

# OXFAM ANNUAL REPORT & ACCOUNTS

2013/14



Company Number: 612172



**OXFAM**

**11 million\***

people reached directly in 52 countries, and millions more benefiting from changes in governments' policy and practice influenced by Oxfam

**6.1 million**

people supported in 24 humanitarian emergencies

**600,000**

people globally who took online campaign actions

**1,337**

grants to 881 partner organisations

**400,000**

people in the UK made a regular donation

The information contained within this Annual Report and Accounts is shown in a digital, interactive version at [www.oxfamannualreport.org.uk](http://www.oxfamannualreport.org.uk)

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\*In our efforts to maintain our accountability to stakeholders, we continue to include statistical information throughout this report. Given the breadth and depth of our work, we acknowledge the difficulties in measuring this; we have used our own monitoring systems to compile the data, and figures have been rounded as appropriate. We have worked hard to avoid any double counting when identifying the numbers of people we reach, however, there is likely to be some overlap between specific activities, as some individuals will be supported in more than one area of our work. We value your feedback on the information contained in this annual report. Please contact Ali Henderson (AHenderson1@oxfam.org.uk) with any comments or suggestions you may have.

## MESSAGE FROM THE CHAIR



**Last year was the start of Oxfam's ambitious strategy for fighting injustice and inequality: 'The Power of People Against Poverty', which places the poor communities we work with at the centre of change.**

### **Bigger impact**

This strategy is a commitment to working even harder, within our international network, to achieve the biggest impact for the largest number of people. Whether helping families to grow more food, creating more jobs, or enabling more children to attend school, our work is about supporting self reliance while building a foundation for long-term change.

During 2013/14, we have particularly focused our efforts on helping women to earn a living and to influence decisions in their community and beyond.

And as floods, droughts and food shortages continued to threaten people's lives and livelihoods, we have also been strengthening our support for partner organisations so that increasing numbers of vulnerable communities can prepare for future disasters.

### **Saving lives...**

Two very different crises dominated our humanitarian work, particularly in the latter part of the year. In November, we helped to save lives and support communities after Typhoon Haiyan tore through the Philippines. Thanks to the generosity of our supporters, Oxfam was able to respond within days - providing clean water, hygiene kits and other essentials.

In Syria and neighbouring countries we supported nearly 1,000,000 people affected by the violence. As the conflict entered its third year, Oxfam continued to highlight the plight of refugees in Jordan and Lebanon - calling for more aid, and a peaceful resolution to the fighting

### **...securing funds**

Last year we worked hard to secure the funds we needed to continue supporting communities worldwide.

Time and time again we are amazed at the overwhelming generosity of our supporters responding to crises. The public response to Typhoon Haiyan was no exception.

Institutional donors were also generous last year - helping us to achieve £189 million in income. The energy and enthusiasm of our staff and volunteers helped our shops to increase their income by £4 million to £24 million.

Attracting new donors though is always a challenge, so we launched a new fundraising campaign: 'Lift lives for good' to help build a broader base of regular support.

Alongside our fundraising initiatives, we made the difficult decision to reduce the number of jobs at our UK offices. We will continue to look at more cost-effective ways of working and have already started to simplify and consolidate the way we operate programmes in countries and regions around the world.

## CORPORATE DIRECTORY

### Influencing change

Long-term change often comes about through campaigning and advocacy. In 2014, we began to strengthen this work, and to use our insight into how injustice and inequality influence levels of poverty to inform campaigning and advocacy in the countries where we work.

Our *Behind the Brands* campaign was a prime example of how we linked farmers and consumers to examine the social and environmental practices of ten global food brands. Coca-Cola and Pepsi have since committed to ensuring land needed for sugar production is acquired responsibly.

And in January 2014, Oxfam launched a report on global inequality that made headline news worldwide. It highlighted the widening gap between the rich and powerful few, and the millions of people living in poverty. And it helped bolster our campaign to press the UK government to take action on tax evasion.

