

# Annual Report 2006

Farmers in the South  
Deserve Better



# Oxfam

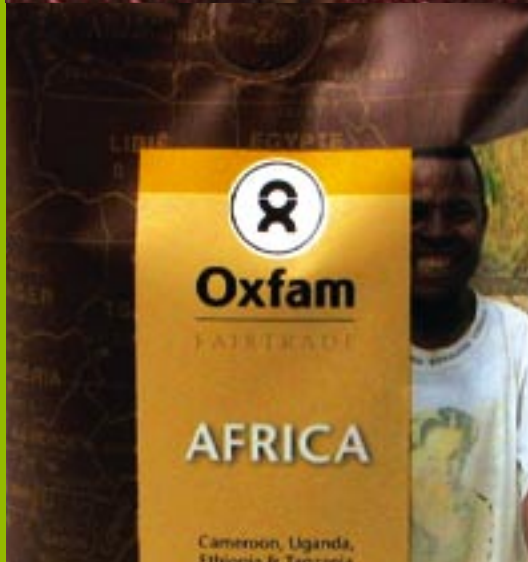
FAIRTRADE

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Geef smaak aan de wereld!

Doe mee aan onze receptenwedstrijd  
en maak kans op één van de prikkelende prijzen!



# Annual Report 2006

Farmers in the South  
Deserve Better

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## Colophon

### Editing

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photo: Eric de Mildt

# Foreword

Dear Oxfam Fairtrade sympathiser

2006 was once again a particularly enthralling year for Oxfam Fairtrade. We continued, with unrelenting enthusiasm, to pursue our objectives to increase the turnover generated from products in the South and to bolster our brand recognition. And our organisation can certainly be ambitious. Because we can rely on an enthusiastic team of employees who give their utmost day in and day out to achieve these goals, but also because we can count on a rapidly growing group of retailers who very deliberately opt to offer our quality food products to the end consumer.

End consumers are actually becoming increasingly more critical and asking for more information. And our organisation has responded to this befitting attitude accordingly by setting up a separate marketing department vested with the core task of promoting communication with our clients and end consumers. A sterling example of this is our successful end-of-year campaign where a widely varying selection of Belgian celebrities came out expressly in favour of more fair trade.

We also feel very strongly about honing our customer service as well as about the unremitting improvement of the quality of our products. Several of our colleagues devote their efforts each and every day to improve the quality of our products systematically, so as to offer consumers what they rightfully deserve: a fair product. And the fine scores given to our wines from reviewers in various publications in the course of 2006 show that we are already reaping the rewards of these efforts.

Innovation too featured prominently in the agenda of Oxfam Fairtrade once again in 2006. For instance, a new product was launched on an organic farm that constitutes a solid symbolic bridge between the North and the South: organic chocolate milk. A delicacy in which organic milk from local organic farmers is brought together with sugar and cacao from the South in one returnable bottle. Other organic products were also launched enabling us to draw close to our objective of 1/3 of our products being organic.

All these efforts have enabled us to make a new leap forward in nearly all our sales channels. This report provides an overview of our activities and performance in 2006. You will note that our approach has scarcely changed: Oxfam continues to market a wide range of delicious, high quality food products in an original way through various sales channels at home and abroad. Furthermore, Oxfam Fairtrade continues to be an extremely sound company capable of achieving more than decent results. Happy reading.

For a just world.

**Katrin Derboven**  
Manager  
Oxfam Fairtrade

**Koen Van Bockstal**  
Managing Director



HET NIEUWSBLAD - 16 november 2006



# 2.

## Ten highlights from the life of Oxfam Fairtrade in 2006



photo: Yel (Oxfam-Wereldwinkels)

### North meets South in a bottle

23 May 2006. We held a party among the cows and tractors of the farming spouses Jan and Magda Haegeman in Aspelare (near Ninove) to launch our semi-skimmed, sterilised organic chocolate milk. We used cacao and cane sugar from our partners in the Dominican Republic and Paraguay and milk from the 'Biomelk Vlaanderen' [Flanders Organic Milk] cooperative to build a bridge between organic farmers in the North and South. The chocolate milk is moreover a delicious consequence of the cooperation between Oxfam Fairtrade and Vredeseilanden [Isles of Peace]. After the speeches and before the tasting, Marc De Bel, the godfather of this product, regaled the children from the Aspelare primary school with a tale about Captain Cocoa, that was followed by thunderous applause.

and events. Admittedly, there is still work to be done. But we were present, often shoulder to shoulder with volunteers from local world shops, at the Folk Dranouter, the Summer Festivals, the Boombalfestival, Mano Mundo, Fiesta Mundial, the Gentse Feesten and many more venues of music and fun.

