

Consumers International

FINANCIAL STATEMENTS

for the year ended

31 December 2008

Charity Registration No. 1122155
Company Registration No. 4337865

Consumers International

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Consumers International

GENERAL INFORMATION

Consumers International is a not-for-profit company limited by guarantee, registered in England. Established in 1960, it is governed by a Council elected from the organisation's membership.

1. Reference and administrative details

Consumers International

Registered Charity Number 1122155
Company Registration No. 4337865

Secretariat and Registered Office:
24 Highbury Crescent
London, N5 1RX

Auditor:
Baker Tilly UK Audit LLP Chartered Accountants
1st Floor
46 Clarendon Road
Watford
Herts
WD17 1JJ

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2 Gladbeck Way
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Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2008

The Council of Consumers International, who are also the Trustees are pleased to present this summary report and the financial statements for the year ended 31 December 2008. The audited accounts reflect the worldwide results for the organisation, including the activities of its constituent regional offices.

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year were as follows:

CI President: Samuel Ochieng, Consumer Information Network, Kenya
CI Vice President: James Guest, Consumers Union of United States, United States
CI Treasurer: Armand de Wasch, Association des Consommateurs/Verbruikersunie Test Achats, Belgium
CI Hon. Secretary: Saree Aongsomwang, Foundation for Consumers, Thailand.
Beatriz Garcia Buitrago, Consumidores Argentina, Argentina
Peter Kell, Australian Consumers Association, Australia (Resigned 16 September 2008)
Gordon Renouf, Australian Consumers Association, Australia (Appointed 8 August 2008)
Connie Lau, Hong Kong Consumers Council, Hong Kong
Anna Butterworth, Which?, United Kingdom
Gerd Billen, Federation of German Consumer Organisations, Germany
Felix Cohen, Consumentenbond, The Netherlands
Benedicte Federspiel, Forbrugerrådet, Denmark
Kim Jai Ok, Consumers Korea, Korea
Marilena Lazzarini, Instituto de Defesa do Consumidor, Brazil
Marimuthu Nadason, Federation of Malaysian Consumer Association, Malaysia

Director General (DG)

Richard Lloyd (DG to 22 April 2008)
Gene Kimmelman (Acting DG from 23 April 2008)
Joost Martens (DG from 20 October 2008)

Company Secretary
Sam Manoharan

2. Structure, Governance and Management

Consumers International (CI) is a not-for-profit company limited by guarantee, registered in England on 11 December 2001. It registered as a charity with the Charity Commission on 2 January 2008.

Appointment of Trustees and Organisation

CI is a membership organisation, established in 1960 by national consumer groups who recognised the need for an effective international voice and trans-national co-ordination. In 2008, CI had more than 220 member organisations in some 115 countries. There are three categories of membership – full members, who must comply with CI's rules as independent, non-profit consumer associations, and contribute a percentage of annual turnover towards CI's core costs; affiliate members, which include new consumer associations and organisations with a narrower or more specific consumer interest among their objectives; and government affiliates, which are usually government departments responsible for consumer policy or official consumer protection and competition agencies.

CI is governed by a board of trustees (Council) of 14 representatives of full member organisations, which is elected at a General Assembly of members. A Director General is appointed by the trustees to manage the day-to-day operations of the charity.

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REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

- Have information that enhances an awareness of international context and create synergies with their work at the national level.
- Showcase their work and exchange best practices in research and campaigning from around the world.
- Gain access to international decision-making bodies on issues which matter to their domestic supporters.
- Receive assistance and support to hold governments and international corporations to account.
- Access networking, mentoring and learning exchange opportunities with consumer experts worldwide.
- Get quick and easy access to information about global consumer issues.
- Obtain facilitated access to international donor funds.
- Access an up-to-date contacts directory for consumer organisations worldwide.
- Shape the direction of the consumer movement by having their say on CI policy
- Take part in the governance of the consumer movement, ensuring CI is accountable to its members.

Any organisation that is working in support of consumer rights and which meets other criteria for each member category such as independence from commercial and political interests, can apply for membership. The three main categories are as follows:

Full members

Full members are independent consumer organisations that have a national or regional (comprising various countries) presence, and a substantial record of programmes and services for consumers across a range of issues. They must be independent of party politics and not be funded by commercial or trading corporations. Full members can also exercise their right to vote on matters at the CI General Assembly. They can stand for election to CI's governing bodies (Council and Executive), and elect the CI President.

Affiliate members

Affiliate members must meet the same criteria for political and financial independence, but are mostly young organisations, or restricted in their work to a region (administrative structure within a country) or local community, or focus on a particular issue. Affiliate members are not granted the right to vote at the CI General Assembly.

Government Affiliate members

Government Affiliate members are government departments, regulatory authorities or anti-trust agencies responsible for consumer policy and the consumer interest. They must support and complement the need for, and work of, independent consumer organisations.

Government Affiliate members do not have a vote at the CI General Assembly.

Currently around 55 per cent of Consumer International's members are Affiliate members; 30 per cent are Full members and 15 per cent are Government Affiliate members.

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3. Objectives and Activities

Our Objects

- (a) to promote the voluntary sector for the public benefit by supporting and promoting the development of charities and voluntary organisations with the object of promoting consumer rights, in particular but not exclusively by the following means:
- (i) Providing training, conferences and seminars in the field of consumer rights;
 - (ii) Representing charities, voluntary organisations and other groups in relation to government policies and legislation;
 - (iii) Providing information about consumer policies and issues;
 - (iv) Liaising between charities, voluntary organisations, government agencies and other groups on relevant issues; and
 - (v) Providing advice and information on appropriate fundraising techniques.
- (b) to promote education, particularly but not exclusively, by the following means:
- (i) By providing consumer education and information;
 - (ii) By promoting an understanding of consumer rights and responsibilities and the benefits of the appropriate regulation of products and services as a means of achieving greater health and safety for the public.
- (c) To promote public health in particular but not exclusively, by promoting the appropriate and proper regulation of products and services including food, water, and pharmaceuticals.

