

Consumers International

FINANCIAL STATEMENTS

for the year ended

31 December 2010

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

Banker:

National Westminster bank

2 Gladbeck Way

Enfield

EN2 7JA

Solicitors:

Russell-Cooke Solicitors

2 Putney Hill

London SW15 6AB

Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Charities Statement of Recommended Practice (SORP 2005) and the Companies Act 2006. The audited accounts reflect the worldwide results for the organisation, including the activities of its constituent regional offices.

The trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit: "Charities and Public Benefit".

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 and to the date of this report 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 (Resigned 2/12/2010)
CI Hon. Secretary: Saree Aongsomwang, Foundation for Consumers, Thailand.
Benoit Jean Marie Plaitin, Association des Consommateurs/Verbruikersunie
Test Achats, Belgium (Appointed 2/12/2010)
Beatriz Garcia Buitrago, Consumidores Argentina, Argentina
Nick Stace, Australian Consumers Association, Australia
Connie Lau, Hong Kong Consumers Council, Hong Kong
Anna Butterworth, Which?, United Kingdom (Resigned 1/6/2010)
Helen Mary McCallum, Which?, United Kingdom (Appointed 1/6/2010)
Gerd Billen, Federation of German Consumer Organisations, Germany
Bart Combee, Consumentenbond, The Netherlands
Benedicte Federspiel, Forbrugerrådet, Denmark
Kim Jai Ok, Consumers Korea, South Korea
Marilena Lazzarini, Instituto de Defesa do Consumidor, Brazil
Marimuthu Nadason, Federation of Malaysian Consumer Association, Malaysia

* **Armand de Wasch** continues to act as Treasurer and as the Chair of the Treasurer's Group until May 2011 when at Congress a new Treasurer will be appointed.

Director General (DG)

Joost Martens

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 and is governed by its Memorandum and Articles of Association, as amended 1 November 2007.

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REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

Appointment of Trustees and Organization

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 2010, 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.

Eight members of the Council, nominated by the President and endorsed by the full Council, form the Executive Committee. These include the officers of CI (President, Vice President, Honorary Secretary, Treasurer) and four other members. The Executive meets three times a year and has delegated powers to oversee CI in between Council meetings.

The Council has two principal tasks. It has various specific duties as the Board of the organisation (for example, in financial oversight and reporting, and in appointing the Director General) and it is charged with establishing general policies - that is of setting strategic direction and priorities.

CI specifically separates the strategy setting role of the Council from programme management and implementation, which are functions carried out by the Director General and staff. Council members are not expected to participate in the day-to-day management of CI. However, they regularly take part in and contribute to CI programmes and campaigns, either as individual experts/representatives of their own organisations or as spokespersons for CI.

The Council normally meets once in each calendar year. Where possible meetings are held in September or October, as this is an appropriate point at which to review the budget and work plans for the following year. However, meetings may be arranged at other times if business requires this, or in response to external events. Meetings generally take place over two days.

A Treasurer's Group of three Council members monitors and reviews CI's financial reporting and budgets as well as the effectiveness of internal controls and risk management systems. The Committee also has oversight of arrangements for external audit. A membership committee comprising five Council members handles complaints about possible breaches of membership rules and conflicts of interest. It also reviews the membership rules to ensure they are up to date and enforced.

The staff is led by a Director General (DG), who is appointed by and accountable to the Council, and has management responsibility for CI worldwide. The organisation's head office is located in London with global and regional programmes supported through regional offices. In 2010 these were located in Santiago (Chile) and Kuala Lumpur (Malaysia).

In 2010, the regional offices in Chile and Malaysia were variously registered with the national governments as branches of CI and are not considered to have independent financial status. In 2010 CI established the function of Head of CI Africa in Johannesburg, South Africa, while registration of the office is expected for 2011.

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Trustee induction and training

New trustees undergo an induction meeting with the CI DG and the CI President to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

New trustees will also be issued with the CI Constitution, the CI "Guidelines for Council members" as well as the CI Governance Manual. The CI Governance Manual is a comprehensive document that outlines CI Council members' legal duties and responsibilities as well as containing guidance notes and information on the International Non-Governmental Organisations' (INGO) Accountability Charter, to which CI is a founding signatory. The trustees are also encouraged to familiarise themselves with Charity Commission guidelines for trustees and charity governance.

Related parties

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.

More specifically, through their membership of CI, members can:

Strengthen the international influence of the consumer movement.

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.

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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.

3. OBJECTIVES AND ACTIVITIES

Our Objects

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:

- Providing training, conferences and seminars in the field of consumer rights;
- Representing charities, voluntary organisations and other groups in relation to government policies and legislation;
- Providing information about consumer policies and issues;
- Liaising between charities, voluntary organisations, government agencies and other groups on relevant issues; and
- Providing advice and information on appropriate fundraising techniques.

To promote education, particularly but not exclusively, by the following means:

- By providing consumer education and information;
- 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.

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.

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Our Aims

For 2010, 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:

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 the fourth of five one-year work plans. The CI work in 2010 was determined by our long-term strategic objectives, and the annual work plan. This work plan indicated for the first time the impacts that we are aiming for, which are mostly longer-term impacts, to be achieved over the course of various years.

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.
- 2) Act as a global watchdog on the behaviour of international corporations.
- 3) Build strong consumer organisations around the world that can campaign effectively for consumers nationally and through CI globally.
- 4) Be a strong, sustainable, global umbrella organisation fit for our purpose

Our main activities are described below. All our charitable activities focus on our objects above and are undertaken to further our charitable purposes for the public benefit.

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

Goals:

1. Achieve real change – in policy and practice – on selected international issues that matter to consumers, with high levels of CI member involvement in our campaigns.
2. Through our campaigns, positively change the attitudes and understanding of consumers in every region of the world towards key consumer responsibilities.
3. Help bring about a basic consumer protection legal framework in at least ten countries where this is presently lacking, and advance the level and scope of consumer protection and redress in a further ten countries.

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4. 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.

In 2010 CI's campaigning included the following areas:

- Financial Services (New Headline Campaign)
- Food Marketing to Children/Junk Food Generation
- Climate Change – Energy Efficiency and sustainable access to energy
- Access to Knowledge (A2K)
- Sustainable Consumption and Production, Corporate Social Responsibility and ethical trade and responsible retail.

Financial Services

This topic was the stand-alone (not campaign related) issue for World Consumer Rights Day (WCRD) March 2010, but was subsequently selected as the CI Headline campaign area at the June 2010 Council meeting.

Objective: For the G20 to establish an Experts Group on Consumer Financial Protection.

Expected Impact: Consumers have access to stable, secure and fair financial services.

Activities: CI became engaged in the issue of the global financial crisis based on the fact that part of the reason for the crisis began with what was a failure to protect consumers and that effective, affirmative and preventative consumer protection needs to be a major part of the global solution.