### Time to get steamed up (1)

29 April 2006. While Oxfam-Wereldwinkels were preparing to celebrate their 35th anniversary, 200 attendees of the Africa Forum were warming up with a strong cup of the latest member of our coffee family: Africa coffee. Those who overindulge in this wonderful blend of Arabica and Robusta from Uganda, Cameroon, Ethiopia and Tanzania, will feel their heart beat a little faster for ever.... for Africa, that is.

### Crazy summer

Summer 2006. Flanders sweltered and groaned under a leaden sun (July) and a sweeping downpour (August). The festival meadows were teeming with people. And you can count on our flag and pennant flying high whenever there are lots of people in one place. With food and drink stands, as a sponsor, supplier, with a short film on a large screen: our brand puts up brave and valued attempts to elbow out that soft-drink that will remain nameless and the bat of what-do-you-call-that-make-of rum from festivals

### Time to get steamed up (2)

May 2006. The General Meeting of Oxfam-Wereldwinkels decided not to hold any further talks with Douwe Egberts on the big bad fee that has to be paid for coffee pads.

September 2006. The Board of Directors opted for an exhaustion scenario for the coffee pads. We will sell the Regular and Bio Strong pads for as long as supplies last, and that will be the end of it. We understand and respect the decision, but at the same time regret the expiry. >



October 2006. The European Patent Office decided that all those who wish to do so, may resume the production of coffee pads, without paying a fee to Douwe Egberts. Hard-hitting, wonderful news, in our view. So we proceeded to resume production of our pads at once. No Senseo is safe from now on.

#### Finger-licking good

1 November 2006. The Book Fair opened its doors in Antwerp, and Oxfam Fairtrade launched a cookbook entitled 'Heerlijk Eerlijk' [Wonderfully Fair]. This little gem on the culinary fair crown glittered on the Lannoo stands during the Book Fair. Available also in dozens of world shops and regular book shops, the book is the result of the recipe competition in 2005. 'Heerlijk Eerlijk' is to serve henceforth as a guide on your shopping list when you want to treat your fiends and family to a wonderful fair trade meal with content. Goodbye Escoffier.

#### Trade Fair for World Shopkeepers

6 September 2006. Gent International Convention Centre. Glorious weather. A stream of world shopkeepers in high spirits visited our well tended stands with food products, coffeemakers, service products, and sample copies of 'Heerlijk Eerlijk' for perusal. This Trade Fair offers a unique opportunity every year to meet the person behind the voice on the telephone and to hold a lively exchange of views with our largest group of clients. A fine moment.

#### Novotel Week

27 October to 7 November. Our mass consumption colleagues have taken to the public arena for the fourth time, fervently defending our green colours at the "Fair Trade Week," when the Fair Trade Centre focuses on the unwitting and unsuspecting consumer. Dozens of companies and governmental authorities became acquainted with our products and the story behind them through a tasting or an Oxfam Fairtrade meal. The cooperation with Novotel was stupendous this year. The hotel chain left no stop unpulled at every site, serving fair trade menus in its restaurants. It featured small, but fine wines in the minibars and more than advertised our products. A delicious sort of cooperation, in other words, that simply has to be continued.

#### Who has made a commitment this year

14 November 2006. After throwing Dina Tersago and a handful of Nousseine chocolates for a scramble in Humo, we launched our end-of-year campaign, together with Oxfam-Magasins du monde, officially in the Ancienne Belgique in Brussels. Stand-up comedians Wouter Deprez and Sam Touzani unveiled ten much talked about images. The journalists jumped right on them. The result was a stream of press releases in the written and audiovisual press. Those not on another planet that following week saw the images and Oxfam Fairtrade. Too raw for part of the supporters, not fatal enough for the other part. That the bare ankle of Geena Lisa dressed as a nun caused more of a fuss than the head of the federal government gives ample food for thought.

#### Horeca Expo 2006

19-23 November 2006. Our representatives were at the Horeca Expo in Gent, the trade fair for hotel



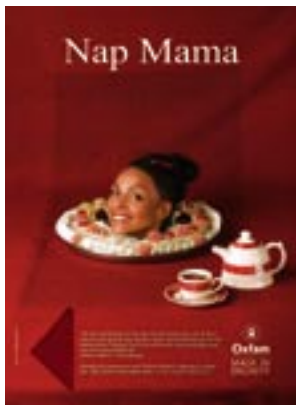
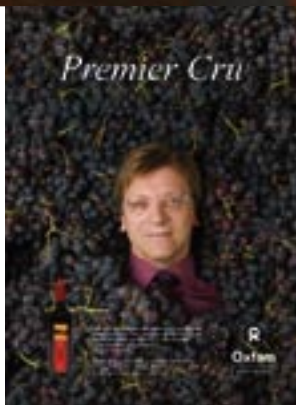
Ethisch het hoofd breken

Eén van de mooiste foto's die ik de jongste jaren zag, was die van een adembenemende Dina Trosca op een foto van overlast aan de kust. Het beeld schiep de cover van de jongste brochure van de organisatie Oxfam-Interact, die de distributie van producten van kleine boeren uit ontwikkelingslanden in ons land (en elders) promoot.