Our mission

As the global campaigning voice for consumers, our mission is to build a powerful international consumer movement to help protect and empower consumers everywhere.

Our vision

Our vision is a world where people have access to safe and sustainable goods and services, exercising their individual rights as consumers, and using the force of their collective power for the good of consumers everywhere.

Our Aims

For 2008, CI's aim was to work for a world in which every country has comprehensive consumer protection laws and market regulation, effectively enforced; universal consumer education; and an independent consumer organisation able to represent consumer interests to policy and decision makers; and consumers' rights are acknowledged and respected in all relevant international decisions.

CI believes in the right of all peoples to live in just and fair societies where consumer rights are established and respected and whose citizens have their basic rights satisfied; are protected against hazardous products and processes; live in a healthy and sustainable environment; play an active role in shaping policies that concern them; can make informed choices between a variety of goods and services; and have the knowledge and skills to be informed consumers. Recognising the particular needs of the poor and marginalized, CI seeks to empower all consumers to:

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- Assert these rights both individually and collectively through consumer organisations
- Use their power in the market to drive out abuses and encourage high standards of corporate responsibility
- Ensure the accountability to consumers of global and regional organisations
- Support sustainable consumption and production practices.

The Strategic Plan 2007-2011 sets out the principles, objectives, goals and strategies for the five years, and is accompanied by a two-year action plan and the second of five one-year work plans. The CI work in 2008 was determined by our long-term strategic objectives, the two year action plan and the annual work plan.

CI's strategic objectives are as follows:

1. Campaign effectively on key issues that matter to the world's consumers and where CI can be the lead voice.

CI is giving priority to campaigning on a small number of key issues so that we can focus our resources on making the maximum impact. We will incorporate core consumer movement principles and actions, including crosscutting consumer rights and responsibilities, and evidence-based research and analysis, into all our campaigns.

2. Act as a global watchdog on the behaviour of international corporations.

The number of international corporations more than doubled in the past 15 years from 37,000 to 77,000, with some 800,000 national affiliates and millions of suppliers and distributors operating along their value chains. With our international network, CI is uniquely placed to identify and analyse marketplace abuses by international corporations, and to hold them to account. We will promote improvements through expert, independent advocacy driven by evidence-based research.

3. Build strong consumer organisations around the world that can campaign effectively for consumers nationally and through CI globally.

CI has a track record spanning more than four decades of establishing and supporting national consumer organisations in every region of the world. We will build on our past achievements to develop a stronger global campaigning movement, equipped to work in collaboration with partners to achieve our long-term goals.

4. Be a strong, sustainable, global umbrella organisation fit for our purpose.

CI must be strong financially and operationally, with a clear strategic direction, to continue being an effective and efficient force for good. We must be a highly skilled, ethical, inclusive organisation which values and nurtures our staff. We must manage our finances with great care and provide our members and donors with maximum value for their money.

Annual objective 1: Campaign effectively on key issues that matter to the world's consumers and where CI can be the lead voice.

In 2008 our campaigning included the following campaigns:

- Campaign against irresponsible drug promotion
- Food Marketing to Children campaign
- Access to Knowledge (A2K)

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We also worked in the areas of Sustainable Consumption, Energy, Consumer Protection Law and Corporate Social Responsibility – with all areas having consumer education as a cross cutting element.

CI's headline campaign is calling for an international code on the marketing of food to children. In January, CI made a statement at the WHO Executive Board calling on the WHO to respect the resolution calling for the development of recommendations on the issue. In March CI launched its own recommendations for an international code and more than 60 CI members took part in World Consumer Rights Day activities to highlight the issue and promote the recommendations. Members of CI's Executive Board joined CI staff in lobbying the WHO and member states at the World Health Assembly. Members also made statements at regional assemblies.

CI is also campaigning for effective regulation of pharmaceutical marketing. CI produced a spoof commercial for a drug on motivational deficiency disorder. This was used to support European members' opposition to EC proposals to give companies a greater role in providing information to consumers and appeared on CI's site as well as four of our European members' websites.

We developed and produced a series of short films for the Marketing Overdose campaign that have been used by our membership to explain and campaign on the issue of drug promotion. The spoof drug TV ad that formed part of the film series has been featured in the Wall Street Journal and prime time Danish TV. We also worked with our member in Denmark to produce a video documentary for our Ewaste campaign.

We have also developed and launched microsites for the Marketing Overdose and Junk Food Generation campaigns. This has helped give CI a lead voice on these key campaign issues, and give our membership a point of reference for activities.

We also published an Education for Sustainable Consumption members activity pack.

We gained significant international press coverage for our campaigns in 2008; including *Al Jazeera*, *The Australian*, *Danish Television (DR)*, *BBC Radio 4*, *BBC World Service*, *The Boston Globe*, *The Daily Mail*, *The Guardian*, *The Herald Tribune*, *The Times of India*, *The South China Morning Post*, *The Straits Times*, and *The Wall Street Journal*.

A CI staff member was appointed by the UN to serve on the UN Advisory Board to the Marrakech process on Sustainable Consumption (SC) representing the worldwide community of NGO's to the UN. Also in the area of SC we participated in the Africa Roundtable on Sustainable Consumption and Production and presented papers on education and lifestyles.

With the International organisation of Standardisation and "Consumers Korea" we held a summit on Climate Change in Korea with participation by more than 30 consumer organisations from across the world resulting in the "Seoul Declaration" on Consumers and Climate Change.

Our campaign on Access to Knowledge (A2K) funded by Open Society Institute and Ford Foundation aims to guarantee that consumer interests are adequately represented in national and global Intellectual Property (IP) debates and thereby to serve as a catalyst for policy change, by putting pressure on governments and international organisations to develop more balanced IP regimes including broader issues of communications rights and media justice. A specialist project coordinator recruited to lead this project commenced in November, and three working groups were established: a steering group which consist of selected Council members, a member working group comprising of both members and like minded organisations, and an expert advisory group consisting of academicians and technical experts.

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Annual objective 2: Act as a global watchdog on the behaviour of international corporations.

