

**CONSUMER UNITY & TRUST SOCIETY
INTERNATIONAL**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2012



ASSOCIATES

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CONSUMER UNITY & TRUST SOCIETY

FINANCIAL STATEMENTS

For the year ended 31 December 2012

CONTENTS

Statement of Directors' responsibilities	1
Independent Auditor's report	2-3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Cash flow statement	6
Notes to the Financial Statements	7-9
Statement of Detailed Expenditure	10
Appendix 1	

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL

Section 7(1) of the Societies Act Cap 119 requires the directors to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the Organisation and of the surplus or deficit for that period.

In preparing such financial statements, the directors are required to:

- a) select suitable accounting policies and apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

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

The Directors confirm that in their opinion :

The financial statements give a true and fair view of the organisation affairs as at 31st December 2012 and of its surplus and cash flow for the period then ended ;

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

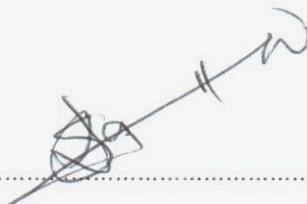
The financial statements are drawn up in accordance with applicable accounting standards .

This statement is made in accordance with a resolution of the Board of Directors .

Signed at Lusaka on



CHAIRMAN



SECRETARY



Associates

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INDEPENDENT AUDITOR'S REPORT TO THE MEMMBERS OF CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL.

Report on the financial statements

We have audited the financial statements of Consumer Unity & Trust Society International Financial position as at 31st December 2012 and the income statement for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and explanatory notes set out on page 7 – 9.

The Director's responsibility for the financial statements.

As described on page 1, the directors are 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 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 judgments' made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the entity' circumstances consistently applied and adequately disclosed.

We however would like to highlight a few points that are of paramount importance in the efficient running of this Organisation.

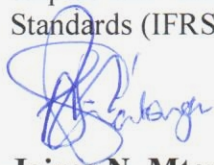
- 1) Rent received was mostly not banked but expensed immediately. Proper accounting procedure is required in this situation.



- 2) The use of Excel as an accounting package is not a preferred option. We therefore strongly that an accounting package be obtained. We are happy to hear that Pastel Accounting was acquired for the 2013 financial year.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Consumer Unity & trust Society International as at 31st December 2012 and its surplus and cash flow for the period then ended in accordance with International Reporting Standards (IFRS).



Jairos N. Mtonga
Managing Partner

Date: 31/03/2014



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

for the year ended 31 December 2012

	31.12.2012	31.12.2011
	ZMW	ZMW
INCOME		
CUTS India	131 612	137 050
CCPC	7 950	
Oxfarm	41 333	
Commonwealth	-	5 832
Rental income	46 900	17 250
BETAMPOR Programme	525 587	642 842
ZICTA	213 418	
FIAN International	14 040	46 218
Other income	40 369	13 488
TOTAL INCOME	1 021 209	862 678
EXPENDITURE		
Operation & Administration Expenses	(612 898)	(654 920)
Depreciation	(3 505)	(2 577)
Establishment expenses	(367 339)	(209 325)
TOTAL EXPENDITURE	(983 742)	(866 822)
DEFICIT / SUPLUS FOR THE YEAR	37 467	(4 144)

Report of the Auditors on page 2 to 3

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

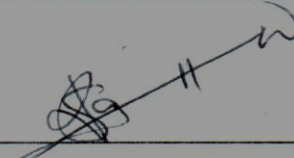
CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2012

		31.12.2012	31.12.2011
		ZMW	ZMW
	NOTES		
ASSETS			
NON CURRENT ASSETS			
Tangible Assets	2	6 754	8 259
CURRENT ASSETS			
Bank balances	3	25 820	20 442
Cash at hand	3	-	-
Receivables	4	-	-
TOTAL ASSETS		<u>32 574</u>	<u>28 701</u>
FINANCED BY:			
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds	5	10 873	(26 594)
CURRENT LIABILITIES			
Payables and accruals	6	21 702	55 294
TOTAL FUNDS AND LIABILITIES		<u>32 575</u>	<u>28 701</u>

The financial statements on page 4 to 10 were approved and signed on behalf of the board on _____ 2014.


_____ **CHAIRMAN**


_____ **SECRETARY**

DATE 31/03/2014

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 2012

	31.12.2012	31.12.2011
	ZMK	
OPERATING ACTIVITIES		
Deficit for the period	37 467	(4 144)
Depreciation	3 505	2 577
Operating profit before working capital changes	40 972	(1 567)
Movement in receivables	-	10 268
Movement in payables	(33 592)	33 329
Net cash flows from operating activities	(33 592)	43 597
FINANCING ACTIVITIES		
Net cash inflow	-	-
INVESTING ACTIVITIES		
Non current assets-tangible bought	(2 000)	(5 280)
	(2 000)	(5 280)
MOVEMENT IN CASH AND CASH EQUIVALENTS	5 379	36 750
CASH AND CASH EQUIVALENTS		
At beginning of the year	20 441	(16 309)
At 31 December 2012	25 820	20 441
	5 379	36 750

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS**for the year ended 31 December 2012

