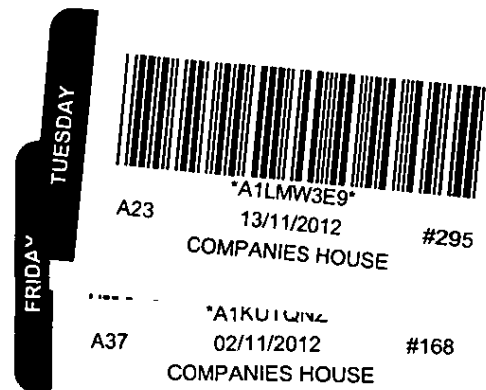


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Oxfam Activities Limited

Annual Report & Financial Statements 2011/12

for the year ended 31 March 2012



Registered Office Oxfam House, John Smith Drive, Oxford, OX4 2JY
Registered Company Number: 00830341

Oxfam Activities Limited

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Oxfam Activities Limited

Directors, Officers and Advisors

Directors

Anne Webb
Andy Friend
Barney Tallack
Matthew George
Robert Saunders
Sarah Farquhar
Andrew Horton (appointed 31 October 2011)
David McCullough (resigned on 30 September 2011)

Secretary

Joss Saunders

Registered Office and Business Address

Oxfam House
John Smith Drive
Oxford, OX4 2JY

Independent Statutory Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT

Bankers

The Royal Bank of Scotland Group
9th Floor, 280 Bishopsgate
London, EC2M 4RB

Oxfam Activities Limited

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 March 2012

Activities

Oxfam Activities Limited (OAL), Company Number 00830341, is a wholly owned subsidiary of Oxfam GB, charity number 202918. Its purpose is to engage in commercial trading to raise funds for Oxfam GB and other business activities which promote and support the charity in the achievement of its fundraising and charitable activities. Its ethos and operation are based on sound commercial principles and OAL continued to trade successfully throughout the year. Its principal operations are

- Trading – purchase of new goods from commercial suppliers for resale, mostly through Oxfam shops, in order to generate a profit or provide merchandising for Oxfam promotions or campaigns,
- Recycling – OAL operates Wastesaver, a textile recycling plant in Huddersfield, sorting and selling recycled clothes and textiles in the UK and overseas,
- Fundraising – acting as a business partner to commercial organisations who wish to brand their products with the Oxfam name and logo,
- Festivals and New Products – the provision of stewards to music and other festivals is organised through OAL as is the development of new commercial business opportunities,
- International representation – expansion of the Oxfam Group's operations and business presence overseas through opening Representative Offices of the company in other countries,
- Operation of subsidiary companies – OAL owns Fripp Ethique – a commercial second hand and recycling business in Senegal and also holds shares in other development related commercial businesses

All the company's taxable profits earned during the period are donated to Oxfam GB

At 31 March 2012 OAL had the following share interests,

- 10.8% interest in Cafédirect plc
- 25% stake in Guardian Share Company Limited
- 100% stake in Fripp Ethique SARL

Results for the Year

The company's turnover for the year was £15.7 million. This represents an decrease of 2% on the previous year.

Operating profit reached £0.3 million, a decline of 76% on the previous year. This is mainly due to an increase in the Management Recharge between OAL and Oxfam GB, relating to an increase in the space being utilised by OAL in Oxfam GB shops. Insurance proceeds of £1.2 million were received in the year in relation to the fire at Wastesaver (see note 3 to the accounts - exceptional items). Profit (after tax) donated to Oxfam GB is £1.3 million.

Oxfam Activities Limited

Directors' Report Continued

Fixed Assets have been transferred from OAL to Oxfam GB

Dividends

The Directors do not recommend the payment of a dividend (2011 £nil)

Future Developments

OAL will continue to develop opportunities to exploit the warehouse facility in Milton Keynes and plans to invest in appropriate technology to facilitate this remain in place

Oxfam Online Shop continues to expand at a modest rate

Principal Risks and Uncertainties

The key business risks and uncertainties affecting the company are considered to relate to foreign exchange risk, interest rate risk and liquidity risk

Directors and their Interests

The directors of the company during the year are set out on page 1. During the year and up to the date of signing the financial statements, the directors had no interest in the share capital of the company.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Oxfam Activities Limited

Directors' Report Continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each director confirms that

- (a) so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

Ultimate Parent Company

The Company is a wholly owned subsidiary of Oxfam GB. Oxfam GB is a registered company in England, number 612172, limited by guarantee and a registered charity, number 202918.