Een prachtig beeld voor een nobel doel

door Dirk Draulans | 17 maart 2007 11:36

Oxfam prikkelt,  
11.11.11 choqueert



and catering professionals, with more than 70,000 visitors. A brand new concept, our Oxfam Fairtrade lounge bar, was much in demand by industrial kitchen cooks, café managers, economists from education institutions, and many other fine people who have something to do with food. The place to be, in other words, for networking and, increasingly, to take out the order book.

**Timetable in a mess**

Oxfam Fairtrade was not spared by the compelling force of reorganisation. The former Sales and Marketing Department was turned into two autonomous entities: we have now given our sales Department the ever so trendy name of front office (or everyone who deals with the outside world and clients); while the Marketing/Customer Service Department has logically become the back office (or everyone who stays quietly inside and plays a supporting role to optimise sales).

**To cap it all**

31 December 2006. In the words of our end-of-year calendar: "a fantastic 2007, and sincere thanks for the confidence you showed us this past year." We would be nowhere without the unflinching effort of our customers and sympathisers and would not be writing this anthology. On that you can rely. ■





# 3.

## The range of products



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### 15 new sprigs in the Oxfam Fairtrade offer

At the end of 2006, the Oxfam Fairtrade range comprised 176 food products. We have launched 15 new products, including a number of organic versions, and discontinued 11 products. The new packaging line was extended to nearly all products and was adjusted as and where necessary.

#### February 2006

##### • Organic hibiscus-lemongrass herbal tea.

From Meru Herbs from Kenya. A blend of 80% hibiscus and 20% lemongrass.

A fruity, fresh, slightly sour and caffeine-free herbal tea for every moment of the day. Delicious both hot and cold.

• Organic instant coffee 500g  
Designed specially for automatic dispensers, and produced using the freeze-dried method. For the ordinary consumer, the glass jars of instant coffee are still recommended. The coffee comes from the Productores Indigenas y Campesinos de la Sierra Nevada, Colombia. For reasons that are easy to understand, we usually refer to them as the 'Colombians.'

#### April 2006

##### • Africa coffee 250g

With this coffee, we stress the importance that we attach to products from Africa, a continent where trade is not as self-evident. This coffee is a blend of Gumutindo Arabica from Gumutindo,

Oromia from Ethiopia, together with Rubusta from Macecoop in Cameroon and KCU from Tanzania. A full, round coffee with a surprising exotic taste.

##### • Organic bananas

This new organic product replaces the conventional bananas which from now on arrive ripe in our warehouses. The organic bananas come chiefly from the Peruvian Valle de Chira asociación and El Guabo in Ecuador.

#### May 2006

##### • Organic chocolate milk 1l

The cacao comes from Conacado, Dominican Republic. The unrefined cane sugar comes from Paraguay. Biomelk Vlaanderen supplies the milk. With this sterilised semi-skimmed organic chocolate milk we have managed to build a bridge between organic farmers in the North and South. Owing to the sustainable nature of the product, we have opted for returnable bottles.

#### September 2006

##### • Organic chocolate rice waffles

The mini organic rice waffles with a layer of milk chocolate are made of 50% full rice and 50% white Hom Mali rice from Greennet, Thailand. They are covered with milk chocolate made from cacao from Conacado in the Dominican Republic, and unrefined sugar from 3 cooperatives of cane sugar producers: El Arroyense, Montillo and Manduvirá in Paraguay.

#### October 2006

##### • Organic Shiraz 'Nelson'

This organic red wine is a dry, full-bodied and distinctive wine. With a touch of wood and wonderful fruit impressions of bilberries and raspberries. Ideal for grilled meats, red meats, tagines and couscous. Made and bottled by Stellar Winery, South Africa. We have dedicated this wine to Nelson Mandela, respected everywhere for his struggle against apartheid. He was the first black president of South Africa and was awarded the Nobel Peace Prize in 1993. For this reason, this organic Shiraz wine bears the name 'Nelson.'

• **Organic basmati**

The basmati has since received certification as an organic product. We have replaced our conventional basmati rice from Navdania, India with this version from the same partner.

• **Organic chocolate drink powder**

The instant cacao becomes an organic chocolate drink. The name instant cacao has been dropped because of legal provisions. Furthermore, the composition has been changed by another production method. From now on, the chocolate drink consists of a powder mix of only cane sugar and cacao, and is therefore 100% fair trade and organic. The ingredients dextrose, soya lecithin, salt and vanilla have been removed. Presto: our 55th organic product.

• **Chocolate hollow figure Santas**

We have had seasonal Easter and Saint Figures for years, but two of the four figures in pure chocolate are a new development.