WCRD 2010 brought together an unprecedented number of members and countries in their claim for access to stable, secure and fair financial services. The June 2010 Council meeting in Peru provided a turnaround for CI, and directed its headline campaigning towards financial services.

An integrated CI & member expert working group was constituted to design and implement the campaign, and the G20 – in its November Seoul meeting - was defined as the main campaign target. CI members in the 20 countries were mobilised to work with their governments. At the same time, several projects in Africa, Latin America and the Caribbean and Asia focussed on financial services, including information and education to consumers.

Food marketing to Children/Junk Food Generation

Objective: The approval of effective international recommendations on the marketing of unhealthy food to children, at the May 2010 World Health Assembly, with follow-through to the national level of CI member organisations.

Expected Impact: Decrease in the incidence of diet related disease and child obesity.

Activities: In 2010 the World Health Assembly voted for international recommendations on marketing of unhealthy food to Children, following the previous years of campaigning by CI and our members.

Following the recommendations CI started producing a tool kit for members to work with their Governments in implementing the recommendations. Also we started working on producing guidelines to monitor the actual marketing of unhealthy food to children at a national level.

Energy and Climate Change

Objective: For consumers to have access to a healthy environment, free from the threat of catastrophic climate change.

Expected Impacts:

- Consumers have access to a healthy environment free from the threat of catastrophic climate change.
- Consumers have sustainable access to energy.

Activities: CI campaigned for a successful outcome and a successful follow through of the UN Conference Of the Parties (COP) 15 negotiations, among others through the publication of a series of position papers on the high energy impact areas of housing, transport and food, as well as emissions trading, voluntary action and labelling.

We supported our members in providing information on effective consumer actions to reduce Green House Gas emissions, as well as on analysing mass-market communication to consumers in terms of credibility

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and transparency. Also we continued our work with International Standards Organisation (ISO) for an international standard on Energy and services to users, including providing a technical justification document to ISO aimed at increasing understanding the need for a standard. Finally a one day Trans Atlantic Consumer Dialogue (TACD) conference was held on the topic of low carbon economy at the TACD annual meeting.

Access to Knowledge (A2K)

Objective: For consumers to benefit from increased access to knowledge.

Expected Impact: Consumers benefit from increased access to knowledge.

Activities: The first 2-year term of the A2K project ended in August 2010. A follow up proposal from September 2010-August 2012 was submitted to Open Society Institute and approved.

CI conducted global research on access to knowledge through the Intellectual Property Watchlist 2010 (which highlighted the copyright laws and enforcement practices of 34 countries), A2K access barrier survey, and national research in Australia and Israel on best practices in copyright for consumers and a Business Roundtable on the Consumer Interest in Intellectual Property Rights. 36 members and partners attended the CI global A2K meeting, held on 21-22 April in Kuala Lumpur.

Our A2K handbook entitled "Access to Knowledge: A Guide for Everyone" was published in hard copy. A copy of the DVD of CI film "When Copyright Goes Bad" was included in the back of each book.

French and Spanish versions of the book were also produced for distribution online. The books will be made available for purchase by the general public at a cost from Amazon.com. Finally we started working with UN Conference on Trade And Development to explore having Access to Knowledge in the UN Guidelines for Consumer Protection.

Sustainable Consumption and Production, Corporate Social Responsibility and Ethical Trade and Responsible Retail

Objective: Promoting responsible production and consumption patterns among stakeholders and consumers in order to advocate and implement consumer rights for all.

Expected Impacts:

- Business practices reflect consumer support for poverty reduction and a sustainable environment.
- Consumers have access to sustainable products and services.

Activities: CI drafted a technical justification document and lobbied ISO for an international standard on energy. CI continues to represent and lead negotiations for NGOs in UN CSD Marrakech process and for the World Summit on Sustainable Development 2012 (WSSD) processes, including regional meetings. CI also engaged with the Green Economy coalition to facilitate the efficient development of positions and responses to the WSSD. CI and 30 members participated and influenced the negotiations in early 2010, to bring the global ISO SR standard on social responsibility (ISO 26000) to its realisation.

CI and project members published a report on supermarkets procurement practices, which were launched at a multi stakeholder meeting, hosted in Brussels. Also we produced and disseminated (together with The Guardian) a film illustrating ethical issues in supermarket supply chains, focusing on pineapples from Costa Rica "Pineapples: Luxury fruit, at what price?" The film was presented at a meeting of the EU Belgian presidency. Finally we mapped ethical trade and sustainable consumption initiatives and presented the findings to ISO COPOLCO (Committee on Consumer Policy). CI contributes advocate for a global minimum requirement document for ethical claims including, via the OECD (Organisation for Economic Co-operation and Development) Consumer Policy Committee, work on green claims. The above work was funded by the EU, ISO and the Dutch Government.

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

Goals:

1. Establish an ongoing series of high quality, influential, comparative research reports focused on the performance of international businesses in providing key products and services.
2. Influence targeted international business umbrella groups to endorse and promote better practices.
3. Provide recognised and cost effective forums for business and consumer groups in various regions of the world to engage in productive dialogue.
4. Increase public support through our campaigns for compliance by international corporations with meaningful and strong accountability standards.

Expected Impacts:

- Business practices reflect consumer support for poverty reduction and a sustainable environment.
- Decrease in the incidence of diet related disease and child obesity.
- Consumers have access to stable, secure and fair financial services.
- Consumers have sustainable access to energy.

Activities:

Many of CI's campaign activities in 2010 had a focus on corporate behaviour, such as the continued work on ISO 26000, the responsible retail project, Access to Knowledge, and the Ethical Trade Fact Finding Process.

Also CI participated in the OECD negotiations on the revision of the OECD Multi National Enterprise guidelines, advocating for amendments in line with the newly established ISO 26000 standard, especially the chapter on consumer issues and protection

Similarly in the area of Financial Services, CI and members targeted financial institutions and banks, and a number of programmatic activities were carried with donor funding including a project in the Caribbean on banking codes (donor IADB), credit and debt in South America (donor AVINA), and the consumer education project in East Africa (donor DFID).

CI's Bad Company Award was discontinued in 2010, for reasons of shifting organisational priorities.

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

Goals:

- 1. Build a more comprehensive understanding of the consumer movement.
- 2. Provide better information services to our members.
- 3. Implement a realistic and appropriate capacity building programme.
- 4. Increase the number of organisations affiliated to CI.
- 5. Enable successful skills transfers from large CI members to small developing-country members.

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Expected Impacts:

- Consumer organisations across the world are able to campaign/provide services on key consumer issues.
- Consumer rights and responsibilities are supported, promoted and respected.
- The consumer movement's voice within civil society is strong and well recognised.
- Small consumer organisations are better equipped to engage with the global consumer movement.