CI published two reports highlighting companies' marketing of food high in fat, sugar or salt to children; (1) the Junk Food Trap focused on marketing practices of multinational food companies in Asia and (2) Cereal Offences highlighted the marketing of high sugar and high salt breakfast cereals to children. CI met with a number of multinational companies to express our concerns.

Using the campaign website www.marketingoverdose.org CI covered stories about the irresponsible marketing of pharmaceuticals, including the results of a CI survey on the disclosure of financial relationships with medical organisations and patient groups. CI also presented its position at the Global Pharmaceutical Industry Compliance Forum.

CI ran its Bad Company Awards for the second year in the run up to Christmas 2008. The awards were a light hearted look at some of the worst corporate behavior in the past year. They received major media coverage, including a prime time interview on the *BBC Radio 4's You and Yours*, and national coverage through our members. The publicity gained led to talks with Samsung representatives about their Corporate Social responsibility policies and a statement by Lego confirming the removal from shelves of their edible Lego bricks.

We also conducted research in 5 countries in Latin American about abusive clauses in relation to consumer credit.

We continued to provide high-level coordination of the consumer group to the ISO CSR negotiations including coordinating input to the negotiations.

Annual objective 3: Build strong consumer organisations around the world that can campaign effectively for consumers nationally and through CI globally.

CI's Media Capacity Building project was completed in 2008, with three developing world members working with CI and Panos to develop specific media projects. This included the publication of a donor brochure for our member in Indonesia, and a consumer journalism competition with our member in Benin. CI also held two Media Strategy workshops with member organisations in London and Nairobi to help small members build their communications capability.

We also launched the CI Charter on Sustainable Access to Energy serving as a model code for consumer access to energy in developing countries.

In October CI facilitated an international "Action Day on Education and Sustainable Consumption" with more than 40 members worldwide engaged in promoting the issue of sustainable consumption as part of the curriculum.

As part of the Rhoda Karpatkin programme CI hosted three interns from CI member organizations in Fiji, Brazil and Armenia. The interns worked with CI staff on projects and attended a number of meetings and events with UK and European members and other organizations of relevance to their work.

Across Latin America (LA) we executed an online course on campaigns for Consumer Organisations with the participation of 20 members. We also published a book on Consumer Organisation experiences in developing financial sustainability. This included examples of 12 models for institutional sustainability.

We also signed an agreement between the organisation of American States OAS and CI agreeing a plan of collaboration to develop and strengthen legal consumer protection mechanisms and related issues within LA region.

In Bangladesh we worked with the Consumer Association of Bangladesh on standards and market surveillance activities through a grant from EU and implemented by UNIDO in Bangladesh.

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We held regional meetings in Asia, Latin America and Africa building the capacity of our members in these regions including strengthening the commitment to CI's campaigns and increased information exchange between members. As an example in September, eleven members from Mali, Morocco, Ghana, Nigeria, Uganda, Malawi, Kenya, Zambia, Zimbabwe and South Africa met in Nairobi and deliberated on issues, such as media engagement, campaigning and effective networking. CONSENT-Uganda was nominated to represent African consumer organisations at the EU/ACP meetings.

We also continued to provide the secretariat for the Trans Atlantic Consumer Dialogue (TACD) and delivered through the network high level evidence based policy positions to the EU and US.

Annual objective 4: Be a strong, sustainable, global umbrella organisation fit for our purpose.

In 2008 we approved 18 new affiliate members, 1 new full member and 1 new Government member. As a result of non-payment of their membership dues for 2006, two organisations were cancelled in February 2008. During the year 6 member organisations terminated their membership of CI (3 Affiliate members, 2 Government affiliate members and 1 Full member).

We re-launched our email communications in 2008, rebranding email alerts and e-newsletters to members and supporters and introducing a database system for distribution. This has helped with the delivery of campaign and organisational information to our membership and brought consistency, continuity and professionalism to the way information services are distributed and managed.

In September 2008 CI submitted its 2008 Report to the INGO Accountability Charter Secretariat. We were able to report progress towards full compliance with the Charter, to which CI is a founding signatory along with other leading international NGOs. An internal working group, with representation from a cross-section of CI staff, continues to monitor implementation of the Charter and make recommendations for appropriate amendments to processes and policies. Key operational areas that the working group has identified as requiring attention include ethical fundraising, human resources and environmental impact. CI had made marked improvements in these areas by the end of 2008, and is confident that its 2009 Accountability report will reflect its continued commitment to full compliance with the Charter.

In 2008 we revised and updated a number of HR policies, including Recruitment & Selection, Sickness & Absence, Performance management, Equal opportunities and Appraisal policies.

During the course of 2008 we maintained a dynamic pace of development and submission of fundraising initiatives and relationship building with institutional donors such as the European Commission, US Foundations, and others. We exceeded our target of fundraising initiatives by submitting a total number of 27 funding applications covering a broad range of CI's thematic priorities and geographical focus of which 12 were approved. Our annual target for securing grants from institutional sources was GBP 1.3 million, while we successfully secured grants of a total value of GBP 942,437.

CI followed its operations in accordance with its Strategic Plan 2007 – 2011, of which 2008 was the second year.

4. Achievements and Performance

Despite experiencing a period of adjustment and uncertainty associated with the surprise departure of DG Richard Lloyd in May 2008, CI remained on course to achieve virtually all major workplace goals for 2008 and continue to make significant progress toward the objectives of the 5-year Strategic Plan. Staff addressed the difficulties in transforming CI's development and fundraising program into a major source of new resources for campaign expansion and strengthened membership. With the appointment of Joost Martens as the DG of CI in October 2008 continuity is assured.

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Two years into the 5-year Strategic Plan, CI has succeeded in restructuring its operations to become a successful global campaigning organization that puts meaningful pressure on corporate behaviours. Our "marketing of food to children" campaign achieved extremely strong membership support for a global code by the World Health Organisation (WHO), successfully pressuring food companies to take consumer concerns about junk food more seriously. The campaign against unethical drug advertising included extensive research reports and strong media coverage to increase public awareness of inappropriate advertising. And as we begin to develop targeted campaigning for sustainability, CI has made progress promoting global standards for sustainable access to energy and corporate social responsibility, in close collaboration with ISO.

