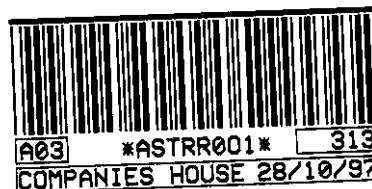


OXFAM STATUTORY ACCOUNTS 1996/97

OXFAM CONTENTS

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A company registered in England number 612172 and limited by guarantee.
 Registered Charity No. 202918

Oxfam UK and Ireland is a member of Oxfam International.

Throughout this document Oxfam refers to Oxfam UK and Ireland, the name under which Oxfam often operates.

OXFAM

OXFAM COUNCIL OF TRUSTEES AS AT 30 APRIL 1997

Joel Joffe (Chair)

Jeremy Swift (Vice-Chair)

Lesley Clark (Hon. Secretary)

David Kingsmill (Hon. Treasurer)

Michael Behr
John Borton*
Paddy Coulter
Naila Kabeer*
Nick Maurice
Jane Tewson
Philip Ward

Chaloka Beyani
Terry Brenig-Jones
Chris Hudson
Wanjiru Kihoro
Gurth Hoyer Millar*
Rosemary Thorp*
Ian Williams

Amir Bhatia, OBE
Bruce Coles
John Isherwood
Kate Kirkland*
Liz South
Catriona de Voil

* appointed as Trustee during the year.

Dino Adriano, Eleri Elliott, Narasimha Ramamurthy, and Lesley Ridyard retired during the year.

Council may comprise a minimum of 15 and a maximum of 25 Trustees. Trustees retire after a maximum of six years' service, extendible up to a maximum of nine years in the case of Honorary Officers.

New trustees are appointed by the Association from among its members on the recommendation of Council (the Council being the Governing Body of the Association). The Association is comprised of all the trustees plus a number of ex-trustees and other members up to a maximum membership of 60. Members are appointed by the Council.

Nominations for trusteeship and for membership of the Association may be submitted by anyone involved with Oxfam and are considered by the Recruitment and Development Group in the light of specific criteria and the needs created by retirements. Trustee appointments take account of the need for Council as a whole to embrace a range of skills and experience reflecting the nature and work of all sectors of the organisation.

The Chief Executive of the Charity (the Director) is David Bryer, CMG. The Chief Executive is not a member of the Council of Trustees.

PRINCIPAL PROFESSIONAL ADVISERS

Oxfam's principal professional advisers include the following:

Principal Clearing Bankers National Westminster Bank, Oxford

Auditors Critchleys, Oxford

Principal Solicitors Linnells, Oxford
Bates, Wells and Braithwaite, London

OXFAM

REPORT OF THE COUNCIL OF TRUSTEES

1. REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

Activities

Oxfam's main aims as stated in its statutes are "to relieve poverty, distress, and suffering in any part of the world" and "to educate the public concerning the nature, causes, and effects of poverty".

The money to fund this work is raised in the UK and Ireland, and overseas, and with the support of thousands of volunteers who help to run the shops and who assist in campaigning, fund-raising and other activities. An important proportion of Oxfam's income comes from the sale of donated second-hand goods, sold through Oxfam shops. Oxfam also receives funds from many generous donors who give to Oxfam regularly through covenants and banker's orders. Other donations are received in response to advertisements, mailings, and other appeals.

The British Government and the European Union donate money to Oxfam under their co-funding and disaster relief schemes, and funding is also received from UN agencies for specific emergency projects.

Oxfam UK and Ireland is a member of Oxfam International, a separate legal entity, which encourages and co-ordinates joint activities with nine other separately constituted international agencies, most using the name 'Oxfam', and all sharing many common values. Oxfam UK and Ireland also receives donations from members of this group.

Oxfam's wholly-owned subsidiary company, Oxfam Activities Limited, has continued to trade throughout the year as Oxfam Trading and Oxfam Wastesaver. Oxfam Trading buys goods, like Christmas cards, from commercial suppliers, and runs a Fair Trade programme through which it buys crafts, food, and other goods from producers in developing countries. Through its "Good Neighbours" scheme, Oxfam Trading buys products from UK-based workshops, set up to provide training and work for people with physical or learning difficulties, and to teach young people new skills. These products are sold through the Oxfam shops and Oxfam Trading's mail-order catalogue.

Unsold items from the shops, for example, unwanted clothing, and aluminium, are sent to Oxfam Wastesaver, Oxfam's recycling plant in Huddersfield.

Oxfam Activities Limited has a 25% interest in cafédirect Limited (a company registered in Scotland with registration number 141496) which promotes fair trade through the production and distribution of coffee.

Oxfam's Memorandum of Association gives the trustees wide-ranging powers of investment, including investment in stock, shares and debentures in any part of the world.

In order to support its fund-raising, administration, and development and support activities, Oxfam owns leasehold and freehold property, in the form of shops, depots, and warehouses; office and computer equipment; and vehicles. At 30 April 1997 the total value of these assets was £14.8 million, an analysis of which is given in note 16 to the accounts.

Money that Oxfam raises is spent on the following:

- social development, health, agricultural, and humanitarian projects, and emergency programmes, in over 70 countries;
- advocacy, education, and campaigning work on issues that are central to the achievement of Oxfam's charitable objectives.

OXFAM

Activities (continued)

A general introduction to the funding work of Oxfam is contained in the Annual Review, and Oxfam's Grants List gives brief details of grants allocated by Oxfam during the year. These publications are available on request from Oxfam's Registered Office. (Contact Supporter Services on (01865) 313600 for more information - there will be a charge for the Grants List in order to cover costs.)

Results for the Year

Oxfam raised £91.8 million in the year ended 30 April 1997. This is an increase of 2% on the previous year. The overall increase is due to steady growth in Oxfam's fund-raising, resulting in an increase of £5.1 million (9%) in unrestricted income, which can be used for any purpose within Oxfam's charitable objectives. There was a fall in restricted income of £2.9 million (a decrease of 9%) where funds are donated for a specific purpose.

The Council of Trustees has commenced a review of Oxfam's reserves policy. Pending completion of this review, Oxfam's plan is gradually to build up unrestricted reserves from the current levels. In line with this plan, there was a £4.3 million surplus of income over expenditure in 1996/97, compared to a £3.8 million deficit in 1995/96. Associated with this change, direct charitable expenditure reduced from £82.4 million in 1995/96 to £76.3 million in 1996/97. Of this £48.8 million was funded from unrestricted income (a decrease of 5%) and £27.5 million from restricted income (a decrease of 11%). Expenditure on fund-raising and administration amounted to 12% of income.

Oxfam Activities Limited made a profit of £0.6 million, net of interest on working capital paid to Oxfam. This profit was paid over to Oxfam under deed of covenant. The cost of sales of Oxfam Activities Limited includes payments totalling £3.1 million to producers of handicrafts and food under agreements promoting fair trade.

The Council of Trustees considers that there is a reasonable expectation that Oxfam has adequate resources to continue in operational existence for the foreseeable future. Restricted (£12.3 million) and Endowment Funds (£1.7 million) are fully covered by matched assets and there are sufficient reserves held at the year end to avoid an unacceptable level of disruption to the organisation in the event of a downturn in future income. The Capital fund of £14.3 million represents the Charity's fixed assets plus £1.0 million designated for future capital spend. Other designated funds of £4.3 million mainly represent grant commitments to operational projects run by Oxfam (not funded by restricted income). The balance of unrestricted funds of £5.1 million which is represented by net current assets is equivalent to one month's unrestricted expenditure at 1996/97 levels. For this reason the Council of Trustees continues to adopt the going-concern basis in preparing the accounts.

There was a change in accounting policy in the year to include contractually committed income receivable from donors. Previously this had not been included until claimed. This has resulted in a prior year adjustment which has been reflected in the accounts. Further details are set out in note 1 on page 10.

Details of guarantees and commitments are set out in notes 21a and 25.

Future Developments

Oxfam plans to continue its present range of operations funding relief and development programmes and projects, with particular emphasis on the poorest areas. There is also a continuing commitment to Oxfam's advocacy, education, research, and campaigning programme.

Oxfam's Strategic Plan 1997-2000 identifies key issues concerning the development of Oxfam's programme and the resources needed for the organisation to address those issues.

OXFAM

Future Developments (continued)

Oxfam undertook a major review of its information systems in 1995/96 and new systems will be implemented so that foreseen needs can be met over the life of Oxfam's Strategic Plan.

2. MEMBERSHIP OF THE COUNCIL OF TRUSTEES

The names of trustees who have acted during the year, together with details of their method of appointment, are given on page 1.