Activities:

CI50

The 50th Anniversary of CI provided a great opportunity for members to celebrate their part in the growth of the global consumer movement. Throughout the year there were numerous opportunities for bringing consumer organisations and other stakeholders together around this milestone for the global consumer movement.

WCRD 2010 on Our Money, Our Rights was supported with appropriate materials.

The theme for WCRD 2011 was agreed to be again on Financial Services and preparations were advanced by end of year.

CI also continued to facilitate member support via both the Rhoda Karpatkin Internship scheme (Funded by Consumers Union, US) and the Anna Franssen Fund (Consumentenbond, Netherlands).

We organized a number of regional networking/training meetings, including the TACD annual meeting, as well as continuing to improve our communication outreach including providing regional e-newsletters on a regular basis.

The CI staff also continued providing support to the CI Membership Committee as they moved forward in implementing a revised membership strategy as well as updating the CI membership criteria. This resulted in an updated Code of Conduct for CI as well as members.

Finally various donor funded projects provided regional and national capacity-building programmes in different parts of the world on issues ranging from financial services, consumer protection law, consumer education and access to essential services.

CPL

Objective: For countries to adopt effective consumer protection legislation or adapt existing legislation.

Expected Impact: Consumer rights are respected in selected countries.

Activities: CI conducts regional surveys on consumer protection legislation and systems, like in the ASEAN (Association of South East Asian Nations) sub region and in Southern Africa.

CI supports selected members in preparing and lobbying for national consumer legislation, like through the United Nations Industrial Development Organisation (UNIDO) sponsored project in Bangladesh.

Regional highlights

In Latin America and the Caribbean, CI has been very active in membership services and capacity building, through different projects, and the organization of online courses.

Institutional arrangements and programmes have been managed with a variety of institutions. The Safe Consumption and Health Network for the Americas was launched together with the Organization of American States (OAS) and Pan American Health Organisation. The 3-year Inter American Development Bank programme on banking codes and strengthening consumer organizations in the Caribbean continued successfully. With the International Development Research Centre (IDRC), a project on citizen participation in public services (water) provision was designed and set up focusing on two countries.

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Links with Partnership for Education and Research about Responsible Living (PERL) were strengthened for CI to be coordinating its LA activities.

In the context of the CI work on financial services, a regional model law for family insolvency was developed, as well as a guide for monitoring banks and financial services providers. Support was given to members around monitoring the implementation of the WHO guidelines on marketing of unhealthy food to children.

CI-Santiago has been developing a strategy for **Citizen Participation**, which aims to strengthen the co-operation between Government Agencies for Consumer Protection and Consumer Organisations.

The CI Spanish language website was managed out of the Santiago office, and renewed and brought up to speed with the main London-based web.

Asia, Pacific & Middle East

The CI office in Kuala Lumpur continues to play an important networking role among consumer organisations and stakeholders of the consumer movement, including regional and international donors.

A very well attended regional meeting was held in April, coinciding with the global A2K meeting and CI50 celebrations. The regional lead on this programme has shown to be successful and was extended after the first two years, through continued donor support.

Strong regional participation in WCRD took place, as well as in the campaign for Consumer Financial Protection with the G20.

A tender for Road mapping Capacity Building Needs in Consumer Protection in ASEAN was won by CI KL and successfully implemented during the year.

The joint UNIDO/CI capacity building activities in Bangladesh led the way to stronger institutional contacts with this UN organisation, both for other countries in Asia & Pacific as well as potentially for West Africa.

The mapping and analysis of consumer protection legislation in the Asia Pacific region led by CHOICE Australia was completed, on issues like consumer participation in policy-making, redress mechanisms, key legal provisions, product safety, food, consumer credit and services.

CI in Africa

The re-establishment of CI in Africa took place, through the hiring of a Head of Africa and the setting up of the CI office for Africa in Johannesburg. The legal registration of CI in South Africa has been given attention throughout the year, but proved to be legally complicated.

With the physical presence of the Head of CI Africa, multiple institutional contacts have been established or strengthened, among others with the Africa Capacity Building Fund, the African Organisation for Standardisation, UNIDO, PERL, and regional and international donors. Obviously this presence has also greatly benefited the relations of CI with its African members and with other stakeholders.

Programme development in Africa centred on the OSI-Southern Africa support for the CPL Model law for Africa and the support the development of comprehensive CPL in Malawi, Mozambique and Zambia; and the Department for International Development (DFID) supported Financial Education Fund project, for the piloting of consumer advice centres in Tanzania and Kenya.

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Former Soviet Union/Community of Independent States

The project on 'Empowering municipalities to better serve their constituents in relation to consumer rights' was implemented in Azerbaijan, as a result of joint work of CI and ICU, the Independent Consumers Union of Azerbaijan.

Further options for collaboration with and support to CI members in the former Soviet Union is being explored.

Trans Atlantic Consumer Dialogue (TACD)

TACD remains a strong and productive network, facilitating contact and information-sharing between EU and US consumer organisations and providing a unified consumer voice in transatlantic governmental discussions.

TACD continues to generate high-quality cutting edge policy resolutions on a variety of policy areas and uses its unique position as member of the advisory group to the Transatlantic Economic Council to advocate these positions. CI has hosted the TACD Secretariat right from its inception 11 years ago, playing a crucial role in its consolidation and development.

Rhoda Karpatkin Internship programme

Objective: To develop the advocacy capacity of CI member organisations in developing countries and strengthen CI's links with our membership

Activities: CI hosted two young advocates during the year from CI member organisations in Argentina and Tanzania.

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

Goals:

1. Implement CI's 2006 governance review and achieve the fullest possible compliance with the International Non-Governmental Organisation (INGO) Accountability Charter.

2. Embed a thinking, learning, results oriented organisational culture, with related policies and indicators of achievement for all programmes.

3. Strengthen CI's public profile as the internationally recognised global voice for consumers.

4. Establish a diversified funding and resource mobilisation model to deliver on our strategic objectives and to secure CI's financial future.

5. Develop and implement human resource strategies, systems and policies that reflect and underpin CI's ambitions and objectives.

Expected Impacts:

- CI continues to be an effective and relevant organisation.
- CI has increased profile with identified audiences.
- CI is an accountable and effective organisation.
- CI is more effective in achieving its aims.
- CI moves towards becoming more financially sustainable.
- CI's own conduct reflects its campaigning and advocacy messages.
- CI is an accountable member of the INGO sector.
- CI's employees' performance and potential is maximised.

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Activities:

INGO charter

CI continued complying with the requirements of the INGO accountability charter, and is a respected member of the international NGO community.

Monitoring, Evaluation and Learning (MEL)

A process was initiated to design an appropriate MEL framework for CI with the aim of rolling this out in 2011.

Public profile

A new and improved CI website was launched in 2010 which provided for improved contact and information exchange both with members and stakeholder. CI's campaigns and targeted international representation increased the profile of CI especially in relation to key stakeholders such as the Financial Stability Board the areas of financial services and as well as in relation to the UN, its specialised agencies and the OECD.