Simultaneously we continue to secure grants to promote strengthened consumer protection laws and consumer organisational capacity to support such laws in lesser developed parts of the world. Extensive Asia Pacific, Latin America, and Africa program initiatives, augmented by externally funded projects in the former Soviet Union, Caribbean and Bangladesh, offer the opportunity to strengthen the global consumer movement and develop basic consumer protections.

Staff are working more closely across divisions to develop new fundraising initiatives and member-driven campaigning opportunities designed to attract external resources that can support membership and CI campaigns. For example, our biosafety program and "Access to Knowledge" grants support regional member meetings which provide training, research, shared experiences, and brainstorming for joint campaigning opportunities.

Substantial progress has been made to strengthen internal and external tools and processes necessary to maintain and expand a strong global consumer network. Website upgrades plus improved information gathering and dissemination have enabled CI to share substantially more valuable knowledge with members, the media, and individual consumers around the world. Annual events, like World Consumer Rights Day and the International Bad Company Award, have been institutionalised and growing in strength and impact. Improved internal databases and sharing of member experiences should enhance CI campaigning and increase our effectiveness going forward. And increased focus on implementing the International Non-Governmental Organization Charter this year, including a thorough human resources policy, has empowered staff to be more productive, engaged and professional in CI's operations.

Membership expansion continues at a reasonable pace and a more strategic focus on targeting growth in key countries and regions is being implemented.

Finally, success in securing funding for projects that help cover some core staffing costs and regional meetings, plus careful management of our resources, leaves CI financially sound.

The following sections include a review of CI's strategic objectives and how we performed on them:

Strategic Objective 1: Campaign effectively on key issues that matter to the world's consumers and where CI can be the lead voice.

Summary Evaluation of Strategic Objective 1:

Less than two years into the strategic plan we have already made significant progress in our "food marketing to children" campaign. We have secured the CI code firmly on the WHO agenda and as a direct result of CI pressure a group of trans-national companies have pledged to issue industry standards that are the same across all countries. This campaign also has very high member involvement with 80 plus members actively involved including outreach to individual consumers. We have also made positive headway with respect to developing a global standard for Corporate Social Responsibility and a global standard for "sustainable access to energy". We have been less successful in our pharma campaign on irresponsible drug promotion, but we have ensured a relatively high visibility of the issue in the media.

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We have progressed our work in the area of Consumer Protection and have been working in 30 plus countries towards strengthening of CP. However due to lack of resources this work is mainly of a reactive manner with the exception of grant funded work.

Strategic Objective 2: Act as a global watchdog on the behaviour of international corporations.

Summary Evaluation of Strategic Objective 2:

In 2008 we published 3 reports (2 on marketing to children and 1 on gifts to doctors). We have also continued the annual "Bad Company Awards", which is in its second year. We have also published an investigative piece of research on the issue of electronic waste in Africa.

We have expanded our Internet presence both in terms of unique visits to the main CI site as well as launching successful campaign micro sites including; marketingoverdose.org, streetfood.org and junkfoodgeneration.org.

We have been engaging in dialogue with business umbrella groups in the area of Corporate Social Responsibility (CSR), and CI has been participating in the World Economic Forum in Davos. As for ensuring compliance by international corporations with international standards we are (as mentioned above) making positive progress in the area of marketing to children as well as in CSR.

Strategic Objective 3: Build strong consumer organisations around the world that can campaign effectively for consumers nationally and through CI globally.

Summary Evaluation of Strategic Objective 3:

We conducted a pilot needs assessment in 2006 in the region of Africa and are gathering further data in the Asia and Latin American region via regional meetings.

We will, in 2009, carry out, as planned, a global survey of member priorities.

We have revised the CI information delivery services including use of various CI internet sites, YouTube, regional newsletters and dedicated areas on the intranet for member discussion. We are overhauling the IT systems in the CI Kuala Lumpur office in 2008 and plan to do the same in the London office in 2009. Capacity building is depending significantly on grant projects and regional meetings.

As for recruiting new members to CI we are progressing with a reasonable growth rate. We envisage that, with revision of the membership guidelines, the CI recruitment plan and a clearer picture of benefits for Full and Affiliate members, the recruitment rate will rise in 2009 – 2011. However we will, by mid 2009, evaluate whether the target of doubling CI members by 2011 is still realistic. Regarding skills transfer from large to smaller members; this is an area that will need increased focus in 2009-2011.

Strategic Objective 4: Be a strong, sustainable, global umbrella organisation fit for our purpose.

Summary Evaluation of Strategic Objective 4:

In 2008 we progressed well with implementing the CI governance review and the INGO charter. CI delivered its first report against the charter in September 2008. For 2009 we plan to integrate the charity reporting requirements with the INGO charter reporting requirements.

Consumers International recognises that its staff is one of the most important resources in ensuring it is a successful and effective organization. To recruit and retain excellent staff CI must provide a work environment that is at the same time rewarding, challenging and enjoyable. In 2008 we finalised our Human Resources Strategy, which sets out how we will ensure the creation and maintenance of a professional work environment where there is both diversity and gender equality and in which all staff are valued, supported and treated fairly and with respect.

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We received grants of a total value of GBP 514,653 and we spent GBP 643,307 on a wide range of initiatives in line with our core strategic objectives. During the later part of this year we successfully secured many new projects which will result in an increase in the project income for 2009.

5. Risk, Reserves and Finance

Risk Assessment

The trustees review the risks the organisation is exposed to every year. The review looks at the key risks around Consumers International's ability to deliver its strategy, and considers current mitigation strategies in place.

The main risk for Consumers International in the medium to long term is a decrease in income, because of decreased fee income from bigger members or because of withdrawal of members.

The right level and type of communications with members should inform CI about their needs and interests, among others through the membership survey. This will help CI to focus its activities, and for members to be clear about the benefit from their membership for both bigger and smaller members.