Appointment of Auditors

A resolution proposing the reappointment of PricewaterhouseCoopers LLP as auditors of the company will be submitted at the Annual General Meeting.



ANDREW HORTON
DIRECTOR

By order of The Board

Date

12/7/12

Oxfam Activities Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXFAM ACTIVITIES LIMITED

We have audited the financial statements of Oxfam Activities Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss 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 requirements of the Companies Act 2006

Oxfam Activities Limited

Independent Auditors' Report to the members of Oxfam Activities Limited continued

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Liz Hazell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 19 July 2012.

Oxfam Activities Limited

Profit and Loss Account for the year ended 31 March 2012

	Note	12 Months to 31 March 2012 £'000	12 Months to 31 March 2011 £'000
Turnover		15,742	16,044
Cost of sales		(5,721)	(6,076)
Gross Profit		10,021	9,968
Distribution costs		(3,718)	(5,225)
Administrative expenses		(5,982)	(3,429)
Operating Profit	2	321	1,314
Exceptional items			
Profit on the disposal of fixed assets	3	907	-
		1,228	1,314
Interest payable and similar charges	4	(51)	(70)
Profit on ordinary activities before taxation		1,177	1,244
Profit donated to Oxfam GB		(1,269)	(1,251)
Tax on ordinary activities	5	-	-
Loss for the Financial Year		(92)	(7)

All results are derived from continuing operations in the two financial years. There were no gains or losses other than those recognised through the Profit & Loss Account and therefore no separate statement of total recognised gains and losses has been prepared.

The notes on pages 9 to 15 form part of these financial statements.

There are no material differences between the profit on ordinary activities before taxation and the loss for the financial periods stated above, and their historical cost equivalents.

Reconciliation of movement in shareholders' funds

	12 Months to 31 March 2012 £'000	12 Months to 31 2011 £'000
Shareholders' funds at 1 April	94	101
Net movement on shareholders funds	(92)	(7)
Shareholders funds at 31 March	2	94

Oxfam Activities Limited

Balance Sheet

as at 31 March

	Note	31 March 2012 £'000	31 March 2011 £'000
FIXED ASSETS			
Tangible Fixed Assets	9	-	483
Investments	10	56	56
		<u>56</u>	<u>539</u>
CURRENT ASSETS			
Stocks	11	1,551	1,730
Debtors	12	776	583
Cash at bank and in hand		30	153
		<u>2,357</u>	<u>2,466</u>
CREDITORS - amounts falling due within one year	13	(789)	(1,311)
		<u>1,568</u>	<u>1,155</u>
NET CURRENT ASSETS			
		1,624	1,694
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS - amounts falling due after more than one year	13	(1,622)	(1,600)
		<u>2</u>	<u>94</u>
NET ASSETS			
CAPITAL AND RESERVES			
Share Capital	15	2	2
Profit and Loss Account	17	-	92
		<u>2</u>	<u>94</u>
SHAREHOLDERS' FUNDS			

The notes on pages 9 to 15 form part of these financial statements

The Financial Statements on pages 7 to 15 were approved by the Board of Directors and signed on their behalf

 12/7/12

Andrew Horton - Director

Oxfam Activities Limited Company Number 00830341

Oxfam Activities Limited

Notes to the Accounts

1. ACCOUNTING POLICIES

Accounting Convention

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The company owns 100% of the share capital of Frip Ethique SARL. Consolidated accounts are produced by OAL's ultimate holding company, Oxfam GB, and therefore these accounts relate to the company only

The principal accounting policies, which have been applied consistently in the year, are set out below

Turnover

Turnover represents both sales made during the year exclusive of VAT, and commission on Gift Aid income on donated goods collected on behalf of Oxfam GB. Turnover is recognised when the risks and rewards of the underlying products have been substantially transferred to the customer. Income from Gift Aid tax reclaims is recognised for any Gift Aid certificates received up to a month after the year end, in relation to donations made prior to the year end

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure includes all known liabilities at the year end

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost by equal annual instalments over their expected useful lives as follows

Warehouse fittings & equipment	10 years
Leasehold property	Shorter of lease and 5 years
Furniture, fixtures & equipment	5 years
Motor vehicles	4 years

Investments

Investments are included in the balance sheet at cost

Stocks

Stock is valued at the lower of cost or net realisable value. Provision is made where necessary for obsolete, slow moving or defective stock

Oxfam Activities Limited

1 Accounting Policies Continued

Pension Scheme

Oxfam GB, OAL's parent company, operates defined benefit and defined contribution pension schemes

Since OAL staff are legally employed by Oxfam GB, no liability accrues to OAL under the defined benefit scheme. Pension recharge costs under this scheme along with the pension recharge costs for the defined contribution scheme are taken to the profit and loss account in the period in which they were incurred.