Strategic Planning

CI conducted its operations in accordance with its Strategic Plan 2007 – 2011, of which 2010 was the fourth year. However in 2010 we started to prepare for the next strategic plan from 2012 onwards. A participatory strategic planning process was put in place, with professional external facilitation and with strong Council and staff involvement.

Fundraising & resource mobilisation

The financial position of the organisation continued to be strong, following on from the very successful 2009 year. Many projects that had been secured in 2009 were continued in 2010 and the fundraising activities continued at strong pace throughout 2010.

Good relations with key institutional donors like Ford Foundation, Open Society Institute, European Commission and UNIDO were maintained, and new funding relations established with others.

The income from institutional donors was £ 1.3 million, reaching 87% of the target for the year. The fee income from members continued to be high, as the British Pound was weak against the major currencies in which much of the fees were received.

Human Resources

There was a continued institutional emphasis on HR processes throughout the year, with support from an external consultant. A staff survey was conducted and the results were used to inform the HR strategy and work plan.

CI World Congress 2011

Preparations for CI World Congress in Hong Kong were accelerated throughout the year, through the functioning of a joint CI-HKCC World Congress Working Group.

Office infrastructure

The renovation and upgrading of the Highbury Crescent office in London was completed and the staff moved back from the transitory office space that had been occupied for several months from late 2009.

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4. ACHIEVEMENTS AND PERFORMANCE

The following sections include a review of CI's strategic objectives and how we performed on them. We successfully progressed on a number of key issues under our strategic objectives.

Four years into the 5-year Strategic Plan, CI has succeeded in becoming an even more relevant global voice for our members.

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

Financial Services

The campaign which started only in August/September managed to mobilise CI member organisations in the G20 countries and beyond, both in terms of technical capacity as well as lobbying capacity, in an unprecedented show of unity around a CI campaign.

The result was the inclusion of a specific paragraph on financial consumer protection in the G20 Seoul action plan: *Enhancing consumer protection: We asked the Financial Stability Board (FSB) to work in collaboration with the OECD and other international organizations to explore, and report back by the next summit, on options to advance consumer finance protection through informed choice that includes disclosure, transparency and education; protection from fraud, abuse and errors; and recourse and advocacy.*

This provided a huge boost for the campaign and paved the way for CI to engage with the French G20 presidency in the preparation for the next summit, thus increasing our campaign opportunities and further our campaign goals.

Food Marketing to Children/Junk Food Generation

We achieved a significant campaign victory in 2010 as the World Health Assembly adopted its 'Recommendations for Marketing of Food to Children' which, in many areas, were based on the CI code and our members work.

We started working on a toolkit for national level campaigning for publication by early 2011, which will be essential to empowering our members to monitor the implementation of the WHO recommendations at country level. We envisage that, in years to come, the public benefit of this across the world will be significant, resulting in a vast reduction in marketing to children of unhealthy food as well as in the longer term lower rates of childhood obesity and related diseases.

Energy and Climate Change

CI first embarked on this area of work in 2009, ahead of the UN Climate Change negotiations, COP15, in Copenhagen, and supported by the 2009 Council approval of the new CI strategy on Climate Change and Energy. As tangible results, the CI proposal for an international standard for "access to energy" is now being processed via the International Standards Organisation ISO, and the CI policy papers on the high energy impact areas of housing, transport and food, as well as emissions trading, voluntary action and labeling have been further developed and refined in 2010.

However, it became clear in the first part of the year that continued engagement with the Conference Of Parties (COP) process would go beyond CI resources, and it was decided to discontinue the area as a focus area. Instead, focus on Sustainable Consumption seemed more in line with CI's niche and it's Unique Selling Point. Main attention and institutional resources were shifted to the new headline campaign on Financial Services.

Access to Knowledge (A2K)

The activities carried out in 2010 under the A2K project resulted in different products, like the IP 2010 Watchlist, the film "When Copyright Goes Bad" and the A2K handbook. These achievements paved the way for developing the text for proposed amendment of the United Nations Guidelines for Consumer

Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

Protection to include A2K principle, as well as for the following activities to be carried out: facilitating meetings between consumer groups and creators about voluntary licensing of rights; undertaking research on misuse of intellectual property rights; a call for proposals for funding of national campaigns against public policies that negatively impact A2K and writing reports for the 2011 IP Watchlist.

Sustainable Consumption and Production (SCP), Corporate Social Responsibility and Ethical Trade
CI consolidated its position as the leading global NGO on the issue of SCP. This is key for potential future CI, as it positions CI with unique access to the negotiations towards the World Summit on Sustainable Development in 2012. Also CI continues to serve as the NGO representative on the UN Marrakech board, as well as being one of 3 UN NGO organising partners to the UN CSD. The Marrakech process on SCP will end in 2011 with a negotiated outcome to be taken forward from 2011 by the UN. In 2010 CI negotiated for the UN Guidelines on Consumer Protection, Consumer Education as well as access to energy to be part of the negotiated outcome.

Sustainable Consumption was addressed in the World Economic Forum in Davos 2010, in multiple sessions, where CI spoke and CI was subsequently appointed to the WEF agenda council for Consumer Industries. Also CI became a member of the Green Economy coalition and thus engaging efficiently with G20 on the issue of the green economy, access to services and subsidies

In May 2010 in Copenhagen, ISO26000, the global standard on social responsibility, was formerly accepted and approved. This was the conclusion of more than 6 years of CI engagement starting with CI proposing the need for such a standard. The new standard contains a comprehensive chapter on consumer issues and rights which companies adopting the standard will have to implement and adhere to. The positive impact for consumers across the world will be unprecedented in scale.

Throughout 2010, CI has been coordinating an EC funded project to raise public awareness of the impact of the procurement policies of European supermarkets on the lives of workers and producers in developing countries.

In March 2010, CI launched the results in the report *Checked Out: Are European supermarkets living up to their responsibilities for labour conditions in the developing world?* at UN headquarters at a thematic seminar for delegates to the annual CSD meeting. The publication of this research also marked the launch of diverse national campaigns run by consumer organisations, which have raised awareness of the issues around responsible procurement amongst consumers and decision makers and lobbied retailers in six countries across Europe.

Further research was commissioned by CI, into the pineapple supply chain from Costa Rican plantations to European supermarkets. A documentary produced in conjunction with *The Guardian* is available in nine European languages and has received worldwide coverage. During 2010 it is estimated that through the campaign almost 2 million consumers have been informed about these issues – illustrating the combined power of the CI network. Several retailers have now amended their policies as a result of the work.

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

CI was a key stakeholder in moving the global standard (ISO 26000) on corporate social responsibility forward and successfully negotiated the final consumer section in the final draft standard (FDIS), that was adopted in 2010. This standard will have an enormous public benefit impact across the world for consumers everywhere in terms of the private sector engagement with consumers.