3. LIABILITY OF MEMBERS

Oxfam is a registered limited company, limited by guarantee. Members of the Association, including the members of the Council of Trustees, have guaranteed the liabilities of the company up to £1.00 each.

4. TRUSTEES' RESPONSIBILITIES

Company Law requires the trustees to be responsible for the preparation of accounts for each financial year which give a true and fair view of the state of affairs, and of the results of the charity, and of the group for that period. In preparing those accounts, the trustees are required to

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

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

In preparing these accounts Trustees have sought to follow best practice in accounting by charities, as laid down in the Statement of Recommended Practice (SORP) "Accounting by Charities". Any departures and reasons for departures from the SORP are disclosed in the relevant notes to the accounts.

5. STAFF AND VOLUNTEERS

The trustees record their sincere thanks to all staff and volunteers for their devoted work, often beyond the call of duty. Without this commitment the work of Oxfam could not continue.

OXFAM

Consultation

Oxfam has well-established arrangements for consulting and involving staff in its work. Management and staff bodies negotiate terms and conditions of employment through the Staff Associations in countries outside the UK and the Oxfam Negotiating Committee in the UK and Ireland. All managers are expected to hold regular meetings with their staff to provide an opportunity for communication of information and discussion of events as they develop.

The Oxfam newsletter, *In Touch*, is produced every two weeks to keep staff and volunteers informed.

Equal opportunities

Equal opportunities in employment within Oxfam is seen as an integral part of Oxfam's overall aims and objectives. The aim of the Equal Opportunities policy is to ensure that all people receive equality of opportunity within Oxfam irrespective of gender, race, colour, religion or disability. This policy affects staff and volunteers alike. Effective training has been important in stimulating change in support of our policy.

Disabled employees

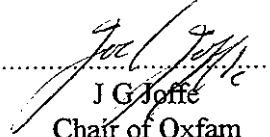
Oxfam gives full and fair consideration to applications for employment from disabled people. In line with Oxfam's equal opportunities policy and the Disability Discrimination Act every reasonable measure is taken to adapt the site and working conditions to enable appointment. Oxfam's policy on training, career development and promotion of disabled people is, as far as possible, identical to that for other employees. If employees become disabled, every effort is made to ensure their continued employment and that the site and working conditions are adapted where possible.

Volunteers

About 30,000 people across the UK and Ireland give their time to Oxfam as volunteers. Most make a regular commitment - ranging from a few hours to a full working week. Some use their professional expertise, others give their time and energy in work that is not related to their everyday jobs. Some volunteers may be retired, or not in paid employment. Oxfam tries to apply the same principles of involvement and equality to volunteers that it shows to staff. Everyone who works with Oxfam is encouraged to feel part of a world-wide movement of people who are working together for a fairer world.

6. AUDITORS

Critchleys have expressed their willingness to continue in office as Auditors. A resolution proposing their re-appointment will be submitted at the Annual General Meeting.


J G Joffe
Chair of Oxfam
12 September 1997

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

| | | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Totals 1997 £'000 | Totals 1996 £'000 |
|---|--------------|--------------------------------|------------------------------|-----------------------------|-------------------------|-------------------------|
| Incoming Resources | | | | | | |
| Gross Income from sales of donated goods in Oxfam Shops | 3 | 44,820 | 211 | | 45,031 | 43,256 |
| Less: Expenses | 3 | (28,855) | 0 | | (28,855) | (28,017) |
| Oxfam Shops (net of expenses) | 3 | 15,965 | 211 | 0 | 16,176 | 15,239 |
| Donations | 3 | 36,366 | 635 | | 37,001 | 33,581 |
| Grants from UK Govt, EU and UN | 3 | 6,896 | 19,748 | | 26,644 | 30,328 |
| Grants from Other Agencies | 3 | 1,783 | 4,665 | | 6,448 | 3,429 |
| Gifts in Kind | 3 | 908 | 3,280 | | 4,188 | 5,972 |
| Miscellaneous Income | 3 | 420 | 0 | | 420 | 568 |
| | | 62,338 | 28,539 | 0 | 90,877 | 89,117 |
| Net Income from Trading Subsidiary | 3 | 935 | 0 | | 935 | 476 |
| Total Incoming Resources | | 63,273 | 28,539 | 0 | 91,812 | 89,593 |
| Resources Expended | | | | | | |
| Direct Charitable Expenditure | | | | | | |
| Grants to Partners | 4,5 | 18,609 | 7,975 | | 26,584 | 24,032 |
| Operational Programmes | 4 | 6,058 | 16,197 | | 22,255 | 26,499 |
| Gifts in Kind | 3 | 908 | 3,280 | | 4,188 | 5,972 |
| Programme Development & Support | 6 | 17,868 | 108 | | 17,976 | 19,618 |
| Information, Campaigning & Education | 4 | 5,321 | 0 | | 5,321 | 6,281 |
| Total Direct Charitable Expenditure | | 48,764 | 27,560 | 0 | 76,324 | 82,402 |
| Other Expenditure | | | | | | |
| Fund-raising and Publicity | | 8,971 | 75 | | 9,046 | 8,618 |
| Management and Administration | 7 | 1,713 | 20 | | 1,733 | 1,842 |
| Irrecoverable VAT | | 411 | | | 411 | 534 |
| Total Other Expenditure | | 11,095 | 95 | 0 | 11,190 | 10,994 |
| Total Expenditure | | 59,859 | 27,655 | 0 | 87,514 | 93,396 |
| Surplus/(Deficit) of Incoming Resources for the Year | 8,9,10 14 | 3,414 | 884 | 0 | 4,298 | (3,803) |
| Funds Balances at 30 April 1996 | | 20,398 | 11,383 | 1,721 | 33,502 | 37,305 |
| Funds Balances at 30 April 1997 | 26 | 23,812 | 12,267 | 1,721 | 37,800 | 33,502 |

The notes on pages 10 to 29 form part of these accounts.

SUMMARY INCOME AND EXPENDITURE ACCOUNT (see note 15)

| OXFAM GROUP | Notes | 1997 £'000 | 1997 £'000 | 1996 £'000 | 1996 £'000 |
|---|-------|-----------------|-----------------|-----------------|-----------------|
| Income | | | | | |
| Income from Fund-raising (excluding shops) | | | 74,281 | | 73,290 |
| Income from Oxfam Shops | | | | | |
| Gross Income from sales of donated goods in Oxfam shops | 3 | 45,031 | | 43,256 | |
| Less: Expenses | 3 | <u>(28,855)</u> | | <u>(28,017)</u> | |
| | | | 16,176 | | 15,239 |
| Income from Trading Subsidiary | | | | | |
| Net Income | 3 | 4,112 | | 3,384 | |
| Less: Management charge | 3 | <u>(3,177)</u> | | <u>(2,908)</u> | |
| | | | 935 | | 476 |
| Miscellaneous Income | 3 | | 420 | | 568 |
| | | | <u>91,812</u> | | <u>89,573</u> |
| Less Direct Charitable Expenditure | 4 | | <u>(76,324)</u> | | <u>(82,402)</u> |
| Surplus of Income Over Direct Charitable Expenditure | | | 15,488 | | 7,171 |
| Less Other Expenditure | | | | | |
| Fund-raising | 2 | 9,046 | | 8,618 | |
| Administration | 7 | 1,733 | | 1,842 | |
| Irrecoverable VAT | | <u>411</u> | | <u>534</u> | |
| | | | <u>(11,190)</u> | | <u>(10,994)</u> |
| Surplus/(Deficit) of Income over Expenditure | 8,9 | | 4,298 | | (3,823) |
| Transfers from/(to) Other Funds: | | | | | |
| Transfer from Programme Guarantee Fund | 9 | | 0 | | 3,411 |
| Transfer (to)/from Capital Fund | 9 | | 0 | | (180) |
| Transfer (to)/from Restricted Funds | 10 | | (884) | | (69) |
| Transfer (to)/from Designated Funds | 9 | | (950) | | (528) |
| Relief and Overseas Aid Fund at 30/4/96 | 9 | | 2,655 | | 3,844 |
| General Reserves at 30/4/96 | 9 | | 0 | | 0 |
| General Reserves at 30/4/97 | 9 | | <u>5,119</u> | | <u>2,655</u> |

This income and expenditure account is included in the accounts in order to comply with the Companies Act 1985 and excludes receipts on Endowment Funds, in accordance with the Statement of Recommended Practice, "Accounting by Charities".