**November 2006**

• **Gran Descabezado Carmenere**

A new, red quality wine has been added to our range: 'Gran Descabezado' from our young Chilean wine partner Consorcio is the first quality wine - and instant hit - that we import from them. A wonderful wine, ideal for accompanying spicy dishes. Bottled in Chile.

• **Pralines**

Another end-of-year product: Belgian pralines with cacao from Ghana and cane sugar from Costa Rica. 16 milk, pure and white chocolate pralines with fine coconut, almond, raspberry, caramel and other flavours. Packaged in a classic "ballotin." By using little cream, these pralines can be kept at room temperature, which is essential for selling them in the world shops.

• **Spice set**

As an end-of-year product, we have launched 6 varieties in a banana-leaf box: clove, ginger, turmeric, coriander and sesame. Put together with love by Podi, our Sri Lankan partner for spices.

**December 2006**

• **Chardonnay-Viognier**

The Lomas de Cauquenes cooperative supplies us with a wine made from the Chardonnay and Viognier cultivars. Flavours of ripe, tropical fruit and the aroma of flowers make this a subtle, dry wine. Bottled in Chili.

>





## Oxfam Fairtrade and organic farming: naturally

There is nothing accidental about Fairtrade and organic farming. Oxfam Fairtrade has opted for sustainable development out of respect for humans and the environment. Sustainable development means that you take due consideration of ecological factors in your trading activities, and not only social aspects. Economic, social and ecological considerations thus go hand in hand. Fair trading has a strong economic and social impact; with our commitment to organic farming, we keep pace on the ecological front too.

By switching to organic cultivation, producers from the South bolster their trading position. This switch-over is often not such a great step, whereas the market prices for organic products are considerably higher. Organic products are stringently regulated, and Europe imposes very strict standards. The term organic and the organic labels are thus legally protected. The production of Fairtrade organic products is regulated in the country of origin by a local or international certification organisation. In Belgium, Oxfam Fairtrade works together with the independent regulatory organisation BLIK. This organisation carries out strict inspections as whether the organic quality of products imported in our country has been affected by the processing, packaging or transport. Only after this inspection, is the Belgian organic guarantee label attributed and affixed on the packaging of our products.

**In 2006, 55 Oxfam Fairtrade products or 31% of the range had the organic guarantee label. In 2007, this percentage has risen to one third of the food product range.**

## Max Havelaar hallmark

Max Havelaar is an independent hallmark attributed to products that meet the international fair trade criteria. Together with the international umbrella body Fair Trade Labelling Organisation (FLO), Max Havelaar inspects the entire chain from producer to finished product. For the consumer, the hallmark provides proof that the farmers got a fair price for their crop and that the workers in the South work under decent conditions. Max Havelaar is certifying increasingly more product groups, but not yet all our products. Oxfam-Wereldwinkels tests all the products of Oxfam-Fairtrade, including those that do not bear the Max Havelaar hallmark, against its own partner criteria. This is how we can guarantee that all our products stem from fair trade.

**At the end of 2006, 84 - or 47% of - Oxfam Fairtrade products, bore the Max Havelaar hallmark. This number is expected to rise slightly in 2007.**

## Oxfam Fairtrade and GMOs

The legislation on genetically modified organisms (GMOs) stipulates the following: if producers cannot guarantee that the ingredients of their products are GMO-free, they must mention as much on the packaging. No genetically modified organisms are used in Oxfam Fairtrade products. So we do not have to mention anything about GMOs on our packaging.

## Oxfam Fairtrade and consumer prices

How do we fix the recommended selling prices for Oxfam Fairtrade?

Needless to say, our prices are in large measure and initially determined by their fair purchase price. Other decisive variables are the market prices of comparable A products, the positioning of the product in the product range, the saleability of the product and the degree to which we want/can support the product and the partner.

Previous consumer surveys have shown that customers (often wrongly) think that Oxfam Fairtrade products are expensive. In general, however, our consumer price falls within the margins of a comparable A product price plus 10 to 15%. Price comparisons have shown that our organic products are inexpensive on the whole.

A practical example: the purchase price of a Palestinian product is high. When we pass on our costs and the distribution margin, such a product becomes unsellable. By reducing our margin drastically, we try to keep the selling price as low as possible so as to create maximal saleability. It is a matter of making the selling market for Palestinian products as large as possible.