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 2012

2 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Office Furniture	Household Furniture	Total
Cost	ZMK	ZMK	ZMK	ZMK
At 1 January 2012	58 318	21 639	1 781	81 738
Additions	2 000	-	-	2 000
At 31 December 2012	60 318	21 639	1 781	83 738
DEPRECIATION	500			
At 1 January 2012	54 358	17 340	1 781	73 479
Charge for the year	2 498	1 007	-	3 505
At 31 December 2012	56 856	18 347	1 781	76 984
NET BOOK VALUE				
At 31 December 2012	3 462	3 292	-	6 754
At 31 December 2011	3 960	4 299	-	8 259

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS(Continued)**

for the year ended 31 December 2012

	31.12.2012 ZMW	31.12.2011 ZMW
3 CASH AND BANK BALANCES		
ZMK Account	25 950	-
USD Account	-	20 441
	<u>25 950</u>	<u>20 441</u>
BANK OVERDRAFT		
ZMK Account	-	-
USD Account	(129)	-
CASH BALANCES		
Petty cash	-	-
TOTAL	<u><u>25 820</u></u>	<u><u>20 441</u></u>
4 RECEIVABLES		
Staff receivables	-	-
Other receivables	-	-
TOTAL RECEIVABLES	<u><u>-</u></u>	<u><u>-</u></u>
5 ACCUMULATED FUNDS		
At beginning of period	(26 594)	(22 450)
Deficit / Suplus for the year	37 467	(4 144)
At 31 December 2012	<u><u>10 873</u></u>	<u><u>(26 594)</u></u>
6 PAYABLES		
PAYE	4 480	4 711
NAPSA	2 457	4 358
Zamtel	3 400	-
Audit fees	-	2 700
Other payables	11 365	43 525
	<u><u>21 702</u></u>	<u><u>55 294</u></u>

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

for the year ended 31 December 2012

	31.12.2012 ZMW	31.12.2011 ZMW
EXPENDITURE		
Administrative costs	69 432	-
Advocacy	1 000	-
Audit & accounting fees	1 019	7 500
Audit Fees	-	10 200
Bank Charges	13 359	4 481
BOZ breach	54 055	-
Communication costs	20 262	-
Documentaries - TV	110 042	-
Electricity & Water	1 460	-
Facilitation Expenses	-	1 600
Hands off project	57 630	-
Insurance costs	-	1 481
Office Maintenance	3 182	17 782
Office rentals	56 160	78 000
Periodic visits	9 565	-
Printing and Stationery	1 848	-
Research expenses	100 332	-
Subscriptions	1 670	2 584
Travel and Accommodation	21 736	29 197
Water and Electricity	605	-
Workshop and Seminars	-	14 246
ZICTA expenses	89 541	-
BETAMPOR Expenses- see App.1	-	487 849
	<u>612 898</u>	<u>654 920</u>
DEPRECIATION	<u>3 505</u>	<u>2 577</u>
ESTABLISHMENT COSTS		
Salaries and allowances	367 339	209 325
	<u>367 339</u>	<u>209 325</u>

CONSUMER UNITY & TRUST SOCIETY INTERNATIONAL

SUMMARY OF EXPENDITURE

For the year ended 31 December 2012

	ZMK Quarter	ZMK Cottage	Sub Office	ZMK Petty cash	ZMK Main	\$ Petty cash	\$ Main	\$ Betampor	ZMK Betampor	TOTALS
EXPENDITURE										
Accounting & audit fees	-	-	-	200	-	819	-	-	-	1 019
Administrative costs	3 248	1 683	-	2 595	24 550	-	-	-	37 357	69 432
Advocacy	-	-	-	-	-	-	-	-	1 000	1 000
Bank Charges	-	-	-	-	5 028	-	4 586	2 081	1 664	13 359
Bank of Zambia breach	-	-	-	-	54 055	-	-	-	-	54 055
Communications cost	-	310	-	2 176	7 893	700	-	-	9 183	20 262
Documentaries -TV	-	-	-	-	-	-	-	-	110 042	110 042
Electricity & water	780	-	-	-	-	680	-	-	-	1 460
Funds transfer	-	-	-	-	-	-	47 550	296 631	-	344 181
Hand off project	-	-	-	-	-	31 365	26 265	-	-	57 630
Office rentals	-	-	-	-	56 160	-	-	-	-	56 160
Periodic visits	-	-	-	-	-	-	-	2 040	7 525	9 565
Petty cash	-	-	-	6 830	-	-	28 560	-	2 880	38 270
Printing and Stationery	809	450	-	-	-	588	-	-	-	1 848
Repairs & maintenance	1 162	-	-	220	1 800	-	-	-	-	3 182
Research expenses	-	-	-	-	81 542	-	-	-	18 790	100 332
Subscriptions	-	-	-	-	1 670	-	-	-	-	1 670
Travelling expenses	5 769	2 610	40	7 060	-	3 885	1 020	-	1 352	21 736
Water and Electricity	-	125	-	480	-	-	-	-	-	605
ZICTA	-	-	-	-	-	-	-	-	89 541	89 541
ESTABLISHMENT COSTS										
Salaries and wages	4 986	32 919	30 457	32 982	57 772	36 455	60 965	43 205	67 597	367 339
PAYE	-	-	-	-	1 094	-	-	-	-	1 094
NAPSA contributions	-	-	-	-	3 951	-	-	-	-	3 951
TOTALS	16 754	38 097	30 497	52 543	295 515	74 493	168 947	343 957	346 930	1 367 733