All activities are continuing. Gains or losses other than those recognised through the statement of financial activities are shown on page 9.

As a company limited by guarantee, and with charitable objects, a "reconciliation of shareholders' funds" is not considered appropriate.

The notes on pages 10 to 29 form part of these accounts.

OXFAM - ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

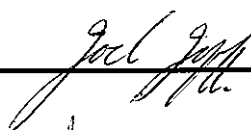
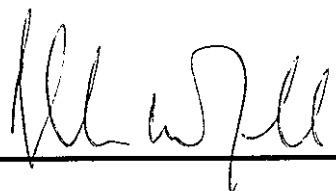
BALANCE SHEET

| | Notes | OXFAM | | OXFAM GROUP | |
|---|-------|---------------|---------------|---------------|---------------|
| | | 1997 £'000 | 1996 £'000 | 1997 £'000 | 1996 £'000 |
| Fixed Assets | | | | | |
| Tangible Assets | 16 | 14,545 | 15,593 | 14,825 | 15,837 |
| Investments | 17 | 2,012 | 1,990 | 545 | 523 |
| | | <u>16,557</u> | <u>17,583</u> | <u>15,370</u> | <u>16,360</u> |
| Current Assets | | | | | |
| Stocks | 18 | 3,033 | 3,131 | 6,703 | 8,305 |
| Debtors | 19 | 13,775 | 14,595 | 13,132 | 11,481 |
| Cash at Bank and In Hand | 20 | 20,277 | 10,073 | 20,344 | 10,127 |
| | | <u>37,085</u> | <u>27,799</u> | <u>40,179</u> | <u>29,913</u> |
| Creditors: Amounts Falling Due Within One Year | 21 | (15,286) | (11,439) | (17,193) | (12,330) |
| Net Current Assets | | <u>21,799</u> | <u>16,360</u> | <u>22,986</u> | <u>17,583</u> |
| Total Assets Less Current Liabilities | | <u>38,356</u> | <u>33,943</u> | <u>38,356</u> | <u>33,943</u> |
| Creditors: Amounts Falling Due After More Than One Year | 21 | (299) | (311) | (299) | (311) |
| Provision for Liabilities & Charges | 22 | (201) | (74) | (201) | (74) |
| Deferred Income | 23 | (56) | (56) | (56) | (56) |
| Net Assets | | <u>37,800</u> | <u>33,502</u> | <u>37,800</u> | <u>33,502</u> |
| Charitable Funds | | | | | |
| Endowment Funds | 24 | 1,721 | 1,721 | 1,721 | 1,721 |
| Restricted Funds | 10 | 12,267 | 11,383 | 12,267 | 11,383 |
| Capital Fund | 9 | 14,347 | 14,347 | 14,347 | 14,347 |
| Designated Funds | 9 | 4,346 | 3,396 | 4,346 | 3,396 |
| Relief & Overseas Aid Fund | 9 | 0 | 2,655 | 0 | 2,655 |
| General Reserves | 9 | 5,119 | 0 | 5,119 | 0 |
| | | <u>37,800</u> | <u>33,502</u> | <u>37,800</u> | <u>33,502</u> |

Approved by the Council of Trustees:

J G Joffe (Chair of the Council)

D Kingsmill (Hon. Treasurer)

12 September 1997

The notes on pages 10 to 29 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT (see note 27)

| | 1997 £'000 | 1997 £'000 | 1996 £'000 | 1996 £'000 |
|--|---------------|---------------|---------------|---------------|
| Net Cash Inflow/(Outflow) from Operating Activities | | 11,785 | | (4,948) |
| Returns on Investments and Servicing of Finance | | | | |
| Deposit Interest Received | 462 | | 358 | |
| Investment Income | 20 | | 46 | |
| Loan Interest Paid | (55) | | (33) | |
| | | 427 | | 371 |
| Capital Expenditure and Financial Investment | | | | |
| Payments to Acquire Tangible Fixed Assets | (2,111) | | (4,553) | |
| Receipts from Sales of Tangible Fixed Assets | 651 | | 486 | |
| Acquisition of Fixed Asset Investments | (53) | | (105) | |
| Disposal of Fixed Asset Investments | 31 | | 32 | |
| | | (1,482) | | (4,140) |
| Net Cash Inflow/(Outflow) Before Management of Liquid Resources and Financing | | 10,730 | | (8,717) |
| Management of Liquid Resources | | | | |
| Cash (added to)/withdrawn from Short Term Deposits | (6,400) | | 7,000 | |
| | | (6,400) | | 7,000 |
| Financing | | | | |
| New secured loan | 0 | | 311 | |
| Repayment of loan | (12) | | 0 | |
| | | (12) | | 311 |
| Increase/(Decrease) in Cash in the Period | | 4,318 | | (1,406) |

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| | Notes | 1997 £'000 | 1996 £'000 |
|---|-------|---------------|---------------|
| Surplus/(deficit) per Statement of Financial Activities | | 4,298 | (3,803) |
| Prior year adjustment | 1 | 3,148 | 0 |
| Total gains and losses recognised since last report | | 7,446 | (3,803) |

The notes on pages 10 to 29 form part of these accounts.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

1. CHANGE IN ACCOUNTING POLICY

The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting by Charities". In order to comply, the accounting policy for grants receivable has been changed in the year to include contractually committed income from donors, to the extent it is receivable. Previously this was only included when claimed. As a result a prior year adjustment on restricted funds has arisen and is explained below:

| | Restricted Funds |
|-----------------------------------|-------------------------|
| | £'000 |
| Impact on 94/95 and earlier years | 2,712 |
| Impact on 95/96 | 436 |
| Total Prior Year adjustment | <u>3,148</u> |

2. ACCOUNTING POLICIES

a. Accounting Conventions

The accounts are prepared under the historical cost convention and in compliance with all applicable accounting standards.

In preparing the accounts Oxfam has sought to follow best practice as laid down in the SORP "Accounting by Charities" wherever possible. As a large and complex charity, Oxfam seeks to provide certain ancillary services, such as printing, design, warehousing, and support of information systems and technology, in house, where this is more cost-effective than buying in services from a third party. These services are recharged to user departments on the basis of units of output, rather than by apportioning costs, such as salaries and depreciation, to supported functions as appearing in the Statement of Financial Activities. Therefore, where appropriate, these have been excluded from some of the analyses across some of the categories of expenditure shown in the Statement of Financial Activities.

The charity has had to adjust the formats from those prescribed by the 1985 Companies Act to include headings which are relevant to its activities to enable it to show a true and fair view.

Income is shown as gross except for:

- i Shop income which is shown net after the deduction of direct operating and management expenses (see note 3b); and after including sublet rental income.
- ii Certain income raised by local fund-raising events where direct expenses have been netted-off against gross income.

Income including legacy income, is accounted for when receivable (see note 3a).

Expenditure is shown as gross except as explained above.

Grants to other organisations for relief and development projects are accounted for as and when approved. The values of grants approved, but still to be paid, are included in the Balance Sheet as current liabilities.

Grants Receivable are accounted for when the charity's entitlement becomes legally enforceable. The accounting policy has been changed in the year to include contractually committed income from donors, to the extent it is receivable. Previously, this income was only included when claimed. A prior year adjustment has been included to reflect this change in policy (see note 1).

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

Expenditure on operational projects managed by Oxfam is accounted for as it is incurred. Any unrestricted expenditure which has been approved, but remains unspent at the year end, is provided for under designated funds.

The accounts of Oxfam's trading subsidiary company, Oxfam Activities Limited, are consolidated with the accounts of Oxfam, in accordance with current legislation. The Statement of Financial Activities includes the net income receivable from the subsidiary company. A net consolidation approach has been used because the activities are not charitable in nature. The taxable profit of the subsidiary is covenanted to Oxfam, so there is no liability to corporation tax. The Balance Sheet of Oxfam (entity) and that for the Oxfam Group are both included. The accounts of cafédirect Limited, in which Oxfam Activities Limited has a 25% holding, have not been included as the amounts involved are not considered material.

The accounts of Oxfam (India) Trust are also consolidated within the accounts of Oxfam. Oxfam (India) Trust was set up as a UK charity in 1978, in order to take responsibility for the funds which Oxfam remits to India in the course of its ongoing development and relief programme and to comply with the India Foreign Contributions Regulation Act 1976.

b. Gifts in Kind

Blankets and clothing, etc. received and given to overseas projects are included in the accounts at market value at the time of export. Goods held pending dispatch are not included in the accounts. Goods which have been dispatched overseas but are not yet distributed from Oxfam-controlled stores are included in the value of aid provided and are not included on the Balance Sheet. This is taken to be the point at which the goods have a value to the beneficiary.