### Listening and learning

We place a high emphasis on learning lessons from all aspects of our work to help us to develop stronger and more effective projects that will help people to leave poverty behind.

We also value your opinions and support, so please get in touch with any thoughts or feedback at [kvbrown@oxfam.org.uk](mailto:kvbrown@oxfam.org.uk).



Karen Brown  
Chair of Oxfam

### Oxfam Council of Trustees (as at 31 March 2014 and 11 July 2014)

|   |                             |
|---|-----------------------------|
| Karen Brown (Chair) <sup>2,3</sup>                    | Marjorie Scardino           |
| James Darcy (Vice Chair) <sup>2</sup>                 | Katy Steward <sup>2,3</sup> |
| David Pitt-Watson (Honorary Treasurer) <sup>1,2</sup> | Gavin Stewart               |
| Maja Daruwala   | Nkoyo Toyo                  |
| Rajiv Joshi   | Steve Walton                |
| Matthew Martin <sup>3</sup>                           | Tricia Zipfel <sup>1</sup>  |

Vanessa Godfrey retired from Council at the Annual General Meeting on 11 October 2013. At the Annual General Meeting on 11 October 2013, Katy Steward was appointed to Council.

### Oxfam Association (as at 31 March 2014)

The following, who are not Trustees, are members of the Association of Oxfam:

|                              |                              |
|------------------------------|------------------------------|
| Helen Ashworth               | David Lingard <sup>3</sup>   |
| Andy Burgen                  | Thomas Lingard               |
| Namukale Chintu <sup>1</sup> | Helen Marquard <sup>3</sup>  |
| Carol-Ann Cunningham         | Shila Nhemi                  |
| Claire Deegan <sup>1</sup>   | Tunde Olanrewaju             |
| Bob Dewar                    | Angela Sealey                |
| Janet Harrison               | Farhan Samanani              |
| Fiona Hodgson                | Kate Signorini               |
| Rachel Holmes                | Oscar Soria                  |
| Wakkas Khan                  | Janine Woodward <sup>3</sup> |

<sup>1</sup>Member of Trustee Audit and Finance Group <sup>2</sup>Member of Remuneration Committee

<sup>3</sup>Member of Recruitment and Development Group

### Principal professional advisers

Oxfam's principal professional advisers include the following:

#### Principal Clearing Bankers

The Royal Bank of Scotland Group, 3rd Floor, 280 Bishopsgate, London EC2M 4RB

#### Independent Auditors

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, 7 More London Riverside, London SE1 2RT

#### Principal Solicitors

Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS  
Wragge & Co, 55 Colmore Row, Birmingham B3 2AS

### Leadership Team

Oxfam's Leadership Team (LT) comprises:

#### Chief Executive:

Mark Goldring (from May 2013)

#### Campaigns and Policy:

Benedict Phillips (from July 2013)

#### Communications:

Sarah Ireland (to April 2014) Jack Lundie (from May 2014)

#### Human Resources:

Jane Cotton

#### Fundraising:

Paul Clarke (until June 2013), Andrew Barton (interim),  
Tim Hunter (from May 2014)

#### Finance & Information Systems:

Robert Humphreys

#### International:

Penny Lawrence (to November 2013), Sue Turrell (from November 2013)

#### Change Director International Programmes:

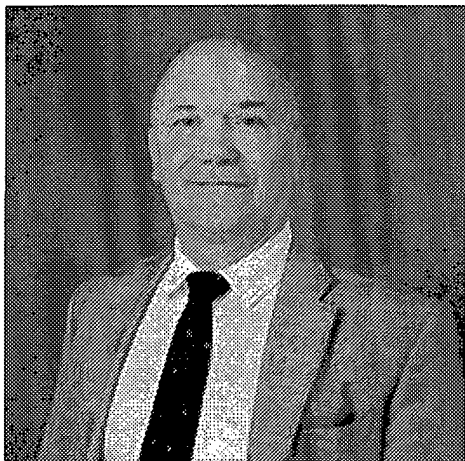
Penny Lawrence (from November 2013)

#### Trading:

Andrew Horton

<sup>1</sup>Throughout this report, Oxfam GB is referred to as Oxfam.