**To guarantee a good pricing policy, we conduct price comparisons on a regular basis. We organise a large-scale price comparison twice a year, each time prior to a price review. ■**





# 4.

## Sales channel and turnover

We closed financial year 2006 with a turnover of € 18,753,844, i.e. up 9.08% from 2005. This figure is the end result of the efforts we have been waging in six sales channels or branches, to wit: the Flemish Oxfam-Wereldwinkels, our French-speaking colleagues of Oxfam-Magasins du monde, our EFTA partners (European Fairtrade Association), mass consumption, retail (supermarkets) and our export customers. This respectable increase is attributable primarily to the steady growth in the Flemish world shops and the deliberate choice of our French-speaking sister organisation Oxfam-Magasins du monde to promote our products more prominently in the Walloon world shops. We also continue to achieve very decent results on the export front, primarily to our EFTA partners. On the whole, we can state that sales directly related to fair trade channels accounts for 70% of our turnover. Retail and mass consumption rose somewhat less than expected, so can count on considerable extra attention in 2007. For retail, the action is limited to cultivating our current contacts with distribution and organic chains and to developing promotion initiatives through tastings during the "Fair Trade Week." This was a year during which our representatives paved the way in the mass consumption landscape while we strengthen our connections with catering groups such as Compass, Sodexho and Horeservi. In addition to a number of leading hotel and catering businesses, we also managed to welcome the Accor group among our clientele. ■



# 5.

## Marketing acquires a definitive place in our structure



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For marketing and promotion, 2006 was the year in which we opted to set up an independent marketing department in Oxfam Fairtrade. From now on, sales and marketing are two independent entities within our corporate structure, albeit two that work closely together. The core tasks of the marketing department consist of expanding Oxfam further as a strong brand or endeavouring for forceful branding and of developing specific instruments per sales channel. This development has in concrete terms led to points of sale and visibility materials such as flags, banners, posters, etc., through which we secured high visibility at dozens of festivals and events. But there was also a continuous presence in the media, the cherry on the cake being a provocative and at the same time very successful and very appreciated end-of-year campaign with Flemish and Walloon celebrities, which helped achieve one of the key aims of the marketing department: maximum free publicity. But 2006 was more than that: it was also the year in which the appreciated cookbook 'Heerlijk Eerlijk' was brought on the market; in which we were present in many ways during the "Organic Week" and "Taste Week," with a stylish and tasteful refurbished stand at the Horeca Expo (hotel and catering trade fair), and much, much more. ■



### Fair enough

Prime Minister Guy Verhofstadt and Socialist pretender to his job Elio Di Rupo are among the personalities on posters for Oxfam's new Fairtrade campaign. Verhofstadt is pictured under 40 kilos of grapes. Di Rupo is in a bath of flower-petals, and Limburg governor Steve Stevaert is made up with black boot polish.



# 6.

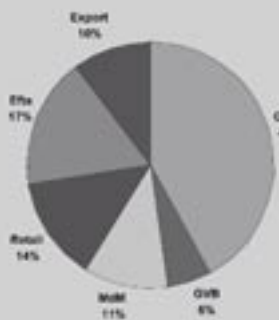
## Figures and comments

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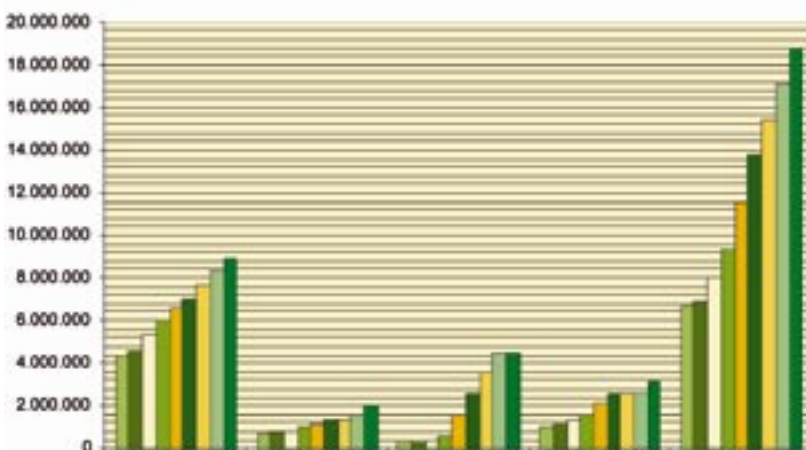
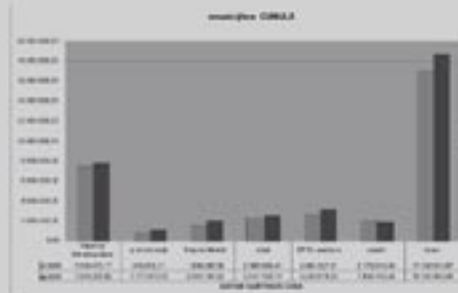
In 2006 we made a nice net profit of € 366,357, thereby amply exceeding the 1% standard for net profit in relation to turnover. This standard was defined in the past to boost our own growth capacity. The gross profit in 2006 was lower than in 2005, but thanks to the notional or fictitious interest system (first year in which the deduction for risk capital was

introduced), we pay considerably less in taxes (3.44% of last year's shareholders' equity after profit sharing was taken from the taxable base), and save on the tax side. The net working capital is positive and sufficiently high, and our solvency hovers round the postulated 33%. This is a positive financing method from the liquidity position. >