Food aid from the World Food Programme for which Oxfam accepts full responsibility for distribution is included in income at its market value and under 'Resources Expended' at the same value.

Properties, investments, and other fixed assets donated to the charity are included as donation income at market value at the time of receipt and, unless disposed of, are shown as assets on the Balance Sheet at that value.

c. Depreciation of Tangible Fixed Assets

Freehold land is not depreciated.

The cost of other tangible fixed assets is written-off by equal annual instalments over their expected useful lives as follows:

| | |
|---|----------|
| Freehold Buildings | 50 years |
| Leasehold Warehouse | 10 years |
| Leasehold Premises (acquired before 1 May 1990) | 5 years |
| Furniture, Fixtures, and Equipment in the UK&I | 5 years |
| Mainframe Computer Equipment | 5 years |
| Motor Vehicles | 4 years |
| Micro-Computer and Wordprocessor Equipment | 3 years |
| Furniture, Fixtures, and Equipment Overseas | 3 years |

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

Vehicles and equipment for use in operational programmes are not capitalised but charged in full to 'Resources Expended' when purchased. This is because the expected useful life is significantly reduced in such programmes.

Assets under construction have been included in fixed assets but are not depreciated until the asset is in use.

d. Fixed Asset Investments

Fixed asset investments include freehold properties where it is unlikely that Oxfam will be able to realise its investment in the foreseeable future. Included in this are properties where the proceeds, once realised, will be used for charitable purposes, rather than reinvestment, and hence fall outside the definition of investment properties given in the SORP "Accounting by Charities".

Fixed asset investments are included in the Balance Sheet at market value where there is a material difference between cost and market value.

e. Stocks

Bought-in stocks are valued at the lower of cost or net realisable value after making due allowance for any obsolete or slow-moving items. Unsold donated items are not included in closing stock since the value is uncertain until sold.

f. Foreign Currencies

Transactions in foreign currencies, including capital transactions, during the year are translated at prevailing rates. Foreign currency balances are translated at the rate of exchange prevailing at the Balance Sheet date.

g. Pension Scheme

The charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity and are managed by The Pensions Trust. The expected cost of providing pensions as calculated periodically by professionally qualified actuaries is charged to the Statement of Financial Activities, so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll (see note 25).

h. Fund-raising and Administration Costs

Fund-raising expenses include the salaries and overhead costs of the staff in Area and District Offices through the UK and Ireland who promote fund-raising events, together with the salaries, direct expenditure, and overhead costs of fund-raising staff based at Oxfam House.

Administration expenses represent the salaries, direct expenditure, and overhead costs of central servicing departments at Oxfam House, such as Corporate Finance and Human Resources, net of any appropriate recharge to the operational divisions.

i. Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

j. Designated Funds

The opening and closing of designated funds is approved by Trustees. Details of these funds are given at note 9.

3. INCOME

a. Donations

| | 1997 £'000 | 1997 £'000 | 1997 £'000 | 1996 £'000 |
|--|---------------|---------------|---------------|---------------|
| | Unrestricted | Restricted | Total | Total |
| Committed Giving | 20,341 | 0 | 20,341 | 16,410 |
| Legacies | 5,698 | 0 | 5,698 | 6,177 |
| Donations, Appeals and Fund-raising Events | 10,327 | 635 | 10,962 | 10,994 |
| | 36,366 | 635 | 37,001 | 33,581 |

Legacy income, not included in the accounts, where the amount receivable could not be guaranteed to be complete, amounts to £1.3 million. It has not been possible to calculate a prior year comparative.

b. Oxfam Shops

This represents the net income from the sale of donated goods through Oxfam shops after deduction of local and management expenses, as Oxfam believes this most fairly represents the value to the charity of donated goods.

| | 1997 £'000 | 1997 £'000 | 1996 £'000 | 1996 £'000 |
|---|---------------|---------------|---------------|---------------|
| Gross Income from the sale of donated goods and Cash Donations | | 45,031 | | 43,256 |
| Deduct: Operating Expenses converting donated goods into cash less the expense of selling Oxfam Trading goods through Oxfam shops | 25,855 | | 24,966 | |
| Management Expenses | 3,000 | | 3,051 | |
| | | 28,855 | | 28,017 |
| Net Shop Income | | 16,176 | | 15,239 |

In addition to the sale of donated goods, the Oxfam shops also sold Oxfam Trading goods amounting to (inclusive of VAT)

| 1997 £'000 | 1996 £'000 |
|---------------|---------------|
| 13,172 | 12,729 |

These sales are included in the accounts of Oxfam Activities Limited.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

c. Contributions from UK Government, the European Union and UN Agencies

| | Total | | Restricted Funds | | Unrestricted Funds | |
|--|--------|--------|------------------|--------|--------------------|-------|
| | 1997 | 1996 | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| UK Government-Department for International Development (formerly known as Overseas Development Administration) | 12,999 | 13,313 | 6,285 | 7,028 | 6,714 | 6,285 |
| European Union | 8,200 | 9,831 | 8,018 | 9,449 | 182 | 382 |
| UN Agencies | 5,445 | 7,184 | 5,445 | 7,184 | 0 | 0 |
| | 26,644 | 30,328 | 19,748 | 23,661 | 6,896 | 6,667 |

d. Contributions from Other Agencies

| | Total | | Restricted Funds | | Unrestricted Funds | |
|-----------------------------------|-------|-------|------------------|-------|--------------------|-------|
| | 1997 | 1996 | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Members of Oxfam International | 5,232 | 2,463 | 3,599 | 2,459 | 1,633 | 4 |
| Irish Government | 385 | 233 | 267 | 167 | 118 | 66 |
| Other International Agencies | 439 | 524 | 439 | 524 | 0 | 0 |
| National Lottery Charities Board* | 200 | 140 | 200 | 140 | 0 | 0 |
| Other UK Agencies | 192 | 69 | 160 | 69 | 32 | 0 |
| | 6,448 | 3,429 | 4,665 | 3,359 | 1,783 | 70 |



* Oxfam acknowledges funding from the National Lottery Charities Board for the UK Poverty Programme.

e. Gifts in Kind

| | 1997 | 1996 |
|---|-------|-------|
| | £'000 | £'000 |
| Blankets and Clothing | 908 | 2,681 |
| Food Aid received from World Food Programme | 3,280 | 3,291 |
| | 4,188 | 5,972 |

During the year 96/97 an additional quantity of food with a value of £0.3 million (1996 : £2.6 million) was donated by the European Union handled by Euronaid on behalf of Oxfam.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

f. Miscellaneous Income

| | 1997 £'000 | 1996 £'000 |
|--|---------------|---------------|
| Deposit Interest | 462 | 358 |
| (Loss)/Surplus on Disposal of Fixed Assets | (63) | 60 |
| Investment Income | | |
| Quoted Investments | 9 | 8 |
| Unquoted Investments | 0 | 31 |
| Cash held for investment | 11 | 7 |
| Profit on Sale of Feeding/Water Kits | 0 | 102 |
| Others | 1 | 2 |
| | <u>420</u> | <u>568</u> |

g. Net Income from Trading Subsidiary

This represents the total contribution of Oxfam Activities Limited to Oxfam as follows:

| | 1997 £'000 | 1996 £'000 |
|--|---------------|---------------|
| Turnover | 17,119 | 16,477 |
| Less Expenses (including Interest charged by Oxfam) | (13,393) | (13,530) |
| Net Profit for the Financial Year | 3,726 | 2,947 |
| Donations Received for Oxfam by Oxfam Activities Limited | 78 | 91 |
| Interest Charged by Oxfam to Oxfam Activities Limited | 308 | 346 |
| | <u>4,112</u> | <u>3,384</u> |
| Management Charge | (3,177) | (2,908) |
| | <u>935</u> | <u>476</u> |

No charge is made to the trading subsidiary for rags and foil provided from Oxfam Shops. The profit of Oxfam Activities Limited is covenanted to Oxfam so that there is no liability to Corporation Tax.