Consumer access to stable, secure and fair financial services was the rallying cry for World Consumer Rights Day 2010. Consumer Protection in Financial Services being addressed as a major issue through the subsequent global CI campaign, gives a voice to the widespread public anger in regards of the policies and practises of financial service providers. It also provides for the possibility of joining up the national actions by various CI member organisations, to demand international regulation.

Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

The Consumers International Intellectual Property Watchlist 2010 was published, featuring reports from 34 countries. It is expected that the Watchlist will impact on making IP policies and practises friendlier towards consumers.

The WHO recommendations on Food Marketing to Children, which have been adopted by the WH Assembly, are a step in the direction of providing tools for holding companies to account, in their marketing practises of unhealthy food to children. A CI toolkit for national consumer organisations will facilitate the monitoring of this at the national level.

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

The new strategic focus defined in late 2010 covered a two pronged approach to capacity building: one from a strategic point of view, directed towards members that can make an important contribution to CI global campaigns, like those in the G20 countries; another generically aimed at strengthening smaller organisations in their organisational sustainability and their advocacy capacity.

Furthermore, in 2010 an entirely new website was developed, providing clear and targeted information about CI and our member organisations. This allows us to provide better visibility of CI to and through our members, while using our unique position to further promote the work of consumer organisations around the world. An initiative was also started to have CI Council members feature their membership of CI on their individual websites.

CI has realigned its press and media work to focus on providing members with tools and materials to make the most of the publicity that CI can generate, especially in the context of the global campaigns. In specific support for campaigning, CI engaged extra media capacity for the Financial Services campaign, in the running up to the Seoul G20 summit, resulting in substantial media coverage.

The role of the regions and the regional offices has been further strengthened, to allow for an improved attention to the membership, and for CI to benefit from the richness of regional knowledge and experiences; it also allowed regions to play an important role in the CI global campaigns. This has taken place within the clear focus of 'CI as one organisation', with joined-up ways of working and avoiding discrepancies between the regions and the head office.

The 50th Anniversary of CI has provided a great opportunity for members to celebrate their part in the growth of the global consumer movement. For member use, CI produced a commemorative booklet charting the organisation's history, along with a special collection of CI50 brand resources. CI50 celebrations have taken place in connection with all main activities throughout 2010, including the June 2010 Council meeting in Lima, Peru.

During 2010, and thanks to the fundraising results, CI together with its members implemented an important range of projects in different areas. These projects and programmes were not only aimed at achieving benefits for the constituencies of the organisations, but also served to strengthen the capacity of the members involved.

The topics concerned among others were A2K, financial services & education, supermarket supply chains, consumer protection legislation, credit & debt, access to essential services.

Examples of programmes/projects: (mainly highlighted under the regional sections of objectives/activities)

The continuation of the 3 year project in the Caribbean (supported by the Inter American Development Bank) aimed a long term strengthening of consumer organisations in the area of financial services in Trinidad & Tobago, Jamaica and Barbados.

Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

In Bangladesh (supported by UNIDO), on standards and market surveillance activities, with similar capacity building initiatives taking shape in Nepal and in West Africa.

CI Project titled 'Empowering municipalities to better serve their constituents in relation to social and environmental rights', as a result of joint work of CI and ICU, the Independent Consumers Union of Azerbaijan.

The global Access to Knowledge programme, run out of the KL office, with the completion of a CI strategic plan in this area.

Within the framework of its participation in the Ibero-American Forum of Government Agencies, CI has successfully developed a strategy for Citizen Participation, which aims to strengthen the co-operation of Government Agencies with Consumer Organisations.

A Latin American project for active citizen participation – through internet applications - in the decision-making processes on public services (with a focus on water) was designed and started, with funding and support from IDRC

A continued grant was secured from OSI-Southern Africa to update the African Consumer Protection Model law and to support the development of comprehensive CPL in Malawi, Mozambique and Zambia.

The Bio-safety Project in Mali, Morocco and Kenya was completed during the year, under the coordination of CI Santiago office.

A project on Financial Education, which allows the piloting of money advice centres in Tanzania and Kenya obtained DFID funding in 2010.

Transatlantic Consumer Dialogue

From the beginning in 1999, now for 11 years, CI has hosted the TACD Secretariat, playing a crucial role in its consolidation and development.

TACD remains a strong and productive network, facilitating contact and information-sharing between EU and US consumer organisations and providing a unified consumer voice in transatlantic governmental discussions. TACD continues to generate high-quality cutting edge policy resolutions on a variety of policy areas including: financial services, nutrition and food safety, the information society, intellectual property, climate change and sustainability and nanotechnologies and uses its unique position as member of the advisory group to the Transatlantic Economic Council to advocate these positions.

Rhoda Karpatkin Internship programme

CI London was joined in 2010 by two potential future leaders of the consumer movement from Tanzania and Argentina. As in previous years, the advocates gained exposure to the work of CI, Which?, Consumer Focus as well as other London-based NGOs. A placement with BEUC and CI's members in the Benelux region was also arranged. As a direct result of contacts established in London during the RK Programme, the CI member from Tanzania has joined a major new UNICEF-led regional network on food and nutrition

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

Total income from institutional donors during the period January-December 2010 reached £1.3 million, 50 per cent of which was for consumer organisations' capacity building programming; 35 per cent for campaigning programmes and 15 per cent for programmes related to acting as a global watchdog on the behaviour of international corporations. Income from institutional donors includes income from governments, and other public organisations, foundations and United Nations (UN) agencies.

Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

Our objectives for the year were to stabilise CI's income growth, which has more than doubled since 2008 and to diversify our sources of institutional, foundation and government funding. Although our income from institutional donors saw a 10 per cent decrease compared to last year, we still met 87 per cent of our annual target. The ten percent decrease is an expression of stabilisation of the rapid growth of 2008 and 2009. We successfully maintained funding relationships with key institutional donors such as the Ford Foundation, the Open Society Institute (OSI), the European Commission (EC), the United Nations Industrial Development Organisation (UNIDO).

We also established new funding relationships with donor agencies such as the International Development Research Centre of Canada (IDRC), and the UK Department for International Development (DfID). This year also saw the decentralisation of some fundraising activity to CI's regional offices, which resulted in establishing new funding relationships with regional donors such as the Association of Southeast Asian Nations (ASEAN). An important role in fundraising was played by the regional offices.

We have also developed relationships with the Bill and Melinda Gates Foundation, the World Bank, the Danish and German governments, which should continue in the coming year.

The Membership Committee during the year produced a Code of Conduct for CI and its members, that was approved by Council. This Code will guide the consumer movement in the years to come, ensuring we can continue our work as a strong and truly independent movement. The work of the Membership Committee will continue in 2011 ensuring that our member provisions are efficient and up to date

CI returned from the temporary office accommodation where we moved to at the end of 2009, after the offices in Highbury Crescent underwent a complete renovation, due to lack of maintenance in previous years. This was received very positively by staff, with appreciation for a constructive working environment.