Aandeel elke branche in de gecumuleerde omzet 2006 (tem dec)



Omzet 2006 tov 2005 (miljoen)



1998	4.443.771	715.198	447.425	1.126.195	6.732.551
1999	4.620.055	855.549	337.729	1.180.195	6.993.528
2000	5.450.045	870.178	403.728	1.387.363	8.111.314
2001	6.060.289	1.074.315	597.353	1.647.635	9.379.591
2002	6.672.258	1.174.002	1.587.228	2.182.248	11.615.736
2003	7.080.778	1.387.336	2.682.444	2.636.883	13.787.441
2004	7.735.095	1.406.680	3.651.872	2.672.344	15.525.991
2005	8.432.985	1.608.282	4.546.819	2.604.527	17.192.614
2006	8.985.743	2.043.193	4.491.268	3.233.679	18.753.884

1-Oxfam-Wereldwinkels in Flandria • 2-Magasins du Monde in Wallonia • 3-external clients • 4-EFTA • 5-Total

**BALANCE SHEET AFTER PROFIT-SHARING**

BALANCE SHEET AFTER PROFIT-SHARING					Com ment	Codes	Year	Prior year
ASSETS	Comment	Codes	Year	Prior year				
<b>FIXED ASSETS</b>		20/28	1,431,390.89	1,407,664.47				
Formation expenses	5.1	20	3,936.54	4,294.41				
Intangible assets	5.2	21	197,358.59	133,691.29				
Tangible assets	5.3	22/27	960,600.75	1,011,135.82				
Land and buildings		22	109,787.79	100,415.83				
Plants, machinery and equipment		23	134,210.80	136,786.04				
Furniture and vehicles		24						
Leasing and other similar rights		25						
Other tangible assets		26						
Assets under construction and advance payments		27						
Financial assets	5.4/5.5	28	25,496.42	21,341.08				
Affiliated enterprises	5.14	280/1						
Investments		280						
Amounts receivable		281						
Other enterprises linked by participating interests	5.14	282/3						
Investments		281						
Amounts receivable		283						
Other financial assets		284/8	25,496.42	21,341.08				
Shares		284	250.00					
Amounts receivable and cash guarantees		284	25,246.42	21,341.08				
<b>CURRENT ASSETS</b>		29/58	10,948,118.89	9,571,176.13				
Amounts receivable after one year		29						
Trade debtors		290						
Other amounts receivable		291						
Stocks and contracts in progress		3	5,558,500.67	5,027,648.36				
Stocks		30/36	5,558,500.67	5,027,648.36				
Raw materials and consumables		30/31	364,833.14					
Work in progress		32	2,418,392.86	2,084,596.93				
Finished goods		33						
Goods purchased for resale		34	2,452,321.05	2,621,405.23				
Immovable property acquired or constructed for resale		35						
Advance payments		36	322,953.62	321,646.20				
Contracts in progress		37						
Amounts receivable within one year		40/41	4,609,154.69	4,144,807.85				
Trade debtors		40	4,609,154.69	4,144,807.85				
Other amounts receivable		41						
Investments	5.5/5.6	50/53						
Own shares		50						
Other investments and deposits		51/53						
Cash at bank and in hand		54/58	767,717.09	353,371.32				
Deferred charges and accrued income	5.6	490/1	12,746.44	35,348.60				
<b>TOTAL ASSETS</b>		20/58	12,379,509.78	10,978,840.60				
<b>LIABILITIES</b>								
<b>CAPITAL AND RESERVES</b>		10/15	4,041,306.48	3,637,545.35				
Capital (+/-)		10	2,029,000.00	1,984,000.00				
Issued capital		100	2,029,000.00	1,984,000.00				
Uncalled capital		101						
Share premium account		11						
Revaluation surplus		12						
Reserves		13	1,338,881.12	1,034,381.12				
Legal reserve		130	202,900.00	198,400.00				
Reserves not available for distribution in respect of own shares held		131	165,722.81	165,722.81				
Other		1310						
Untaxed reserves		1311						
Accumulated reserves		132	970,258.31	670,258.31				
Accumulated profit (loss)	(+/-)	14	633,590.83	576,923.81				
Capital subsidies		15	39,834.63	42,240.42				
Advance to partners on the distribution of the net assets		19						
<b>PROVISIONS AND DEFERRED TAXES</b>		16	36,064.21	35,626.94				
Provisions for liabilities and charges		160/5						
Pensions and similar obligations		160						
Taxation		161						
Major repairs and maintenance		162	36,064.21	35,626.94				
Other liabilities and charges	5.8	163/5						
Deferred taxes		168						
<b>CREDITORS</b>		17/49	8,302,139.09	7,305,668.31				
Amounts payable after one year	5.9	17	2,248,321.87	1,099,729.39				
Financial debts		170/4	2,248,321.87	1,099,729.39				
Subordinated loans		170	1,000,000.00					
Unsubordinated debentures		171						
Leasing and other similar obligations		172						
Credit institutions		173	608,321.87	659,729.39				
Other loans		174	640,000.00	440,000.00				
Trade debts		175						
Suppliers		1750						
Bills of exchange payable		1751						
Advances received on contracts in progress		176						
Other loans		178/9						
Current portion of amounts payable after one year	5.9	42/48	6,023,945.49	6,183,910.08				
Financial debts		42	51,407.52	51,407.52				
Credit institutions		43	200,000.00	1,813,771.48				
Other loans		430/8						
Trade debts		439						
Suppliers		44	4,481,525.13	3,494,423.21				
Bills of exchange payable		440/4	4,481,525.13	3,494,423.21				
Advances received on contracts in progress		441						
Taxes, remuneration and social security		46						
Taxes	5.9	45	549,434.04	419,214.61				
Remuneration and social security		450/3	263,789.36	162,698.55				
Other amounts payable		454/9	285,644.68	256,516.06				
Accrued charges and deferred income	5.9	47/48	741,578.80	605,093.26				
<b>TOTAL LIABILITIES</b>		10/49	12,379,509.78	10,978,840.60				