4. DIRECT CHARITABLE EXPENDITURE

a. Grants to Partners

Much of Oxfam's development programme is carried out through grants to local organisations which support long-term, sustainable benefits for a community. Grants are also made to fund immediate emergency relief provision in times of crisis, catastrophe or natural disaster (see note 5).

b. Operational Programmes

Oxfam's own staff overseas are also involved in delivery of the programme through the provision of specialist services (e.g. to address the water and sanitation needs of refugees) and also through training and networking for local organisations.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

c. Programme Development and Support

Programme Development and Support costs are set out in more detail at note 6.

d. Information, Campaigning, and Education Programme

Oxfam's Information, Campaigning, and Education Programme has several key objectives. One is to contribute the experience which comes from the International Programme to the curricula and methods of school teaching and youth work in the UK. Another is to inform our supporters and the wider UK and Irish public about our international experience of work with the poor and oppressed. We also carry out research and analysis of the issues raised by our work, as a contribution to public debate and policy-making in the UK and Ireland and the European Union, in the interests of alleviating poverty, distress, and suffering world-wide. The Information, Campaigning, and Education Programme is seen by Oxfam's Trustees as an important ancillary activity to the International Programme in the furtherance of Oxfam's purposes.

5. GRANTS TO PARTNERS

The largest fifty grants made by Oxfam to institutions in 1996/97 are listed below:

| NAME OF INSTITUTION | | AMOUNT £'000 | Project Base |
|---------------------|---|-----------------|-------------------------|
| 1 | Relief Society off Tigray (Gifts in kind - Food - see note 3e) | 2,463 | Ethiopia |
| 2 | Asociacion de Salud y Desarrollo Comunitario. | 368 | Guatemala |
| 3 | Servicios Educativos Promocion y Apoyo Rural | 333 | Peru |
| 4 | Centro de Assessoria e Apoio aos Trabalhadores e Ongs Alternativas | 315 | Brazil |
| 5 | Early Childhood Resource Centre | 305 | Palestinian Territories |
| 6 | Ky Anh District People's Committee - Ha Tinh Province | 229 | Vietnam |
| 7 | Ministry of Health and Social Services | 225 | Namibia |
| 8 | Yayasan Nen Mas Il (Maluku Tenggara) | 218 | Indonesia |
| 9 | Vocational Development Social Association | 218 | Lebanon |
| 10 | Al Haq | 190 | Palestinian Territories |
| 11 | Kodinasyon Peyizon Pou Development Agiikol | 185 | Haiti |
| 12 | Federacao de Orgas para Assistencia Social e Educational | 131 | Brazil |
| 13 | Programa Interinstitucional de Apoya al Repoblamiento | 122 | Peru |
| 14 | Fédération du Lao | 115 | Senegal |
| 15 | Arid Lands Information Network | 107 | Africa |
| 16 | Near East Foundation | 106 | Mali |
| 17 | The Refugee Council | 105 | World |
| 18 | International Alert | 100 | Burundi |
| 19 | Acord | 100 | Africa |
| 20 | Fundacion Equipo de Trabajo Campesino y Urbano del Cauca | 97 | Colombia |
| 21 | Centre for Human Resource Development | 89 | India |
| 22 | Centro de Estudios y Prevencion de Desastres | 89 | Peru |
| 23 | Medical Missionaries of Mary | 76 | Kenya |
| 24 | Koulouck, Kaire, Jig-Jam Radio Rural | 75 | Senegal |
| 25 | Developpement d'Education et d'Appui pour un Alternatif Developpement | 74 | Haiti |
| 26 | Groupe Recherche Action pour le Developpement | 73 | Mali |

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

The largest fifty grants made by Oxfam to institutions in 1996/97 (continued):

| NAME OF INSTITUTION | AMOUNT £'000 | Project Base |
|--|-----------------|-------------------------|
| 27 Union de Groupements Paysans de Jig-Jam | 72 | Senegal |
| 28 Groupement des Artisans Ruraux d'Intadeyne | 69 | Mali |
| 29 Catholic Mission | 66 | Ethiopia |
| 30 Fundacion para la Autonomia y Desarrollo de la Costa Atlantica de Nicaragua | 66 | Nicaragua |
| 31 Centre for Mass Education in Science | 65 | Bangladesh |
| 32 Community Aid and Small Enterprises Consultancy | 63 | Tanzania |
| 33 Palestinian Hydrology Group | 62 | Palestinian Territories |
| 34 Land Right Research and Resources Institute (Haki Ardh) | 62 | Tanzania |
| 35 Association pour le Developpement Delwende | 61 | Burkina Faso |
| 36 The Lagiya Foundation for Social Development in The Negev | 59 | Israel |
| 37 Cambodian Human Rights and Development Association (ADHOC) | 57 | Cambodia |
| 38 Gramin Vigyan Vikas Sansthan Rajasthan North | 56 | India |
| 39 Vehilini Development Centre | 56 | Sri Lanka |
| 40 Ky Anh District Educational Department, Ha Tinh Province | 54 | Vietnam |
| 41 National Institute of Women, Child and Youth Development | 53 | India |
| 42 Association Dakupa du Boulgou | 53 | Burkina Faso |
| 43 Pattam | 52 | Pakistan |
| 44 Rural Development Centre, Dukadegaon, Maharashtra | 52 | India |
| 45 Integrated Social Development Centre | 51 | Ghana |
| 46 Union des Groupements de Koulouck | 51 | Senegal |
| 47 Union de Cooperativas Agropecuarias - Siuna | 51 | Nicaragua |
| 48 Cooperativa de Servicios Multiples | 50 | Nicaragua |
| 49 Centro para la Accion Legal en Derechos Humanos | 50 | Guatemala |
| 50 Association pour le Developpement de Namarel | 50 | Senegal |

A full listing of grants made in the year is available from Supporter Services (01865) 313600. A charge will be made to cover costs.

6. PROGRAMME DEVELOPMENT AND SUPPORT

Programme Development and Support expenditure represents the cost of Oxfam's core field offices and the costs incurred by UK based staff, directly providing support for Oxfam's international programme, including management, policy and advocacy work, supervision and technical support for Oxfam's emergency programmes and the running costs of the Oxfam emergency warehouse, purchasing and logistics operations. This expenditure may be analysed as follows:

| | 1997 £'000 | 1996 £'000 |
|-------------|---------------|---------------|
| Staff costs | 10,242 | 11,247 |
| Other costs | 7,734 | 8,371 |
| | <u>17,976</u> | <u>19,618</u> |

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

7. MANAGEMENT AND ADMINISTRATION

Management and Administration expenditure represents costs incurred by finance, human resources, internal audit and directorate departments, attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements and may be analysed as follows:

| | 1997 £'000 | 1996 £'000 |
|-------------|---------------|---------------|
| Staff costs | 952 | 865 |
| Other costs | 781 | 977 |
| | <u>1,733</u> | <u>1,842</u> |

8. SURPLUS OF INCOME FOR FINANCIAL YEAR is stated after charging/(crediting):

| | 1997 £'000 | 1996 £'000 |
|---|---------------|---------------|
| Bank Interest | 0 | 33 |
| Loan Interest | 55 | 14 |
| Depreciation of Tangible Fixed Assets | 2,409 | 3,427 |
| Hire of Vehicles and Equipment | 532 | 993 |
| Property Rental | 13,140 | 12,872 |
| Auditors' Remuneration - Statutory Audit | 31 | 31 |
| - Other | 11 | 5 |
| Rental Income | (1,079) | (763) |
| Exchange Rate (Gains)/Losses | (268) | 668 |
| Employee Indemnity Insurance | 8 | 9 |
| Exceptional Items - Restructuring - Personnel | 0 | 268 |
| - Office costs | 0 | (156) |
| Income from endowment capital | 11 | 6 |

9. UNRESTRICTED FUNDS

a. Capital Fund

The Capital Fund exists to provide the necessary capital for the development of Oxfam shops and for other capital expenditure.

b. Programme Guarantee Fund

This was a designated fund intended to ensure continuity of the longer-term overseas development programme. In 1995/96, it was combined with the Relief and Overseas Aid Fund.

c. Relief and Overseas Aid Fund

The Relief and Overseas Aid Fund existed to provide cover for grants against a shortfall of income. It is now included in General Reserves.

d. General Reserves

At the start of the year, the Relief and Overseas Aid Fund was renamed General Reserves.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

e. Other Designated Funds

Designated funds are funds set aside by Trustees to cover operational programmes where grants have been allocated during the year but not paid out by the year-end and expenditure budgeted but not spent for the implementation of the Information Systems project. The amount transferred to designated funds in the year was £1.0 million (1996: £0.5 million).

f. Movements on these funds are as follows:

| | General Reserves £'000 | Relief O/Seas Aid Fund £'000 | Capital Fund £'000 | Other Designated Funds £'000 | Total £'000 |
|--------------------------|------------------------------|---------------------------------------|--------------------------|---------------------------------------|----------------|
| Balance at 30 April 1996 | 0 | 2,655 | 14,347 | 3,396 | 20,398 |
| Surplus for the Year | 3,414 | 0 | 0 | 0 | 3,414 |
| Transfers between Funds | 1,705 | (2,655) | 0 | 950 | 0 |
| Balance at 30 April 1997 | 5,119 | 0 | 14,347 | 4,346 | 23,812 |

10. RESTRICTED FUNDS

Restricted Funds comprise the following unexpended balances on donations and grants given for specific purposes, subject to special trusts.