Work has progressed during the year on preparing for the CI World Congress in Hong Kong 2011, under the theme of "Empowering Tomorrow's Consumers. A final version of the programme was agreed, prominent speakers from within and outside of the consumer movement have been secured and all is set to have a fruitful Congress.

Delivering the CI Congress and General Assembly every four years is a key part of CI's purpose, giving the organisation a strong and sustainable mandate, while embodying our existence as a global umbrella organisation.

CI continued working on its Human Resources Strategy during 2010, updating relevant policies ensuring continued 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. CI continued to have a low staff turnover and a strong ability to attract the right level of new staff as needed.

The 50th Anniversary of CI provided a great opportunity for members to celebrate their part in the growth of the global consumer movement. To this end, CI has produced a commemorative booklet charting the organisation's history for member to use, along with a special collection of CI50 brand resources.

As a founding signatory to the INGO Accountability Charter, CI submitted its third annual Accountability Report to the INGO Charter Secretariat in 2010. The organisation was once again able to report strong progress in fulfilling its commitments to the Charter.

An internal Working Group continues to monitor CI's progress in implementing the INGO Charter, and to make recommendations on enhancing CI's commitment to accountability and transparency.

Finally, the participatory strategic planning process that was started in the second half of 2010 will lead to the formulation of a strategic vision for the organisation for the years to come.

Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

5 Risk, Reserves and Finance

Risk Assessment

The trustees reviewed the risks the organisation is exposed to. 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 larger members or because of withdrawal of large 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. The larger member interest in campaigning makes the choice of the right campaign topics of utmost importance. This will be one of the core pillars of the new strategic plan.

Even though securing project funds is becoming more competitive, CI is doing very well in obtaining institutional donor funding. This is due to the increased internal focus on fundraising and focussing on our unique selling points as well as donor relationship management. CI is in a process of further strengthening its fundraising/development capacity, thereby closing a human resource gap in fundraising.

Reserves Policy

The organisation's reserves policy has been reviewed during the year and during this process it examined the requirements of Consumers International for free reserves after considering the risks faced by the organisation, the working capital requirements 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. The main reasons CI would want to build its reserves are

- 1) Act as a buffer against a fall in fee income.
- 2) Maintain adequate working capital purposes.

Just five of our big members pay about 78% of our fees and therefore in the event of one or more of these members reducing their fee or withdrawing their membership can have a major implication on the organisation. This eventuality has been considered the main financial risk facing the organisation in the organisation's risk assessment. However if this were to arise most of the restructuring costs in down sizing the organisation to adapt the reduced level of income will be incurred from the membership fees related to the year since our members would have given enough notice for us to take this action. It is also a constitutional requirement that full members give six months written notice to the DG in the event they want to resign from the membership of the organisation. It could therefore be argued that we should aim to build free reserves level that would be adequate for our working capital purposes and not assume that we need reserves for the above worst case scenario.

It is estimated that CI would consider £200k as the right level of free reserves for maintaining adequate working capital. This will predominantly be for pre funding projects where donors pay late or where some donors stipulate that they would hold back 10% of the contracted amount until the final report for the project is approved. In addition to this there is usually about £30k debts owing from members by the end of any particular year. Hence it could be argued that a free reserves level of £230k will be adequate to maintain a sufficient level of working capital. We also find that most of our big members start paying their fee from January every year and most would have paid their fees by July and therefore this should not cause working capital difficulties during any year.

It is therefore considered that having a reserves policy with a target free reserves level of £230k would result in the organisation having the right level of reserves funds in its balance sheet.

Consumers International

REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

Financial Review

Consumers International has been operating with a comfortable financial position during the year 2010 despite uncertainties in the economic and funding environment.

The total income for 2010 has been stable at £2,822,151 (2009: £2,893,108) and this has been the case because both our main streams of income of fee income and project income have remained stable. As a result our total expenditure was also stable at £2,880,374 (2009: £2,861,183) and we were able to maintain same levels outputs, outcomes and impacts for the organisation.

The membership fee income for 2010 increased slightly to £1,472,178 (2009: £1,428,457) though some of our members paid reduced fees due to a fall in their income. However this was offset by the favourable exchange rates due to weak Pound. Expenditure in core funds was comparatively higher at £1,517,601 (2009: £1,359,423) due to some strategic campaigning decisions made during the later part of the year and also due to the cost of developing a new strategic plan for the period 2012 to 2014. As a result the accounts for 2010 show a small deficit in unrestricted general funds of £9,785 (2010: surplus £13,382).

The general reserves for the organisation has stayed at similar levels to last year at £205,905 (2009: £212,699 and the free reserves (General reserves less fixed assets) was at £29,119 (2009: £178,423) The fall in free reserves is due to the major office improvements carried out at the London office to bring the building up to date and also due to the successful launch of a new web site for the organisation. The budget for 2011 shows that organisation is planning of making a surplus of £40k and with depreciation of fixed assets at nearly £60k per year the free reserves at the end of 2011 is expected to reach £129k. The organisation is attempting to build its reserves and it is expected by making modest surpluses, Consumers International should be able to reach its free reserves target of £230k in the next three to four years.

6. Plans for future periods

In 2011 CI will be in a transition phase, determined by the parameters of the new strategic focus that were discussed at the December 2010 London Council meeting. This means that the organisation will not be strictly guided by the 2007 – 2011 strategic plan, but by the two focus areas of International Advocacy and Members' Organisational Empowerment, together with a focus on CI's own Organisational Development. We will continue to focus on the impact CI wants to have and in doing so demonstrate the public benefit of CI, formalising monitoring, evaluation and learning processes in an institutional framework. The 2011 work plan is formulated in terms of the above mentioned strategic focus areas.

Key Performance Indicators for 2011 have been expressed in relation to:

- International Advocacy (Financial services; Campaign Planning)
- World Congress,
- Organisational Empowerment
- Strategic Planning
- Financial Soundness
- Member Satisfaction
- Organisational Development.

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.