Foreign Currencies

Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date and foreign exchange gains and losses are charged to the profit and loss account for the year.

Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Finance Leases

Obligations under such arrangements are included in creditors net of finance charges allocated to future periods (see note 14).

Cash Flow Statement

As a wholly owned subsidiary of a UK company, Oxfam Activities Limited is exempt from preparing a cash flow statement (see note 18).

2. OPERATING PROFIT

	12 Months to 31 March 2012 £'000	12 Months to 31 March 2011 £'000
Operating profit is stated after charging		
Depreciation of owned fixed assets	56	50
Operating Lease - Vehicles	-	55
Audit Fee - Auditing Services	14	13
Rent on land and buildings	322	231

Oxfam Activities Limited

3. EXCEPTIONAL ITEMS

	31 March 2012 £'000	31 March 2011 £'000
Profit on the disposal of fixed assets	907	-

The profit on disposal includes £900K in relation to insurance proceeds received following the fire at Wastesaver in the year to cover the replacement of tangible fixed assets. Insurance proceeds of £300K are also included within Turnover for the cost of lost stock and the increased cost of working due to loss of premises.

The insurance proceeds received are taxable in the year, however, since all profits are gift aided to Oxfam, no tax charge arises.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	12 Months to 31 March 2012 £'000	12 Months to 31 March 2011 £'000
Interest payable		
Intercompany Borrowings	51	70
	<u>51</u>	<u>70</u>

The interest on borrowings is payable to Oxfam GB, Oxfam Activities Limited's parent company.

5. CORPORATION TAX

There is no liability to corporation tax. All taxable profits made by OAL are donated to Oxfam GB under Gift Aid.

6. EMPLOYEES

The average number of full time equivalent employees throughout the year in the stated categories was as follows:

	12 Months to 31 March 2012 Number	12 Months to 31 March 2011 Number
Managerial	16	14
Clerical	15	17
Industrial	61	58
	<u>92</u>	<u>89</u>

Oxfam Activities Limited

7. STAFF COSTS

	12 Months to 31 March 2012 £'000	12 Months to 31 March 2011 £'000
Wages and salaries	1,704	1,819
Social security costs	123	129
Other pension costs	74	75
	<u>1,901</u>	<u>2,023</u>

The small decrease in 2012 against 2011 is due to staff redundancy costs of £270,880 in 2011 following relocation of the OAL New Products Warehouse from Bicester to Milton Keynes

OAL staff are legally employed by the parent company, Oxfam GB, and are eligible for membership of Oxfam GB's pension schemes. All staff costs are recharged to OAL.

Some of the Oxfam Activities Limited staff participate in a defined benefit scheme called the Oxfam GB Staff Pension Scheme. Pension costs are charged to the profit and loss account in the period incurred.

Based on the accounting requirements of FRS 17, the Oxfam GB pension scheme has a deficit of £30.6 million at 31 March 2012. Since OAL staff are legally employed by Oxfam GB, no liability accrues to OAL.

8. DIRECTORS' REMUNERATION

No remuneration has been paid to the Directors (2011: none)

Five of the Directors are employees of Oxfam GB but receive no remuneration in respect of their duties as directors of OAL.

Oxfam Activities Limited

9. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Furniture Fixtures Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 31 March 2011	572	627	363	1,562
Additions	114	45	40	199
Disposals	(134)	(520)	(363)	(1,017)
Transfers	(552)	(152)	(40)	(744)
At 31 March 2012	-	-	-	-
Depreciation				
At 31 March 2011	150	566	363	1,079
Charge for the year	41	11	4	56
On disposals	(134)	(519)	(363)	(1,016)
Transfers	(57)	(58)	(4)	(119)
At 31 March 2012	-	-	-	-
Net book value				
At 31 March 2011	422	61	-	483
At 31 March 2012	-	-	-	-

Transfers represent assets transferred to Oxfam GB at net book value, which is considered to be equivalent to open market value