A membership Committee set up by the Council has been tasked with looking into the benefits of being a member of Consumers International. This includes focusing on the benefits and responsibilities of the bigger members of the organisation.

Reserves Policy

The Treasurer's Group has reviewed the reserves policy and has examined the requirements of Consumers International for free reserves after considering the risks faced by the organisation, the working capital requirement and its development plans. It is recognised that one of the important factors in strengthening the sustainability of Consumers International is having the right level of reserves as a buffer against fall in fee income.

Just five of our big members pay about 78% of our fees and therefore the event of a couple of these members reducing their fee or withdrawing their membership fee can have a major implication on future programmes. This eventuality has been considered the main risk facing the organisation in the organisation's risk assessment. If this happens and considering that about 80% of our fixed costs are paid for by fee income, it is expected that the organisation would need to use up reserves of about GBP 300k for re adjusting the organisation to the new situation.

Therefore it has been agreed that the desired target level for the free reserves (General unrestricted reserves less fixed assets) should be set at 25% of core unrestricted income.

As per the revised reserves policy, Consumers International seeks to build free reserves (General unrestricted reserves less fixed assets) of 25% of unrestricted core income and at the end of year 2008 this would mean accumulating GBP 345k. The general unrestricted free reserves at the end of 2008 were GBP 163,839 and therefore the current reserves are still short of the target for the organisation. However prevailing reserves provide adequate working capital for the operational purposes of the organisation.

The organisation also has plans to develop a consultancy arm in order to diversify income sources for the organisation and has recognised that this would require start up capital. Therefore it is intended in the coming year to set up a separate designated fund for this purpose.

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REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

Financial Review

Consumers International's operations were successful but stable this year with no major strategic changes. This was mainly because the former Director General left the organisation and three people held this post during the change over and recruitment process.

Financially CI had a good year from operating income and expenditure and because it made a provision of £150,000 against dilapidations costs for London office it is showing a deficit of GBP 57,712 (2007:surplus GBP 43,316) on its unrestricted core funds after transfers. This dilapidations provision will enable Consumers International to make a healthy surplus in the year 2009 as the burden of this significant expense has been adequately covered for in this year's 2008 accounts.

Members were paying 0.45% of their turnover, which was a reduction from the previous 0.5%. However members paid higher fees in real terms as their own turnover had also increased. In addition to this Consumers International's fee income increased due to the weaker British Pound (GBP) resulting from the global financial crisis, which pushed it up to GBP 1,338,457 (2007: GBP 1,278,495). With careful financial management savings were also made against budgeted expenditure.

This is the first year that Consumers International operated as a UK registered charity and therefore, where necessary, the financial accounts reporting format has been recast to comply with the Charity Commission (UK)'s Standard of Recommended Practice (SORP): "Accounting and Reporting by Charities", 2005. One of the changes has been the presentation of the accounts by the external strategic strands of the organisation of 'Effective campaigning', 'Acting as a global watchdog' and 'Building strong consumer organisations'. It is intended that this will help readers in linking the finances of the organisation to its strategies and activities.

Consumers International secured many new projects during the later part of the year 2008, which meant that although project income has fallen to GBP 514,653 (2007: GBP 748,954) there would be a significant increase in project income and consequently expenditure in the year of 2009.

6. Plans for future periods

In 2009 CI will continue to be guided by our current 5-year strategic plan and the 4 strategic objectives set out in this plan. In summary the activities will be as follows:

Annual objective 1: Campaign effectively on key issues that matter to the world's consumers and where CI can be the lead voice.

In 2009 we will:

- Achieve real change – in public policy and private practice – on selected international issues that matter to consumers, through well chosen campaign topics and well designed campaigns, with high levels of CI member involvement. Our main focus will be on the areas of Food Marketing to Children, Sustainable Consumption, Energy and Climate Change, A2K and Consumer Protection and Education.
- Through our campaigns, positively change the attitudes and understanding of consumers in every region of the world towards key consumer responsibilities. We will work through our retail initiative, as well as through providing members with concrete advice regarding consumer action in respect to our core campaign areas.
- Support the establishment of consumer protection legal frameworks in at least ten countries where this is presently lacking, and advance the level and scope of consumer protection and redress.
- Improve CI's ability to gather and interpret credible information on the views and concerns of consumers around the world and articulate this to decision makers.

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Annual objective 2: Act as a global watchdog on the behavior of international corporations.

In 2009 we will:

- Produce an ongoing series of high quality, influential comparative research reports focused on the performance of international businesses in providing key products and services, and influence targeted international business umbrella groups to endorse and promote better practices.
- Via our A2K and TACD networks provide recognised and cost effective forums for business and consumer groups in various regions of the world to engage in productive dialogue.
- We will increase public support through our campaigns for compliance by international corporations with meaningful and strong accountability standards.

Strategic Objective 3: Build strong consumer organisations around the world that can campaign effectively for consumers nationally and through CI globally.

In 2009 we will:

- Build more comprehensive understanding of the dynamics of the consumer movement in different parts of the world (via a global member survey) enabling us to provide better information services to our members and implement a realistic and appropriate capacity building programme.
- Increase the number of organisations affiliated to CI as well as enable successful skills transfers from large CI members to small developing-country members.
- Create clarity of the relevance of CI to its diverse membership, recognising both (mostly Northern) big organisations that provide comparative testing results to their audience, as well as smaller members with more advocacy focus.

Strategic Objective 4: Be a strong, sustainable, global umbrella organisation fit for our purpose.

In 2009 we will:

- Embed a thinking, learning, results oriented organisational culture, with related policies and indicators of achievement for all programmes including achieving the fullest possible compliance with the INGO Accountability Charter. A basic framework of Monitoring, Evaluation and Learning will be set up to improve measurement of impacts and outcomes.
- Establish a diversified funding and resource mobilisation model to deliver on our strategic objectives and to secure CI's financial future; this will include the design and establishment of a consultancy branch of CI. New fundraising strategy for project income is being formulated and it is envisaged that in the coming years this will bear fruit in increased income.
- Emphasize the need for a guided decentralisation, to enhance the potential of the different regions to attend their specific circumstances, as well as their contribution to global campaigns.
- Increase the visibility of CI, through high-level policy papers and statements related to relevant consumer issues and CI campaigns, appropriate media work and networking with allies and stakeholders.
- Assure the right configuration of offices, capacities and services around the world, together with the right ways of working, to comply with the needs of our members.

Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

- Develop and implement human resource strategies, systems and policies that reflect and underpin CI's ambitions and objectives. We have and will continue to manage break-even budgets, through 2009, and will increase focus on strategic fundraising to serve membership and campaigning needs.
- Continue our progressive implementation of best practice HR reflecting our commitment to our HR strategy. To reflect our international membership we will seek to employ staff with international experience and create an atmosphere in which people are encouraged to contribute ideas and opinions from their own knowledge and experience. CI will ensure the retention of best quality staff and be well placed to fulfil its strategic aims and objectives using a high and consistent standard of recruitment and development.
- Develop the skills of our staff through training, coaching and opportunities to take on new experiences and responsibilities and create a clear and common sense of purpose that inspires staff and helps ensure we are working towards shared goals. This will include working towards a one-team spirit globally, between London and the regional offices.

With the British Pound (GBP) still weak and several new projects starting up, the year 2009 and 2010 are expected to be a positive years. However the organisation's fee income is intrinsically linked to its own members' growth in turnover. This has not been affected by the current financial crises but it is difficult to predict its future trend.

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Charity law requires the Council, who are also the trustees and directors, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for the period then ended.

In preparing those financial statements, the Council is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the company's website is the responsibility of the Council. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

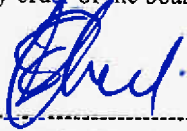
Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE
YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

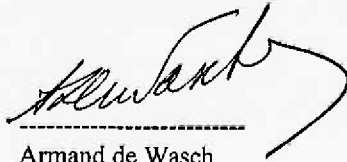
AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

By order of the board



Samuel Ochieng



Armand de Wasch

Date: 25 June 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSUMERS INTERNATIONAL

We have audited the financial statements on pages 19 to 31.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the Council as trustees (who are also the directors of Consumers International for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Report of the Council (incorporating the Directors' Report) is consistent with the financial statements. In addition we report to you if, in our opinion, the association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Council (incorporating the Directors' Report) and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. 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 Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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. 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Report of the Council (incorporating the Directors' Report) is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

1st Floor, 46 Clarendon Road

Watford

Herts

WD17 1JJ

25 June 2009

Consumers International

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

For the year end 31 December 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Incoming Resources:					
Incoming resources from charitable activities					
Membership fees	1	1,338,457	-	1,338,457	1,278,495
Project income					
Campaign Effectively			183,393	183,393	162,837
Act as a Global Watchdog			34,644	34,644	45,769
Build Strong Consumer Organisations			296,616	296,616	540,348
Other income	2	37,320	-	37,320	45,307
		<u>1,375,777</u>	<u>514,653</u>	<u>1,890,430</u>	<u>2,072,756</u>
Incoming resources from generated funds					
Bank interest		10,684	-	10,684	9,386
Total Incoming Resources		<u>1,386,461</u>	<u>514,653</u>	<u>1,901,114</u>	<u>2,082,142</u>
Resources Expended:					
Charitable activities					
Campaign Effectively		405,098	197,925	603,023	493,064
Act as a Global Watchdog		226,050	47,277	273,327	217,284
Build Strong Consumer Organisations		651,675	398,105	1,049,780	1,251,600
		<u>1,282,823</u>	<u>643,307</u>	<u>1,926,130</u>	<u>1,961,948</u>
Costs of generating funds					
Fundraising costs for project funds		65,813	-	65,813	63,537
Governance costs		44,268	-	44,268	24,251
Total Resources Expended	3,4	<u>1,392,904</u>	<u>643,307</u>	<u>2,036,211</u>	<u>2,049,736</u>
Net incoming / (outgoing) resources before transfers					
	6	(6,443)	(128,654)	(135,097)	32,406
Transfer between funds	12	(51,269)	51,269	-	-
Net incoming / (outgoing) resources after transfers, being net income / (expenditure) for the year					
		(57,712)	(77,385)	(135,097)	32,406
Funds brought forward 1 January		235,681	152,725	388,406	347,144
Retranslation on exchange		24,297	14,607	38,904	8,856
Funds brought forward 1 January		<u>259,978</u>	<u>167,332</u>	<u>427,310</u>	<u>356,000</u>
Funds carried forward 31 December		<u>202,266</u>	<u>89,947</u>	<u>292,213</u>	<u>388,406</u>

The results are all attributable to continuing activities.

The accounting policies and notes on pages 21 to 31 form part of these financial statements.

Consumers International

BALANCE SHEET

31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	8	38,427	39,776
Current assets			
Debtors	9	186,556	479,108
Cash at bank and in hand		1,035,018	477,706
		<u>1,221,574</u>	<u>956,814</u>
Creditors: amounts falling due within one year	10	(967,788)	(608,184)
Net current assets		<u>253,786</u>	<u>348,630</u>
Total assets less current liabilities, being net assets	13	<u>292,213</u>	<u>388,406</u>
Represented by:			
Unrestricted funds - Free reserves		163,839	170,905
- Fixed assets		38,427	39,776
		<u>202,266</u>	<u>210,681</u>
Designated funds		-	25,000
Total unrestricted funds		<u>202,266</u>	<u>235,681</u>
Restricted funds		89,947	152,725
Total funds	16	<u>292,213</u>	<u>388,406</u>

Approved by the Council, authorised for issue on 25 June 2009 and signed on its behalf by:


.....
Samuel Ochieng


.....
Armand de Wasch

The accounting policies and notes on pages 21 to 31 form part of these financial statements.