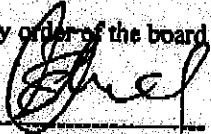
Consumers International

**REPORT OF THE COUNCIL (INCORPORATING THE DIRECTORS' REPORT) FOR
THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

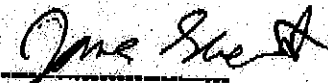
AUDITORS

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



James Guest

Date: 2 May 2011

Consumers International

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The trustees (who are also directors of Consumers International) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSUMERS INTERNATIONAL

We have audited the financial statements of Consumers International for the year ended 31 December 2010 on pages 26 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 24, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

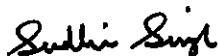
Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



SUDHIR SINGH (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

46 Clarendon Road

Watford

Hertfordshire

WD17 1JJ

Date 3 May 2011

Consumers International

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

For the year ended 31 December 2010

	Notes	Unrestricted			Total Funds 2010	Total Funds 2009
		General Funds	Designated funds	Restricted Funds		
		£	£	£	£	£
Incoming Resources:						
Incoming resources from charitable activities						
Membership fees	1	1,472,178	-	-	1,472,178	1,428,019
Project income						
Campaign Effectively		-	-	453,863	453,863	570,076
Act as a Global Watchdog		-	-	201,529	201,529	218,377
Build Strong Consumer Organisations		-	-	658,943	658,943	671,850
Other income	2	35,344	-	-	35,344	3,763
Incoming resources from generated funds		1,507,522	-	1,314,335	2,821,857	2,892,085
Bank interest		294	-	-	294	1,023
Total Incoming Resources		1,507,816	-	1,314,335	2,822,151	2,893,108
Resources Expended:						
Charitable activities						
Campaign Effectively		763,061	11,225	444,834	1,219,120	1,076,577
Act as a Global Watchdog		176,947	2,806	201,484	381,237	453,571
Build Strong Consumer Organisations		429,238	42,095	660,330	1,131,663	1,227,642
	3 / 4	1,369,246	56,126	1,306,648	2,732,020	2,757,790
Costs of generating funds						
Fundraising costs for project funds	3	95,036	-	-	95,036	64,067
Governance costs	3	53,319	-	-	53,319	39,326
Total Resources Expended		1,517,601	56,126	1,306,648	2,880,375	2,861,183
Net (outgoing)/incoming resources, being net (expenditure)/income for the year	6	(9,785)	(56,126)	7,687	(58,224)	31,925
Funds brought forward 1 January		212,699	60,000	45,287	317,986	292,213
Retranslation on exchange		2,991	-	3,162	6,153	(6,152)
Funds brought forward 1 January		215,690	60,000	48,449	324,139	286,061
Funds carried forward 31 December	12	205,905	3,874	56,136	265,915	317,986

The results are all attributable to continuing activities.
The accounting policies and notes on pages 28 to 37 form part of these financial statements.

Consumers International

BALANCE SHEET

31 December 2010

Company Registration No: 4337865

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	8	176,786	34,726
Current assets			
Debtors	9	417,107	290,425
Cash at bank and in hand		290,472	786,267
		707,579	1,076,692
Creditors: amounts falling due within one year	10	(618,450)	(793,432)
Net current assets		89,129	283,260
Total assets less current liabilities, being net assets	13	265,915	317,986
Represented by:			
Unrestricted funds - Free reserves/general funds		29,119	177,973
- Fixed assets		176,786	34,726
		205,905	212,699
Designated funds - Project match-funding		3,874	60,000
Total unrestricted funds		209,779	272,699
Restricted funds		56,136	45,287
Total funds	12	265,915	317,986

Approved by the Council authorised for issue on 2 May 2011 and signed on its behalf by:

Samuel Ochieng

James Guest

The accounting policies and notes on pages 28 to 37 form part of these financial statements.

Consumers International

ACCOUNTING POLICIES

For the year ended 31 December 2010

ACCOUNTING CONVENTION

The financial statements of the organisation have been prepared using the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards (UK Generally Accepted Accounting Principles). The provisions of Accounting and Reporting by Charities, Statement of Recommended Practice 2005 (SORP 2005) and the Charities Act 2006 have been adopted in these financial statements.

GOING CONCERN

The trustees have prepared the financial statements on the going concern basis. The trustees are satisfied that this basis is appropriate as a result of having reviewed the Strategic Plan, budgets and cash flow forecast of the organisation which have been prepared by management.

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 seeking funds to undertake project work 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	Straight line over life of the lease
Furniture, fittings and equipment	25% on cost
Computer hardware and software	33% on cost

Capitalisation policy.

Items over £500 in value where its economic benefit could be accrued over multiple years of its useful life are normally added to the fixed assets register and depreciated on the above basis.

Consumers International

ACCOUNTING POLICIES

For the year ended 31 December 2010

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.

Membership fees received in foreign denominated currencies are matched by forward exchange contracts agreed at budget preparation stage. This enables conversion of these currencies to British Pounds at previously agreed and known fixed exchange rates and mitigates uncertainties in income arising from foreign exchange rate variations.

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 over the life of the relevant lease.

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 2010

1. MEMBERSHIP FEES	2010 £	2009 £
Full members	1,419,325	1,372,416
Affiliate members	30,491	27,317
Government affiliate members	22,362	28,286
	<u>1,472,178</u>	<u>1,428,019</u>
2. OTHER INCOME	2010 £	2009 £
Rental income from partner organisations	1,400	1,200
Other income	33,944	2,563
	<u>35,344</u>	<u>3,763</u>

3. ANALYSIS OF RESOURCES EXPENDED

Charitable expenditure:

	Campaign Effectively £	Act as a Global Watchdog £	Build Strong Consumer Organisations £	Total 2010 £	Total 2009 £
Direct salary costs	597,022	154,965	384,222	1,136,209	1,070,956
Other direct costs	464,902	187,486	654,919	1,307,307	1,455,570
	<u>1,061,924</u>	<u>342,451</u>	<u>1,039,141</u>	<u>2,443,516</u>	<u>2,526,526</u>
Office and administration	113,735	29,477	71,787	214,999	154,922
Office improvement and special projects	43,461	9,309	20,735	73,505	103,487
Dilapidation accrual released	-	-	-	-	(27,145)
	<u>157,196</u>	<u>38,786</u>	<u>92,522</u>	<u>288,504</u>	<u>231,264</u>
Total indirect / support costs	<u>157,196</u>	<u>38,786</u>	<u>92,522</u>	<u>288,504</u>	<u>231,264</u>
	<u>1,219,120</u>	<u>381,237</u>	<u>1,131,663</u>	<u>2,732,020</u>	<u>2,757,790</u>

Consumers International
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

3. ANALYSIS OF RESOURCES EXPENDED (continued)	2010 £	2009 £
Costs of generating funds:		
Direct salary costs	73,308	49,214
Support costs:		
Office and administration	13,771	9,454
Office improvement and special projects	7,957	7,370
Dilapidation accrual released	-	(1,971)
	<u>95,036</u>	<u>64,067</u>
	2010 £	2009 £
Governance costs:		
Audit	15,011	15,581
Council and Executive Committee Meetings	19,072	23,745
Support costs: Staff and other costs	18,236	-
	<u>53,319</u>	<u>39,326</u>
	2010 £	2009 £
Support costs		
Accommodation costs	84,469	58,375
IT, web site and maintenance	42,041	32,930
Furniture, fixtures and equipment	23,678	14,350
Communications cost	17,695	16,516
Office supplies and maintenance	21,775	20,258
Legal and Professional charges	26,444	14,509
Bank charges / other costs	12,668	7,438
Office improvement and special projects	81,462	110,857
Dilapidation accrual released	-	(29,116)
Staff and other costs	18,236	-
	<u>328,468</u>	<u>246,117</u>