These trusts may arise because of restrictions on their use imposed by the donor at time of receipt or because the funds were collected in a public appeal to raise funds for a particular purpose.

| | Balance at 30 April 1996 £'000 | Income £'000 | Grants made £'000 | Management, Admin. & Fund-raising Expenditure £'000 | Balance at 30 April 1997 £'000 |
|--|---|-----------------|-------------------------|---|---|
| Rwanda and Great Lakes | 1,289 | 9,966 | (11,180) | (75) | 0 |
| Former Yugoslavia and Transcaucasus | (353) | 7,035 | (6,435) | 0 | 247 |
| Food Aid | 0 | 3,280 | (3,280) | 0 | 0 |
| EC cofunded grants | 433 | 1,719 | (1,843) | 0 | 309 |
| UK Poverty Programme | 40 | 295 | (193) | 0 | 142 |
| India earthquake | 556 | 0 | (301) | 0 | 255 |
| Others | 37 | 9,392 | (8,350) | (20) | 1,059 |
| | 2,002 | 31,687 | (31,582) | (95) | 2,012 |
| Unspent operational grant balances | 6,233 | 0 | 4,022 | 0 | 10,255 |
| Prior year adjustment (note 1) | 3,148 | (3,148) | 0 | 0 | 0 |
| | 11,383 | 28,539 | (27,560) | (95) | 12,267 |

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

11. EMPLOYEES (excluding staff employed on operational projects overseas)

The average number of UK contracted employees throughout the year (head count):

| | 1997# | 1996 |
|------------------------------|--------------|--------------|
| Trading Division | 552 | 570 |
| Marketing Division | 291 | 266 |
| Management Services Division | 147 | 208 |
| Programme Headquarters | 255 | 217 |
| Programme Field* | 98 | 92 |
| | <u>1,343</u> | <u>1,353</u> |

The 1997 figures incorporate some changes in organisational structure compared to 1996.

* In addition there were 1,231 (1996 : 1,320) staff based overseas on local contracts, including staff on operational projects.

12. U.K. BASED STAFF COSTS

| | 1997 £'000 | 1996 £'000 |
|--------------------|---------------|---------------|
| Salaries and Wages | 23,483 | 20,897 |
| National Insurance | 1,867 | 1,907 |
| Pension Scheme | 719 | 974 |
| | <u>26,069</u> | <u>23,778</u> |

The number of higher paid staff with emoluments falling in the following ranges were:

| | 1997 | 1996 |
|--------------------|------|------|
| £40,000 to £49,999 | 4 | 5 |
| £50,000 to £59,999 | 1 | 0 |

Emoluments include salary and benefits in kind but exclude pension scheme contributions.

Salary costs are allocated according to the functions of each staff member and, therefore, form part of Fund-raising, Administration, Programme Development and Support or Information, Campaigning, and Education expenses as appropriate.

In addition, a great amount of time, the value of which it is impossible to reflect in these accounts, is donated by tens of thousands of volunteers throughout the UK and Ireland.

13. REMUNERATION FOR COUNCIL OF TRUSTEES

Members of Oxfam's Council of Trustees who are Oxfam's directors receive no remuneration for their services. Directly incurred expenses are reimbursed, if claimed, and in 1997 totalled £14,000 (1996 : £18,000).

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

14. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

| | 1997 £'000 | 1996 £'000 |
|---|---------------|---------------|
| Surplus /(Deficit) of income over expenditure for the year | 4,298 | (3,803) |
| Less: Income from Trading Subsidiary | (935) | (476) |
| Surplus/(Deficit) attributable to Oxfam (excluding wholly - owned subsidiaries) | 3,363 | (4,279) |

15. INCOME AND EXPENDITURE ACCOUNT

An income and expenditure account is an alternative summary of the information contained in the Statement of Financial Activities. As recommended in the Charity SORP this statement excludes gifts of capital which are not currently available for revenue expenditure (see note 24 on Endowment Funds). The income and expenditure account is included in the accounts in order to comply with the Companies Act 1985.

Oxfam is relying on the exemption conferred by section 230 of the Companies Act 1985 in not preparing a separate Income and Expenditure Account for Oxfam, excluding its wholly-owned subsidiary.

16. TANGIBLE FIXED ASSETS

OXFAM

| | Freehold Property £'000 | Leasehold Property £'000 | Furniture Fixtures Equipment £'000 | Motor Vehicles £'000 | Total £'000 |
|-------------------------|-------------------------------|--------------------------------|---|----------------------------|----------------|
| Cost: | | | | | |
| At 30 April 1996 | 11,403 | 23,035 | 14,034 | 3,080 | 51,552 |
| Additions | 66 | 730 | 962 | 154 | 1,912 |
| Disposals | (366) | (322) | (212) | (179) | (1,079) |
| At 30 April 1997 | 11,103 | 23,443 | 14,784 | 3,055 | 52,385 |
| Depreciation | | | | | |
| At 30 April 1996 | 1,860 | 20,610 | 11,420 | 2,069 | 35,959 |
| Charge for the year | 186 | 623 | 1,085 | 414 | 2,308 |
| Disposals | (53) | (251) | (29) | (32) | (365) |
| At 30 April 1997 | 1,993 | 20,982 | 12,476 | 2,451 | 37,902 |
| Net Book Amounts | | | | | |
| At 30 April 1997 | 9,110 | 2,461 | 2,308 | 604 | 14,483 |
| At 30 April 1996 | 9,543 | 2,425 | 2,614 | 1,011 | 15,593 |

The value of assets held under construction, included in fixed assets, amounts to £62,000 (1996: £0).

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

OXFAM GROUP

| | Freehold Property £'000 | Leasehold Property £'000 | Furniture Fixtures Equipment £'000 | Motor Vehicles £'000 | Total £'000 |
|-------------------------|-------------------------------|--------------------------------|---|----------------------------|----------------|
| Cost: | | | | | |
| At 30 April 1996 | 11,403 | 23,405 | 15,017 | 3,320 | 53,145 |
| Additions | 66 | 775 | 1,041 | 167 | 2,049 |
| Disposals | (366) | (321) | (218) | (220) | (1,125) |
| At 30 April 1997 | 11,103 | 23,859 | 15,840 | 3,267 | 54,069 |
| Depreciation | | | | | |
| At 30 April 1996 | 1,860 | 20,895 | 12,316 | 2,237 | 37,308 |
| Charge for the year | 186 | 648 | 1,131 | 444 | 2,409 |
| Disposals | (53) | (251) | (35) | (72) | (411) |
| At 30 April 1997 | 1,993 | 21,292 | 13,412 | 2,609 | 39,306 |
| Net Book Amounts | | | | | |
| At 30 April 1997 | 9,110 | 2,567 | 2,428 | 658 | 14,763 |
| At 30 April 1996 | 9,543 | 2,510 | 2,701 | 1,083 | 15,837 |

The value of assets held under construction, included in fixed assets, amounts to £62,000 (1996: £0).

The assets of Oxfam can be further analysed as follows:

OXFAM

| | Direct Charitable assets £'000 | Shared assets £'000 | Other assets £'000 | Total £'000 |
|-------------------------|---|---------------------------|--------------------------|----------------|
| Cost: | | | | |
| At 30 April 1996 | 5,908 | 7,036 | 38,608 | 51,552 |
| Additions | 441 | 75 | 1396 | 1,912 |
| Disposals | (238) | (16) | (825) | (1,079) |
| At 30 April 1997 | 6,111 | 7,095 | 39,179 | 52,385 |
| Depreciation | | | | |
| At 30 April 1996 | 3,961 | 4,421 | 27,577 | 35,959 |
| Charge for year | 758 | 788 | 762 | 2,308 |
| Disposals | (12) | (2) | (351) | (365) |
| At 30 April 1997 | 4,707 | 5,207 | 27,988 | 37,902 |
| Net Book Amounts | | | | |
| At 30 April 1997 | 1,404 | 1,888 | 11,191 | 14,483 |
| At 30 April 1996 | 1,947 | 2,615 | 11,031 | 15,593 |

Shared assets are those assets which cannot be attributed to one particular activity, for example, computer networks. Other assets mainly comprises Oxfam shops for sale of donated and fair trade goods. (See note 2c on assets used on operational programmes.)