10. INVESTMENTS

	31 March 2012 £'000	31 March 2011 £'000
Cafédirect plc - 10 8% interest		
903,000 25p Ordinary Shares in Cafédirect plc	56	56

As a wholly owned subsidiary of a UK company, Oxfam Activities Limited is exempt from consolidating its subsidiaries and associates

At 31 March 2011, Oxfam Activities Limited has an interest in the following subsidiary and associate undertakings

Organisation Name	Frip Ethique	Guardian Share Company Limited
Country of Registration	Senegal	United Kingdom
Nature of Business	Second-hand clothing	Holds the interests of Guardian Shareholders
Class of share capital held	Ordinary	Ordinary
Shareholding	100%	50%
Profit/Loss (£'000)	124	-
Net Assets/(Liabilities) (£'000)	103	-
Year End Date	31-Dec	31-Dec

The original investment in Frip Ethique was £501

The Directors consider the value of investments to be supported by their underlying net assets

Oxfam Activities Limited

11. STOCKS

	31 March 2012 £'000	31 March 2011 £'000
Goods for Resale	1,551	1,730
	<u>1,551</u>	<u>1,730</u>

12. DEBTORS

	31 March 2012 £'000	31 March 2011 £'000
Amounts falling due within one year		
Trade Debtors	248	208
Amounts owed by Oxfam GB	79	-
Amounts from subsidiary undertakings	262	241
Loan to Oxfam France	46	47
Prepayments	42	38
	<u>677</u>	<u>534</u>
	£'000	£'000
Amounts falling due outside one year		
Loan to Fripp Ethique SARL	99	49
Total Debtors	<u>776</u>	<u>583</u>

The Fripp Ethique SARL loan is a three year unsecured loan, with 36 equal instalments at zero interest charged. The start date for the loan was April 2008. This loan is now deferred until further notice.

13. CREDITORS

	31 March 2012 £'000	31 March 2011 £'000
Amounts falling due within one year		
Obligations under finance lease and hire purchase contracts	13	-
Trade creditors	233	228
Amounts owed to Oxfam GB	-	202
Accruals and Provisions	543	881
	<u>789</u>	<u>1,311</u>
	31 March 2012 £'000	31 March 2011 £'000
Amounts falling due outside one year		
Obligations under finance lease and hire purchase contracts	22	-
Loan from Oxfam GB	1,600	1,600
	<u>1,622</u>	<u>1,600</u>

The loan is secured by a fixed and floating charge, with interest charged at 2 percent above LIBOR. The loan is repayable in three equal instalments following the issue of a repayment notice. OAL has not received a repayment notice.

Oxfam Activities Limited

14. OBLIGATIONS UNDER FINANCE LEASES

	31 March 2012 £'000	31 March 2011 £'000
Amounts payable within one year	15	-
Amounts payable two to five years	24	-
Amounts payable in over five years	-	-
Less finance charges allocated to future periods	(4)	-
	<u>35</u>	<u>-</u>

Although the underlying fixed assets relating to these leases have been transferred to Oxfam GB the liability remains with Oxfam Activities Limited

15. SHARE CAPITAL

The authorised, issued and fully paid share capital consists of 2,000 ordinary shares of £1 each, which are wholly owned by Oxfam GB and its nominee

16. COMMITMENTS

Capital Commitments

At 31 March 2011 and 31 March 2012, no capital or financial commitments had been made

Operating Leases

At 31 March 2012 there were the following annual commitments under non-cancellable operating leases

	31 March 2012 £'000	31 March 2011 £'000
Vehicles		
Operating leases which expire		
- in years two to five	55	55
	<u>55</u>	<u>55</u>

17. PROFIT AND LOSS ACCOUNT

	12 Months to 31 March 2012 £'000	12 Months to 31 March 2011 £'000
Profit and loss account at 1 April	92	99
Loss for the period	(92)	(7)
Profit and loss account at 31 March	<u>-</u>	<u>92</u>

Oxfam Activities Limited

18. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Oxfam GB, which is a registered charity and company limited by guarantee in England and Wales. This is the only entity that consolidates Oxfam Activities Limited's financial statements. Consolidated accounts are available from Oxfam House, John Smith Drive, Oxford, OX4 2JY.

19. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Oxfam GB and is included in the consolidated financial statements of Oxfam GB which are publicly available, the company has taken advantage of the FRS8 Related Party disclosures not to disclose Related Party transactions between wholly owned group undertakings. There are no other related party transactions that require disclosure.