Thanks also to our strong financial base, we invested € 227,000 in 2006, chiefly in replacement investments. Once again, we invested in improving the building (in particular fire and alarm detection systems and sun shading), in equipment for the warehouse (forklift truck, scanners), and IT equipment (new e-mail server, RF software) and the revamped website. On the further development and expansion of our software package Odisy/Exstasy constitutes a real, expansion investment. We did not have to resort to external

financing for any of these investments. In recent years, we have also registered a strong increase in stocks which was met with low-interest short-term straight loans and a very good cash flow. As we will continue to invest in stocks and as Oxfam Fairtrade intends to continue to register strong growth in the coming years, it is nevertheless necessary to provide a structural base for the shareholder's equity in the long term. A high need for liquid funds will therefore persist. ■

*Fair trade is a trading partnership based on dialogue, transparency and respect, and committed to greater fairness in world trade. Fair trade contributes to sustainable development by offering better trading conditions and by guaranteeing the rights of small and poor producers and workers, especially in the South. With support from the consumers, Fairtrade organisations are actively committed to supporting producers, to making consumers aware, and to conducting campaigns for other rules and practices in conventional international trade.*

*(IFAT Conference in Arusha, Tanzania, definitive version, December 2001).*

**Oxfam Fairtrade:**  
A company with solid winning assets!

- A strong brand
- A crystal clear message: Trade for a just world.
- Wide name recognition of the Oxfam Fairtrade brand
- An extensive range of food products
- Experience of long standing in working with partners from the South
- A sound financial structure and a very solid base for further growth