## MESSAGE FROM THE CHIEF EXECUTIVE



**Joining Oxfam in May 2013, it felt completely right for me to spend my first day visiting the refugee camps in Jordan. Two of my most vivid experiences in my first year were the Syria crisis and the terrible typhoon that hit the Philippines in November – both large scale emergencies where I witnessed first-hand Oxfam's timely and professional response.**

Alongside our emergency work, I've also been really privileged to visit a range of Oxfam's development programmes in my first year as CEO – seeing our efforts to support women as they challenge domestic violence in Haiti, meeting families in Zambia who are trying to give their children an education, and visiting some of our economic development projects that are helping people to earn a living. All very different elements of the work for which Oxfam is justly well known.

Our challenge for the future is not only to continue to do this work but to scale it up, to reach tens of millions of people rather than just the hundreds of thousands that any one project can reach. Influencing others is key to making this happen.

### **Shaping success**

We have seen some impressive results in 2013/2014 in terms of helping shape the major global agendas. A standout moment, after ten years of battling, was getting the Arms Trade Treaty agreed and signed by most of the leading countries within the UN, with the likelihood of it coming into force in 2014.

In another example, we helped build momentum through the G8 for a fairer, more transparent approach to global taxation. This will help poor countries raise the income they need to pay for better services for their citizens.

*We are continuing to connect what we are doing and learning in our development programmes, and how we are influencing national and global agendas. This is central to the way Oxfam works as we strive to have the biggest impact for poor people.*

### **Driving effectiveness**

2012/13 was a tough year for Oxfam's finances. In 2013/14, we've done much better. The overall effect of some fundraising successes, better trading, and intensive cost control has meant that we have ended 2013/14 in a stronger position than when we started it.

That's a great tribute to everyone who's been involved in raising the money. It also reflects some of the tough cost-cutting measures we've had to take during the year, including job cuts at our headquarters in Oxford. It will make us a more effective organisation, and allow us to spend more in our countries of work, but it's very hard for the individuals involved.

### **Looking forward**

So as I finish my first year as Chief Executive of Oxfam GB, I feel really proud of the work of our staff and volunteers, both in the UK and around the world. *Working together, I think we're making a great contribution to people in need.*

Looking forward, we need to focus on improving our influencing, making our international Oxfam network more effective, and increasing our income. Three challenges which, thanks to everyone's hard work, we have already started to achieve. And that makes me proud and humbled to have joined Oxfam GB as Chief Executive.

A handwritten signature in black ink, reading 'Mark Goldring'.

Mark Goldring  
Chief Executive of Oxfam GB

# THE STRATEGIC REPORT

An overview of who we are and what we do,  
a review of our achievements and performance  
in 2013/14, and a summary of our objectives  
for the coming financial year.



These girls are pupils at Sanjar Bhatti Village School in rural Pakistan, where Oxfam has been working with local partners to ensure all children get an education. Photo: Irina Werning

## WHO WE ARE AND WHAT WE DO

### Vision

Oxfam's vision is a just world without poverty: a world in which people can influence decisions that affect their lives, enjoy their rights, and assume their responsibilities as full citizens of a world in which all human beings are valued and treated equally.

### Purpose and charitable objects

Oxfam's purpose is to help create lasting solutions to the injustice of poverty.

As stated in its Memorandum of Association, the objects for which Oxfam is established for the public benefit are:

- to prevent and relieve poverty and to protect vulnerable people, including through humanitarian intervention;
- to advance sustainable development
- to promote human rights, equality and diversity, in particular where to do so contributes to the prevention and relief of poverty; in all cases working anywhere in the world.