Consumers International
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

4. ANALYSIS OF CHARITABLE EXPENSES - RESTRICTED FUNDS

Project	Donor	Campaign Effectively £	Act as a Global Watchdog £	Build Strong Consumer Organisations £	Total 2010 £	Total 2009 £
Transatlantic consumer Dialogue and Intellectual Property	Rockefeller Foundation / European Commission.	68,165	3,204	99,045	170,414	216,690
Consumer Protection in Caribbean	Inter American Development bank	18,972	9,486	66,401	94,859	-
Global Intellectual Property strategy development	MacArthur / Open Society Institute	86,701	63,743	-	150,444	179,712
Increasing justice through Consumer Advice and Mediation centre – Azerbaijan	European Commission	5,127	5,127	41,013	51,267	144,297
A Consumer Welfare Analysis of the Retail Market in 6 EU member states	European Commission	191,711	38,364	153,457	383,643	283,396
Consumer Protection Biosafety Project	UNIDO	-	-	91,714	91,714	-
ASEAN	European Commission	14,611	3,653	54,790	73,054	200,155
Other Projects	ASEAN	-	58,638	-	58,638	-
		59,436	19,269	153,910	232,615	477,510
Total		444,834	201,484	660,330	1,306,648	1,501,760

Consumers International
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

5 EMPLOYEES

	Core funds (unrestricted) £	Project funds (restricted) £	Total 2010 £	Total 2009 £
Wages and salaries	888,853	220,880	1,109,733	1,015,299
Social security costs	90,651	15,631	106,282	82,495
Pension contributions	6,830	1,460	8,290	22,376
	<u>986,334</u>	<u>237,971</u>	<u>1,224,305</u>	<u>1,120,170</u>
The average number of full time equivalent staff during the year:	<u>26</u>	<u>8</u>	<u>34</u>	<u>32</u>

The following number of employees received emoluments for the year in excess of £60,000:

	2010	2009
£60,001 - £70,000	1	1
£110,001 - £120,000	1	1
	<u>2</u>	<u>2</u>

The company paid pension contributions of £3,193 in respect of the employees above.

6. THE (DEFICIT) / SURPLUS IS STATED AFTER CHARGING:

	2010 £	2009 £
Auditor's remuneration:		
Audit fees – Baker Tilly UK Audit LLP	15,011	15,861
Depreciation	59,085	19,711
Operating lease rentals – land and buildings	41,500	45,000
Exchange rate losses	53,413	84,569
	<u>169,009</u>	<u>205,141</u>

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 2010

8. TANGIBLE ASSETS

	Building improvements £	Office furniture, fittings and equipment £	Computer hardware and software £	Total £
Cost				
1 January 2010	18,324	43,823	194,969	257,116
Additions	114,609	39,231	45,952	199,792
Exchange differences	1,998	3,261	5,712	10,971
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2010	134,931	86,315	246,633	467,879
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1 January 2010	17,355	31,526	173,509	222,390
Charge in the year	20,176	14,483	24,426	59,085
Exchange differences	1,870	3,135	4,613	9,618
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2010	39,401	49,144	202,548	291,093
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
31 December 2010	95,530	44,085	44,085	176,786
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2009	969	12,297	21,460	34,726
	<hr/>	<hr/>	<hr/>	<hr/>

9. DEBTORS

	2010 £	2009 £
Membership fees	16,994	16,994
Other debtors	113,175	70,846
Prepayments and accrued income	285,866	202,585
	<hr/>	<hr/>
	417,107	290,425
	<hr/>	<hr/>

Consumers International
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

10.	CREDITORS: Amounts falling due within one year	2010	2009
		£	£
	Other creditors	156,716	150,105
	Other taxation and social security	24,004	28,625
	Accruals and deferred income	437,730	614,702
		<hr/>	<hr/>
		618,450	793,432
		<hr/>	<hr/>
			2010
			£
	Deferred income reconciliation:		
	Brought forward balance at 1 January 2010		129,955
	Amount recognised as incoming resources in the year		(129,955)
	Amount deferred in the year		98,535
			<hr/>
	Balance carried forward at 31 December 2010		98,535
			<hr/>

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 75 members at 31 December 2010 (2009: 78).

Consumers International
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

12. FUNDS

	1 January 2010*	Incoming resources	Resources expended	31 December 2010
	£	£	£	£
Unrestricted funds:				
- General	215,690	1,507,816	1,517,601	205,905
- Designated	60,000	-	56,126	3,874
	<u>275,690</u>	<u>1,507,816</u>	<u>1,573,727</u>	<u>209,779</u>
Transatlantic Consumers Dialogue and Intellectual Property	-	170,415	170,415	-
Super Market	-	383,644	383,644	-
Bio-Safety	-	73,054	73,054	-
Other Projects	48,449	485,511	477,824	56,136
Access to knowledge Increasing justice through Consumer Advice and Mediation centre - Azerbaijan	-	51,267	51,267	-
Restricted funds:	<u>48,449</u>	<u>1,314,335</u>	<u>1,306,648</u>	<u>56,136</u>
Total	<u>324,139</u>	<u>2,822,151</u>	<u>2,880,375</u>	<u>265,915</u>

Restricted funds are due to be expended within a year to 18 months from the approval of these financial statements. Further detail on these projects is shown in Note 4. Funds received in advance or where they are yet to be applied to the project have been shown under deferred funds for performance related projects and in restricted funds for other projects in the balance sheet.

* After re-translation of branch assets

Designated Funds

Designated funds of £60,000 were set up in 2009 for usage as future matching fund for projects. £56,126 was utilised in 2010 as matching fund for Increasing justice through Consumer Advice and Mediation – Azerbaijan project leaving a balance of £3,874 to be carried forward.

Consumers International
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2010

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds* £	Restricted funds* £	Total funds £
Tangible fixed assets	176,786	-	176,786
Net current assets	32,993	56,136	89,129
	<u>209,779</u>	<u>56,136</u>	<u>265,915</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2010, the charitable company had annualized operating commitments under non-cancellable leases for operating leases expiring as follows:

Land and buildings:	2010 £	2009 £
2 – 5 years	41,500	41,500
	<u>41,500</u>	<u>41,500</u>

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 2010 (2009: nil).

A total of £12,867 (2009: £13,008) relating to the reimbursement of travel expenses was paid to 5 trustees in the year (2009: 5 trustees) to attend relevant meetings.

16. MOVEMENT IN MEMBERS' FUNDS

	£
At 1 January 2009	202,266
Deficit for the year	13,382
Retranslation of branch assets	(2,949)
	<u>212,699</u>
At 31 December 2010	
Deficit for the year	(9,785)
Retranslation of branch assets	2,991
	<u>205,905</u>