**Oxfam Fairtrade cvba**  
**YEAR 2006**

	Profit/loss (+/-)	in %	Budget	in %	Profit/loss (+/-)	in %
	2006	of turnover	2006	of turnover	2006	of turnover
	OFT		OFT		OFT	
Foreign world shops	7,874,232.82	42%	8,148,572.00	40%	7,816,473.17	44%
Mass consumption in Flanders	1,111,510.12	6%	1,250,000.00	6%	916,512.11	5%
External clients	2,557,128.15	14%	3,450,000.00	17%	2,366,905.41	14%
Without world shops	2,043,193.22	11%	1,950,000.00	10%	1,808,282.38	9%
export to 87% partners	3,233,879.25	17%	2,700,000.00	13%	2,804,527.31	15%
export to rest of world	1,804,140.34	10%	2,726,852.00	13%	2,179,913.49	13%
<b>Turnover</b>	<b>18,753,883.86</b>	<b>100%</b>	<b>20,222,220.00</b>	<b>100%</b>	<b>17,192,613.87</b>	<b>100%</b>
Goods purchased for resale (incl. stock movements)	-13,603,424.58	-72.54%	-13,328,442.76	-71.80%	-12,430,079.43	-72.42%
including goods purchased from producers	5,069,136.49	27%		0%	4,927,921.09	29%
Product loss and discounts	-356,786.81	-2%	-144,573.32	-1%	-129,676.27	-1%
Margin on sale of education material	16,178.62	0%	10,000.00	0%	16,843.93	0%
<b>Gross added value</b>	<b>4,899,849.10</b>	<b>26.65%</b>	<b>4,799,201.92</b>	<b>23.53%</b>	<b>4,629,700.10</b>	<b>26.93%</b>
<b>Direct costs (turnover-related)</b>	<b>-3,012,444.97</b>	<b>-16.06%</b>	<b>-3,060,913.51</b>	<b>-15.14%</b>	<b>-2,595,012.83</b>	<b>-15.09%</b>
Sales, including labour costs	-994,235.33	-5.31%	-1,089,895.99	-5.39%	-874,993.74	-5.09%
Logistics, including labour costs	-1,080,977.35	-5.76%	-1,479,781.72	-7.31%	-889,563.35	-5.17%
Employs and gift vouchers	-29,423.34	0%	40,000.00	0%	34,210.18	0%
Fair trade fee	-944,655.83	-5.0%	-1,031,236.30	-5%	-884,665.90	-5%
<b>Gross operating margin</b>	<b>1,797,404.13</b>	<b>9.58%</b>	<b>1,698,288.41</b>	<b>8.40%</b>	<b>2,034,687.27</b>	<b>11.83%</b>
<b>Structural costs (not turnover-related)</b>	<b>-1,295,556.04</b>	<b>-6.91%</b>	<b>-1,285,936.37</b>	<b>-6.36%</b>	<b>-1,256,816.78</b>	<b>-7.31%</b>
Total labour costs, excl. sales and logistics	-2,217,221.31	-11.8%	-2,122,221.31	-10.5%	-2,142,321.22	-12.4%
Budgets	-585,363.73	-3.1%	-587,254.00	-2.9%	-614,471.50	-3.5%
Administration and general management	-40,445.34	0%	-114,906.00	-1%	-47,826.30	0%
Marketing and product management	-4,878.33	0%	-4,700.00	0%	-10,257.75	0%
Purchasing and production	-5,040.54	0%	-3,000.00	0%	38,295.23	0%
Subsidies to world shops	-130,000.00	-1%	-130,000.00	-1%	-130,000.00	-1%
General services	-354,979.36	-2%	-335,394.00	-1.6%	-354,680.73	-2.0%
<b>Operating profit/loss (+/-)</b>	<b>501,848.09</b>	<b>2.68%</b>	<b>412,352.04</b>	<b>2.04%</b>	<b>777,870.49</b>	<b>4.52%</b>
Taxes and financial charges (incl. exchange rate differences)	1,172.33	0%	-75,100.00	0%	-153,394.08	-1%
Extraordinary profit/loss (+/-)	0.00	0%	0.00	0%	-14,104.69	0%
<b>Profit/loss (+/-) before taxes</b>	<b>503,020.42</b>	<b>2.68%</b>	<b>337,252.04</b>	<b>1.67%</b>	<b>608,367.72</b>	<b>3.54%</b>
Corporate tax	-136,663.40	-1%	-121,403.37	-1%	-210,113.43	-1%
<b>Net profit/loss (+/-)</b>	<b>366,357.02</b>	<b>1.95%</b>	<b>215,848.67</b>	<b>1.07%</b>	<b>398,254.29</b>	<b>2.32%</b>



# 7.

## Shareholding structure

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The operating capital of the cooperative Oxfam Fairtrade is divided into three types of shares (Class A, B and C). Each share has a fixed value of € 500. Class A shares can be subscribed by the non-profit organisation Oxfam-Wereldwinkels vzw and its working members. Each Class A share entitles its holder to one vote in the General Meeting of Shareholders. Class B shares can be subscribed by all legal persons. These can be world shops, but also other like-minded organisations. Each Class B share entitles its holder to one vote in the General Meeting of Shareholders. The number of Class B shares may never exceed 1/3 the number of Class A shares minus one. Class C shares can be subscribed by all legal persons and private individuals. Class C shares have no voting rights. The maximum number of Class C shares cannot exceed half the number of Class A and Class B shares together. Class C shares were granted a 3% dividend by decision of the General Meeting of Shareholders of June 2006. The current capital distribution is as follows:

Share structure	approved GM june 2006	
	€	
A HQ	1.400.000	69%
A others	361.500	18%
B	94.500	5%
C	173.500	9%
<b>TOTAL</b>	<b>2.029.000</b>	

An increase of capital is needed for further growth. Generating more liquidity will enable us to meet our partners' rising need for pre-financing, to obtain the necessary investment loans and to meet the increase of our trading volumes in a solid manner.

For more information about investing, please contact [luc.coddens@oft.be](mailto:luc.coddens@oft.be).



# Oxfam Fatale



Foto: Dreeve Blinckhouwer 3-11



"Voor mij gaat het om meer dan alleen maar een mooie verpakking. Daarom wentel ik me in de noussines, de chocolade bonbons voor eerlijke snoepers. Want van fair trade worden de boeren in het Zuiden beter." *(Dina Tersago)*

Ontdek de producten van Oxfam Fairtrade in meer dan 200 Oxfam-Wereldwinkels en steeds meer supermarkten. • [www.oft.be](http://www.oft.be)



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FAIRTRADE