### 'ONE' Oxfam

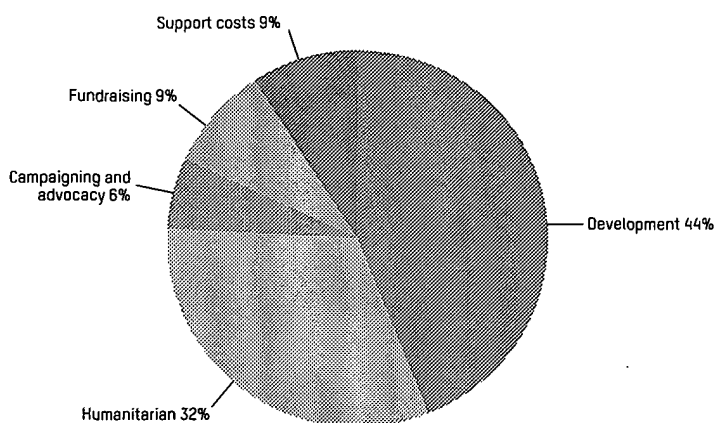
Oxfam is an independent organisation, affiliated to Oxfam International, a global confederation of 17 independent Oxfams.

We share a single Strategic Plan: 'The Power of People Against Poverty' (see page 7). This sets out our shared agenda to achieve the greatest impact in our specific contexts.

To ensure delivery of this plan, all Oxfam affiliates have committed to improving the way we work together. We will:

- become more globally balanced: bringing people from the north and south together in equality, including through stronger representation, power and influence from the global south
- strengthen our ability to influence by building and sharing knowledge within and beyond Oxfam
- simplify and streamline our ways of working, especially in country programmes, diminishing complexity while remaining inclusive and open.

How we spent our money in 2013/14





# OXFAM STRATEGIC PLAN 2013-19: 'THE POWER OF PEOPLE AGAINST POVERTY'

## EXTERNAL CHANGE GOALS: 6 GOALS TO CHANGE THE WORLD

### Goal 1: Active citizens

By 2019: More women, young people and other poor and marginalised people will exercise civil and political rights to influence decision-making by engaging with governments and by holding governments and businesses accountable.

### Goal 2: Advancing gender justice

By 2019: More poor and marginalised women will claim and advance their rights through the engagement and leadership of women and their organisations. Violence against women will be significantly less socially acceptable and prevalent.

### Goal 3: Saving lives, now and in the future

By 2019: By reducing the impact of natural disasters, fewer men, women and children will die or suffer illness, insecurity and deprivation. Those most at risk will have exercised their right to have clean water, food and sanitation and other fundamental needs met, to be free from violence and coercion, and to take control of their own lives.

### Goal 4: Sustainable food

By 2019: More people who live in rural poverty will enjoy greater food security, income, prosperity and resilience through significantly more equitable, sustainable food systems.

### Goal 5: Fair sharing of natural resources

By 2019: The world's most marginalised people will be significantly more prosperous and resilient, despite rising competition for land, water, food and energy sources, and stresses caused by a changing climate.

### Goal 6: Financing for development and universal essential services

By 2019: There will be higher quality and quantity of financial flows that target poverty and inequality, and empower citizens, especially women, to hold governments, donors and the private sector to account for how revenue is raised and spent. More women, men, girls and boys will exercise their right to universal quality health and education services, making them full participants in their communities and strengthening the economic, social and democratic fabric of their societies.

## ENABLING CHANGE GOALS: 6 GOALS TO CHANGE THE WAY WE WORK

### Goal 1: Creating a worldwide influencing network

By 2019: There will be profound and lasting changes in the lives of people living in poverty and injustice as a result of a worldwide influencing network united by a common vision for change. This will demonstrably amplify our impact, bolster our international influence and support progressive movements at all levels.

### Goal 2: Programme quality, monitoring, evaluation and learning (MEL)

By 2019: Oxfam will be able to demonstrate that it has created a culture of evidence-based learning and innovation that has contributed to progressive improvement of programme quality and increased our accountability and our capacity to achieve transformational change in people's lives.

### Goal 3: Strengthening accountability

By 2019: Oxfam will be able to demonstrate that our commitment to strengthened accountability contributes to greater impact.

### Goal 4: Investing in people

By 2019: Oxfam will be an agile, flexible network of organisations with skilled and motivated staff and volunteers delivering the change goals.