Consumers International

ACCOUNTING POLICIES

For the year ended 31 December 2008

ACCOUNTING CONVENTION

The financial statements of the organisation have been prepared using the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The provisions of Accounting and Reporting by Charities, Statement of Recommended Practice 2005 (SORP 2005) and the Charities Act 1993 have been adopted in these financial statements.

FUND ACCOUNTING

Donations and income received for specific projects are shown within restricted funds. Unrestricted funds comprise membership income and other income available for general use by the charitable company.

INCOME

Members' fees and all other income are recognised on a receivable basis. Project income is considered to represent principally performance-related grants and, therefore, is recognised, as it is earned, to the extent that the organisation has provided the services or activities specified in the underlying funding agreement. Income received for project work in future projects is deferred. Other grant income is recognised when amounts are certain, can be measured reliably and all conditions for entitlement are met.

EXPENDITURE

Expenditure is accounted for on an accruals basis. All costs are allocated to either head office, one of the organisation's regional operations, or to the external project to which they relate. Overhead contribution from project income is deducted from office and administration expenditure incurred in the year. Direct costs in respect of charitable activities are charged to the three external strategic strands, based on the estimated time spent on each of these relevant activities.

Support costs, which principally comprise office and administration costs and strategic planning and special projects expenses are apportioned on the basis of direct salary costs.

Costs of generating funds comprise staff costs attributable to fundraising activities and related support costs.

Governance costs reflect strategic and organisational costs and compliance with constitutional and statutory requirements.

DEPRECIATION

Tangible fixed assets are stated in the balance sheet at cost less depreciation, which is calculated to write off the individual assets over their estimated useful lives at the following annual rates:

Building improvements	20% on cost
Furniture, fittings and equipment	25% on cost
Computer hardware and software	33% on cost

Consumers International

ACCOUNTING POLICIES

For the year ended 31 December 2008

FOREIGN CURRENCY

Transactions denominated in foreign currency are translated into sterling at the average exchange rate for each month.

Exchange differences arising from the translation of the regional office accounts are included in the Statement of Financial activities (SOFA). Exchange differences arising from the translation into sterling of assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. All exchange differences are taken to the respective funds within the SOFA.

Brought forward reserves of the regional office accounts are re-translated at the closing exchange rate ruling at the balance sheet date and this movement is reflected as a retranslation gain or loss at the foot of the SOFA.

LEASING TRANSACTIONS

Operating lease rentals transactions are charged to the SOFA as incurred.

BRANCHES

The financial statements aggregate the results of Consumers International (London Head Office) and the Regional Offices:

Regional Office for Asia and the Pacific (Malaysia)

Regional Office for Latin America and the Caribbean (Chile)

Where necessary the accounts of the Regional Offices have been restated in order to comply with United Kingdom Accounting Standards.

PENSION SCHEME

Consumers International operates a defined contribution pension scheme whereby the charitable company contributes 2%. Contributions are recognised when due.

CASHFLOW STATEMENT

The charitable company has taken advantage of the exemptions available not to prepare a cashflow statement on the grounds of its size.

FUNDS

Restricted funds represent funds provided by donors in relation to specific projects.

Designated funds are set aside in respect of specific expenditure at the trustees' discretion.

Consumers International

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

1.	MEMBERSHIP FEES			2008	2007	
				£	£	
	Full members			1,278,875	1,219,164	
	Affiliate members			34,859	35,272	
	Government affiliate members			24,723	24,059	
				<u>1,338,457</u>	<u>1,278,495</u>	
2.	OTHER INCOME			2008	2007	
				£	£	
	Contribution from members			18,910	26,414	
	Rental income from partner organisations			7,099	9,060	
	Providing expert advice			11,311	9,833	
				<u>37,320</u>	<u>45,307</u>	
3.	ANALYSIS OF RESOURCES EXPENDED					
	Charitable expenditure:					
		Campaign Effectively	Act as a Global Watchdog	Build Strong Consumer Organisations	Total 2008	Total 2007
		£	£	£	£	£
	Direct salary costs	275,143	144,043	466,320	885,506	892,372
	Other direct costs	202,494	59,513	385,321	647,328	828,803
	Total direct costs	<u>477,637</u>	<u>203,556</u>	<u>851,641</u>	<u>1,532,834</u>	<u>1,721,175</u>
	Office and administration	63,511	34,708	101,201	199,420	213,968
	Strategic planning and special projects	16,875	9,563	26,438	52,876	26,805
	Dilapidations provision	45,000	25,500	70,500	141,000	-
	Total support costs	<u>125,386</u>	<u>69,771</u>	<u>198,139</u>	<u>393,296</u>	<u>240,773</u>
		<u>603,023</u>	<u>273,327</u>	<u>1,049,780</u>	<u>1,926,130</u>	<u>1,961,948</u>
					2008	2007
					£	£
	Costs of generating funds:					
	Direct salary costs				41,922	46,45
	Support costs:					
	Office and administration				7,546	11,25
	Strategic planning and special projects				7,345	5,828
	Dilapidations provision				9,000	-
					<u>65,813</u>	<u>63,537</u>

Consumers International
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

3. ANALYSIS OF RESOURCES EXPENDED – continued

	2008 £	2007 £
Governance costs:		
Audit	16,005	13,356
Council Meeting	28,263	10,895
	<u>44,268</u>	<u>24,251</u>

Consumers International

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

4. ANALYSIS OF CHARITABLE EXPENSES - RESTRICTED FUNDS

Project	Donor	Campaign Effectively	Act as a Global Watchdog	Build Strong Consumer Organisations	Total 2008	Total 2007
		£	£	£	£	£
Protecting the Russian Consumer's Right to information choice – The case for Genetic Engineering	European Commission	16,928	2,418	29,020	48,366	42,968
Transatlantic consumer Dialogue and Intellectual Property	Rockefeller Foundation / European Commission	40,376	-	60,563	100,939	83,613
Global Intellectual Property strategy development	MacArthur / Open Society Institute	25,913	6,478	32,391	64,782	9,287
Increasing justice through Consumer Advice and Mediation centre – Azerbaijan	European Commission	1,756	-	4,098	5,854	61,128
Increasing justice through Consumer advice and mediation centre – Kazakhstan	European Commission	-	-	-	-	35,913
A Consumer Welfare Analysis of the Retail Market in 14 EU member states	European Commission	-	-	-	-	396,346
Biosafety Project	European Commission	51,269	12,817	192,257	256,343	-