Assets under construction are all classed as Other assets since these relate to the refitting of shops.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

Oxfam's freehold properties have been valued at open-market value for existing use on 30 April 1997 at £13.5 million (1996 : £13.7 million).

Included in the property portfolio are 23 freehold properties each with a current market value lower than the book value. If these properties were sold at their current market value of £2.6 million there would be a shortfall against cost of £1.0 million (1996 : £1.0 million). No provision has been made for this potential shortfall because there is currently no proposal to dispose of these and the amounts recoverable from their further use are greater than cost.

The net book value of leasehold properties includes premiums which have not been fully depreciated. In the current state of the property market it is unlikely that the book value of these assets could be recovered on disposal. No provision has been made because the total amount recoverable from their further use exceeds cost.

The book value of land (which is not depreciated) included in freehold properties is £1.8 million (1996: £1.8 million). The net book value of leases over 50 years, classified as freeholds, is £0.3 million (1996 : £0.4 million).

17. FIXED ASSET INVESTMENTS

OXFAM

| | Freehold Property £'000 | Cash £'000 | Quoted £'000 | Unquoted £'000 | Total £'000 |
|------------------|-------------------------------|---------------|-----------------|-------------------|----------------|
| Market Value: | | | | | |
| At 30 April 1996 | 293 | 189 | 8 | 1,500 * | 1,990 |
| Additions | 53 | 0 | 0 | 0 | 53 |
| Disposals | (31) | 0 | 0 | 0 | (31) |
| At 30 April 1997 | 315 | 189 | 8 | 1,500 | 2,012 |

OXFAM GROUP

| | Freehold Property £'000 | Cash £'000 | Quoted £'000 | Unquoted £'000 | Total £'000 |
|------------------|-------------------------------|---------------|-----------------|-------------------|----------------|
| Market Value: | | | | | |
| At 30 April 1996 | 293 | 189 | 8 | 33 ** | 523 |
| Additions | 53 | 0 | 0 | 0 | 53 |
| Disposals | (31) | 0 | 0 | 0 | (31) |
| At 30 April 1997 | 315 | 189 | 8 | 33 | 545 |

* This is a loan of £1.5 million to Oxfam Activities Limited, which is incorporated in England and Wales. Its entire capital of 100 ordinary shares is wholly owned by Oxfam and its nominee. The loan is secured by a fixed and floating charge. Interest was charged on the outstanding balance of the loan at 6% during the year. Terms regarding interest and repayment are agreed between the parties.

** This includes 32,500 shares at £1 each in cafédirect Ltd, a company registered in Scotland, which represents a 25% interest in the company. The principal activity of the company is the promotion of fair trade through the production and distribution of coffee.

All the fixed asset investments are held in the UK. The quoted investments comprise Treasury stock.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

18. STOCKS

| | OXFAM | | OXFAM GROUP | |
|--------------------------------------|-------|-------|-------------|-------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| Finished Goods and Goods For Resale: | | | | |
| Oxfam Trading Stocks | 0 | 0 | 3,670 | 5,174 |
| Emergency Stocks | 2,135 | 2,181 | 2,135 | 2,181 |
| Other Stocks | 898 | 950 | 898 | 950 |
| | 3,033 | 3,131 | 6,703 | 8,305 |

19. DEBTORS

| | OXFAM | | OXFAM GROUP | |
|----------------------------|--------|--------|-------------|--------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| Amount due from Subsidiary | 2,051 | 4,182 | 0 | 0 |
| Other Debtors | 8,510 | 7,363 | 9,650 | 8,186 |
| Prepayments | 3,214 | 3,050 | 3,482 | 3,295 |
| | 13,775 | 14,595 | 13,132 | 11,481 |

20. CASH AT BANK AND IN HAND

| | OXFAM | | OXFAM GROUP | |
|-----------------------------|--------|--------|-------------|--------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| Cash on Short Term Deposit* | 13,960 | 5,444 | 13,960 | 5,444 |
| Cash and Bank balances | 6,317 | 4,629 | 6,384 | 4,683 |
| | 20,277 | 10,073 | 20,344 | 10,127 |

* This money is held on interest-earning deposit to be readily available to meet current liabilities.

21. CREDITORS

a. Amounts Falling Due Within One Year

| | OXFAM | | OXFAM GROUP | |
|---|--------|--------|-------------|--------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank Overdraft* | 1,718 | 2,072 | 1,754 | 2,243 |
| Allocated Grants to be paid from General Reserves | 3,291 | 1,589 | 3,291 | 1,589 |
| Allocated Grants to be paid from Restricted Funds | 1,342 | 1,571 | 1,342 | 1,571 |
| Trade Creditors | 3,696 | 1,868 | 3,927 | 2,432 |
| Accruals | 4,062 | 3,421 | 4,503 | 3,577 |
| Other tax and social security | 711 | 580 | 711 | 580 |
| Promissory note** | 0 | 0 | 1,199 | 0 |
| Interest-free Loans | 466 | 338 | 466 | 338 |
| | 15,286 | 11,439 | 17,193 | 12,330 |

* Overdrafts arise on certain accounts as a result of Oxfam's banking arrangements.

** The promissory note is secured by Fair Trade stocks and repayable within 30 days. This promissory note has been guaranteed by Oxfam.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

21. CREDITORS (continued)

b. Amounts Falling Due After One Year

| | OXFAM | | OXFAM GROUP | |
|---------------------|-------|-------|-------------|-------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank Loan* | | | | |
| Due in 2 to 5 years | 62 | 60 | 62 | 60 |
| Due after 5 years | 237 | 251 | 237 | 251 |
| | 299 | 311 | 299 | 311 |

* This bank loan is secured by mortgage on a freehold property. It is repayable within 15 years. Interest is charged on the outstanding balance of the loan at 2% above base rate.

22. PROVISION FOR LIABILITIES AND CHARGES

| | Rent Provision |
|--|----------------|
| | £'000 |
| At 30 April 1996 (provided in 1994/95) | 74 |
| Provision used during the year | (73) |
| New provision made in the year | 200 |
| At 30 April 1997 | 201 |

This represents part of the rents and associated costs due up until the expiry of leases on offices not currently occupied, due to Oxfam's restructuring. The total potential liability is £244,000 but due allowance for subletting, temporary occupation by Oxfam, and possible disposal of leases before their expiry reduces the provision to £201,000 as provided above.

23. DEFERRED INCOME

This represents the value of deposited covenants which have been received and which will be brought into income in the next three years.

| | OXFAM | | OXFAM GROUP | |
|-------------------------|-------|-------|-------------|-------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| Deposited Covenants | | | | |
| Due within 1 year | 23 | 31 | 23 | 31 |
| Due within 2 to 5 years | 33 | 25 | 33 | 25 |
| | 56 | 56 | 56 | 56 |

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

24. ENDOWMENT FUNDS

| OXFAM GROUP | 1997 £'000 | 1996 £'000 |
|---|---------------|---------------|
| C A Findlay Trust (£38) | - | - |
| Gilbert Murray Memorial Lecture Fund | 1 | 1 |
| Specific Gift for Investment | 3 | 3 |
| Silvia Marsh-Pitt Memorial Fund | 2 | 2 |
| W H Green Discretionary Settlement | 85 | 85 |
| Mary & Henry Makinson Spink Memorial Fund | 1,364 | 1,364 |
| P R Leonard | 18 | 18 |
| GS Roberts | 24 | 24 |
| J McLaren Memorial Fund | 120 | 120 |
| E Parkes Fund | 5 | 5 |
| Carr-Webb Fund | 55 | 55 |
| J&I Menzies Memorial Fund (£525) | - | - |
| Mansell Davies Fund | 20 | 20 |
| Lesley Kirkley Bursary Fund | 24 | 24 |
| | <u>1,721</u> | <u>1,721</u> |

These funds are not currently available for revenue expenditure. Donations amounting to £500 were received for the J&I Menzies memorial fund in the year.

The income generated by these funds is used for the general purposes of Oxfam with the following exceptions:

- income on the Gilbert Murray Memorial Lecture Fund, the J McLaren Memorial Fund, the Carr-Webb Fund, the Mansell Davies Fund and the Lesley Kirkley Bursary Fund is used for restricted purposes;
- part of the income on the E Parkes Fund is used to cover specific purposes and the remainder is used for general purposes.

