial Position date. Gains and losses are reported and dealt with in the income statement.

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

for the year ended 31 December 2011

2 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Office Furniture	Household Furniture	Total
Cost	ZMK	ZMK	ZMK	ZMK
At 1 January 2011	53,038	21,639	1,781	76,458
Additions	5,280	-	-	5,280
At 31 December 2011	58,318	21,639	1,781	81,738
DEPRECIATION				
At 1 January 2011	52,360	16,761	1,781	70,902
Charge for the year	1,998	579	-	2,577
At 31 December 2011	54,358	17,340	1,781	73,479
NET BOOK VALUE				
At 31 December 2011	3,960	4,299	0	8,259
At 31 December 2010	678	4,878	0	5,556

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS(Continued)

for the year ended 31 December 2011

	31.12.2011 ZMW	31.12.2010 ZMW
3 CASH AND BANK BALANCES		
ZMK Account	-	-
USD Account	<u>20,441</u>	<u>-</u>
	20,441	-
BANK OVERDRAFT		
ZMK Account	-	16,044
USD Account	-	266
CASH BALANCES		
Petty cash	-	-
TOTAL	<u>20,441</u>	<u>16,309</u>
4 RECEIVABLES		
Staff receivables	-	4,018
Other receivables	-	6,250
TOTAL RECEIVABLES	<u>-</u>	<u>10,268</u>
5 ACCUMULATED FUNDS		
At beginning of period	(22,450)	38,682
Deficit for the year	<u>(4,144)</u>	<u>(61,132)</u>
At 31 December 2011	<u>(26,594)</u>	<u>(22,450)</u>
6 PAYABLES		
PAYE	4,711	1,466
NAPSA	4,358	-
Audit fees	2,700	8,500
Other payables	<u>43,525</u>	<u>12,000</u>
	<u>55,294</u>	<u>21,966</u>

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL**DETAILED EXPENDITURE STATEMENT**

for the year ended 31 December 2011

	31.12.2011 ZMK	31.12.2010 ZMK
EXPENDITURE		
Accountancy	7,500	3,000
Administrative costs	-	5,116
Advertising	-	1,712
Audit Fees	10,200	9,400
Bank Charges	4,481	1,891
Maintenance	-	700
Consultancy Fees	-	18,500
Exchange Loss	-	2,006
Facilitation Expenses	1,600	-
FEATS	-	22,159
Insurance costs	1,481	1,481
Office Maintenance	17,782	8,759
Office RENT	78,000	74,250
Planning meeting/Retreat costs	-	952
Postage and Telephone/Internet	-	30,508
Printing and Stationery	-	14,449
Subscriptions and donations	2,584	1,693
Transport costs	-	34,648
Travel and Accommodation	29,197	41,447
Workshop and Seminars	14,246	28,585
Water and Electricity	-	2,860
	<u>167,071</u>	<u>304,118</u>
DEPRECIATION	<u>2,577</u>	<u>468</u>
ESTABLISHMENT COSTS		
Salaries and wages	209,325	212,117
Work Permit	-	1,034
Casual Labour	-	1,550
	<u>209,325</u>	<u>214,701</u>
Capacity Building Project	<u>-</u>	<u>52,740</u>
LCD Watch Expenses	<u>-</u>	<u>10,340</u>
BETAMPOR Expenses	<u>487,849</u>	<u>-</u>