Consumers International
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2008

4. ANALYSIS OF CHARITABLE EXPENSES - RESTRICTED FUNDS - continued

Project	Donor	Campaign Effectively	Act as a Global Watchdog	Build Strong Consumer Organisations	Total 2008	Total 2007
		£	£	£	£	£
World Congress	AUSAID, Commonwealth Foundation, Finnish Foreign Ministry, NORAD, Members, Ann Fransen Fund.	-	-	-	-	-
Other Projects		61,683	25,564	79,776	167,023	100,870
Total		197,925	47,277	398,105	643,307	870,440

Consumers International
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

5 EMPLOYEES

	Core funds (unrestricted)	Project funds (restricted)	Total 2008	Total 2007
	£	£	£	£
Wages and salaries	754,282	80,123	834,405	832,262
Social security costs	66,815	7,422	74,237	82,811
Pension contributions	16,303	2,483	18,786	23,755
	<u>837,400</u>	<u>90,028</u>	<u>927,428</u>	<u>938,828</u>
The average number of full time equivalent staff during the year:	26	5	31	34

The following number of employees received emoluments for the year in excess of £60,000:	2008	2007
£70,001 - £80,000	None	1

The company paid pension contributions of £1,804 in 2007 in respect of the employee above.

6. THE SURPLUS IS STATED AFTER CHARGING:

	2008 £	2007 £
Auditor's remuneration:		
Audit fees – Baker Tilly UK Audit LLP	10,900	10,500
Other services	5,105	3,036
Depreciation	27,241	38,260
Operating lease rentals – land and buildings	45,000	45,000

7. TAXATION

The company is registered as a charity, registration number 1122155, with the Charity Commission for England and Wales, and in consequence it is exempt from taxation on income arising from its charitable activities.

Consumers International

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

8. TANGIBLE ASSETS

	Building improvements	Office furniture, fittings and equipment	Computer hardware and software	Total
	£	£	£	£
Cost				
1 January 2008	41,316	97,914	292,874	432,104
Additions	1,478	3,554	15,891	20,923
Disposals	-	(14,986)	(59,270)	(74,256)
Exchange differences	3,226	6,183	15,561	24,970
31 December 2008	46,020	92,665	265,056	403,741
Depreciation				
1 January 2008	40,210	78,092	274,026	392,328
Charge in the year	815	3,230	23,196	27,241
Disposals	-	-	(71,642)	(71,642)
Exchange differences	3,179	5,946	8,262	17,387
31 December 2008	44,204	87,268	233,842	365,314
Net book value				
31 December 2008	1,816	5,397	31,214	38,427
31 December 2007	1,106	19,822	18,848	39,776

9. DEBTORS

	2008	2007
	£	£
Membership fees	6,916	106,670
Other debtors	49,692	45,533
Prepayments and accrued income	129,948	326,905
	186,556	479,108

Consumers International

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

10. CREDITORS: Amounts falling due within one year	2008 £	2007 £
Other creditors	62,906	205,786
Other taxation and social security	23,325	22,965
Accruals and deferred income	881,557	379,433
	<u>967,788</u>	<u>608,184</u>

Accruals in 2008 includes a dilapidations provision of £150,000 established during the year for London office premises.

	2008 £
Deferred income reconciliation:	
Brought forward balance at 1 January 2008	319,998
Amount recognised as incoming resources in the year	(319,998)
Amount deferred in the year	530,775
	<u>530,775</u>
Balance carried forward at 31 December 2008	<u>530,775</u>

11. MEMBERS' LIABILITIES

The charitable company does not have a share capital and is limited by guarantee. In the event of the company being wound up, the maximum amount which each member is liable to contribute is £1. There were 78 members at 31 December 2008 (2007: 83).

12. TRANSFER BETWEEN FUNDS	2008 £	2007 £
Project costs in Latin America and Caribbean	-	24,076
Congress funds	-	11,500
Co Funding to Tacis and Bio safety projects	51,269	75,000
	<u>51,269</u>	<u>110,576</u>

2008 transfers

The transfer relates co funding for the Bio safety project of 20% which is being provided to fulfil donor requirement.

2007 transfers

The transfer relating to project costs in Latin America and Caribbean was a planned use of core funds to cover expenses of completed projects. Co-funding to the Tacis project is being provided to fulfil the donor requirement that 25% of project costs be covered by other donors or by CI.

Consumers International

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds* £	Total funds £
Tangible fixed assets	38,427	-	38,427
Net current assets	163,839	89,947	253,786
	<hr/>	<hr/>	<hr/>
	202,266	89,947	292,213
	<hr/>	<hr/>	<hr/>

* restricted funds are due to be expended within a year to 18 months from the approval of these financial statements.

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2008, the charitable company had annualized operating commitments under non-cancellable leases for operating leases expiring as follows:

Land and buildings:	2008 £	2007 £
within 1 year	45,000	-
2 – 5 years	-	45,000
	<hr/>	<hr/>

15. RELATED PARTIES

No member of the Executive or Council, or any honorary members of committees, received any remuneration from the charitable company during the year ended 31 December 2008 (2007: nil).

A total of £6,852 (2007: £5,789) relating to the reimbursement of travel expenses was paid to trustees in the year to attend the Council Meeting.

Consumers International

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

16 MOVEMENT IN MEMBERS' FUNDS

	£
At 1 January 2007	347,144
Surplus for the year	32,406
Retranslation of branch assets	8,856
	<hr/>
At 31 December 2007	388,406
Deficit for the year	(135,097)
Retranslation of branch assets	38,904
	<hr/>
At 31 December 2008	292,213
	<hr/> <hr/>

Designated funds brought forward of £25,000 in respect of the charitable company's accommodation strategy were expended during the year.