25. COMMITMENTS

| | OXFAM | | OXFAM GROUP | |
|--|-------|-------|-------------|-------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| a. <u>Capital:</u> | | | | |
| At 30 April 1997 the following capital expenditure had been authorised | 552 | - | 552 | - |

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

25. COMMITMENTS (continued)

| | OXFAM | | OXFAM GROUP | |
|---|-------|-------|-------------|-------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| b. <u>Financial:</u> | | | | |
| At 30 April 1997 Oxfam had committed the following amount in Grants to International Projects which will form part of the Grants Allocated in the year ended 30 April 1998. | 1,487 | 2,973 | 1,487 | 2,973 |

c. Operating Leases:

At 30 April 1997 there were the following annual commitments under non-cancellable operating leases.

| | OXFAM | | OXFAM GROUP | |
|--|--------|--------|-------------|--------|
| | 1997 | 1996 | 1997 | 1996 |
| | £'000 | £'000 | £'000 | £'000 |
| i. Land and Buildings | | | | |
| Operating Leases which expire: | | | | |
| Within 1 year | 290 | 292 | 290 | 292 |
| In the 2 nd to 5 th year inclusive | 2,192 | 2,675 | 2,610 | 3,093 |
| Over 5 years | 8,966 | 8,883 | 9,087 | 9,004 |
| | 11,448 | 11,850 | 11,987 | 12,389 |
| ii. Vehicles | | | | |
| Operating Leases which expire: | | | | |
| Within 1 year | 92 | 63 | 107 | 63 |
| In the 2 nd to 5 th year inclusive | 293 | 389 | 298 | 408 |
| | 385 | 452 | 405 | 471 |

d. Pension Scheme Commitments

Oxfam operates a final salary (i.e. a defined benefit) pension scheme for its employees. The assets of the scheme are held separately from those of Oxfam and are administered by The Pensions Trust. The Pensions Trust is a centralised occupational pension fund (or "industry-wide") scheme for organisations involved in social, educational, charitable, voluntary and similar activities.

The pension cost is determined on the advice of independent qualified actuaries, Watson Wyatt. The pension cost for 1996/97 is based on the results of the actuarial valuation of the scheme which took place as at 31 March 1996 using the projected unit method.

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

d. Pension Scheme Commitments (continued)

The valuation of the scheme was based on the following assumptions:

| | | |
|-------------------------------|------|----|
| Rate of return on investments | 9.0% | pa |
| Rate of earnings increases | 6.5% | pa |
| Rate of pension increases | 5.0% | pa |
| Rate of inflation | 4.5% | pa |

The market value of the scheme's assets at 31 March 1996 was £19.5 million. On the assumptions used to calculate the pension cost, the actuarial value of the assets at that date represented 140% of the value of the members' accrued benefits. These accrued benefits include all benefits for pensioners and other former members as well as benefits based on service completed to date for active members allowing for future pay rises.

In the light of the actuarial valuation, and in order to comply with regulations about pension scheme surpluses, the employer contribution was reduced by 1% to 8% of earnings for 1996/7, in agreement with Oxfam Pensions Committee. The employee contribution remains at 5% of earnings.

The amount paid by Oxfam by way of contributions for 1996/97 amounted to £1.1 million (1996: £1.0 million). The pension cost charge for 1996/97 amounted to £0.7 million (1996: £1.0 million); this includes a reduction of £0.4 million in respect of the amortisation of the actuarial surplus, which is being recognised over the average remaining service life of members. This £0.4 million, which represents the difference between the amount paid into the scheme and the amount charged as a cost in the accounts, is included within prepayments in the balance sheet.

26. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total Funds £'000 |
|---|--------------------------------|------------------------------|-----------------------------|-------------------------|
| Fund Balances at 30 April 1997 are represented by: | | | | |
| Tangible Fixed Assets | 13,333 | | 1,492 | 14,825 |
| Investment Assets | 316 | | 229 | 545 |
| Current Assets | 27,510 | 12,267 | | 39,777 |
| Current Liabilities | (16,791) | | | (16,791) |
| Long-Term Liabilities | (556) | | | (556) |
| Total Net Assets at 30 April 1997 | 23,812 | 12,267 | 1,721 | 37,800 |

OXFAM - NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1997

27. CASHFLOW STATEMENT

a. Reconciliation of Surplus of Income for the Year to Net Cash Inflow from Operating Activities

| | Notes | 1997 £'000 | 1996 £'000 |
|--|-------|---------------|----------------|
| Surplus/(Deficit) of Income for the Year | | 4,298 | (3,803) |
| Prior year adjustment | 1 | 0 | 2,712 |
| Deposit Interest and Investment Income | | (482) | (404) |
| Loan Interest Paid | | 55 | 33 |
| Depreciation Charges | | 2,409 | 3,427 |
| Loss/(Surplus) on Disposal of Fixed Assets | | 63 | (60) |
| Decrease/(Increase) in Stock | | 1,602 | (270) |
| Increase in Debtors | | (1,651) | (2,345) |
| Increase/(Decrease) in Creditors (excluding Overdrafts) | | 5,364 | (4,047) |
| Decrease in Deferred Income | | 0 | (35) |
| Increase/(Decrease) in Provision for Liabilities and Charges | | 127 | (156) |
| Net Cash Inflow/(Outflow) from Operating Activities | | <u>11,785</u> | <u>(4,948)</u> |

b. Reconciliation of Net Cash Flow to Movement in Net Debt

| | 1997 £'000 | 1996 £'000 |
|---|---------------|---------------|
| Increase/(Decrease) in Cash in the Period | 4,318 | (1,406) |
| Net Debt at the Start of the Period | 5,884 | 7,290 |
| Net Debt at the End of the Period | <u>10,202</u> | <u>5,884</u> |

c. Analysis of Net Debt

| | 1996 £'000 | Cashflow £'000 | 1997 £'000 |
|----------------------------|---------------|-------------------|---------------|
| Cash in Hand | 4,683 | 1,701 | 6,384 |
| Overdrafts (see note 21a) | (2,243) | 501 | (1,742) |
| Deposits on one day notice | 3,444 | 2,116 | 5,560 |
| | <u>5,884</u> | <u>4,318</u> | <u>10,202</u> |

AUDITOR'S REPORT

To the Members of the Association

We have audited the accounts of Oxfam on pages 6 to 29.

Respective responsibilities of Trustees and Auditors

As described on page 4 the Charity's Trustees are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

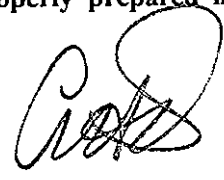
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Charity and group at 30 April 1997 and of the group's surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Oxford
15 September 1997



Critchleys
Chartered Accountants
Registered Auditors

AN OXFAM SUPPORTER'S GUIDE TO GIVING

Oxfam works with thousands of poor communities throughout the world, helping people to build a more secure future for themselves and their families. Whether it's helping to get piped water to villagers in Cambodia, or campaigning for legal recognition of poor people's land in South Africa, Oxfam's work depends very heavily on help from people like you. If you'd like to offer a donation, please call us on **(01865) 313131**, or write to us at **Oxfam, Supporter Services Department, Freepost, 274 Banbury Road, Oxford, OX2 7DZ**.

Here are some of the best ways that you can support our work:

1. Take out a covenant

For every £15 you give to charity, you have usually already paid £5 in income tax. But, provided you are a taxpayer, if you take out a covenant, with a pledge to donate the same amount for a minimum of four years, Oxfam can reclaim that tax-destined money at no extra cost to you. Covenantors can choose to pay a fixed or variable amount (for example, 1 per cent of salary per year), and in return they receive regular information and updates on how their money is being spent around the world.

2. Make a regular donation by Banker's Order

If you do not pay tax, giving regularly to Oxfam through a Banker's Order helps us to plan ahead and keep administration costs low. You will also receive reports about Oxfam's work.

3. Make a donation through Gift Aid

Under this government initiative, if you send us a single gift of £250 or more, we can reclaim the tax.

4. Get your company to support us

Each year, vital funds for our work against poverty are raised through company schemes: employee fund-raising activities, donations, joint promotions, sponsorship of projects, and high profile events. Oxfam's corporate fund-raising team is happy to discuss your requirements. For more information: please contact James Jopling on (01865) 312455.

6. Leave Oxfam a Legacy

Leaving a contribution to Oxfam in a will is a way to ensure that your commitment to helping poor people to help themselves will continue into the future. For a copy of Oxfam's free guide to making a will, please call us on (01865) 312121.