### Goal 5: Cost effectiveness

By 2019: Throughout the period of the Strategic Plan, Oxfam will be cost-effective in all aspects of its work. Savings released by cost-effectiveness measures will be reinvested in the achievement of the Strategic Plan goals.

### Goal 6: Income strategies

By 2019: A step-change in investment, fundraising and cooperation among affiliates will secure €100m–€300m more than our forecast income, and position us to match our future ambitions to significantly increase the scale and impact of Oxfam's work.

## OUR FINANCIAL STRATEGY

Oxfam must match its ambitions to overcome poverty to the resources that are available. Our overarching financial strategy over the six-year Strategic Plan period is to secure additional resources to significantly increase the scale and impact of Oxfam's development, humanitarian and campaign work, whilst ensuring we continue to manage those resources prudently.

### Where does our money come from?

Funding to support the programmes we deliver comes from a variety of sources: voluntary donations, trading income, investment income, governments, institutional donors and other public authorities.

Total income available for our development, humanitarian and campaign programmes grew by £18 million over the last financial year. This was made possible through a combination of both rising income from our trading, public fundraising and institutional donors, and a significant effort to improve our cost-effectiveness that has released savings in our headquarters costs. We are committed to achieving further cost-effectiveness savings through changing the way that we work with other affiliate members of Oxfam International.

### What do we spend our money on?

In 2013/14 we spent £268.9 million on charitable activities undertaken in three interconnected ways: development, humanitarian and campaign programmes. Most of our programme spending in 2013/14 was allocated to our development work (54%).

We spent 7% less on charitable activities in 2013/14 than we did in 2012/13. Partly this reflects the unprecedented number of concurrent emergencies that we responded to in 2012/13. Programme expenditure has also been lower because we have seen an increase in our restricted fund balances (from £31.7

million in 2012/13 to £52.4 million in 2013/14) not spent within the year. These are funds that are tied to specific programmes as identified by donors or public appeals, which will be spent in the following financial years. A large proportion of these relate to emergency appeal funds donated for our Philippines response, which are being carried over to be spent in 2014/15.

### Being accountable for the impact of our work

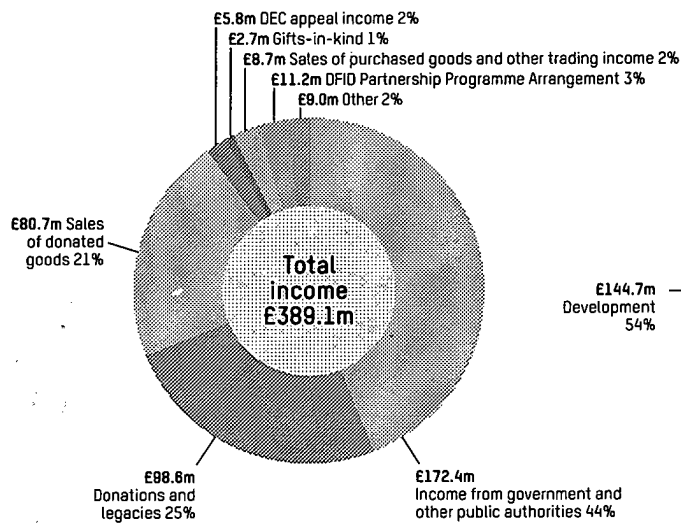
Oxfam is committed to ensuring that, in all that we do, we are accountable to those with whom we work, from our programme partners, communities and donors to other stakeholder groups such as our staff, volunteers, or those who we campaign through and with. We use several tools to monitor, evaluate, assess and learn from our stakeholders. We:

- report data on the numbers of people and communities reached by our programmes
- complete review exercises to understand – and speak about – our outcome achievements as well as our challenges, and how we deal with them
- undertake evaluations to assess our overall strategies, test the core assumptions about how Oxfam contributes to social change, and assess our effectiveness in different contexts
- consult with key stakeholders to gather their insights and assessments about our overall efforts.

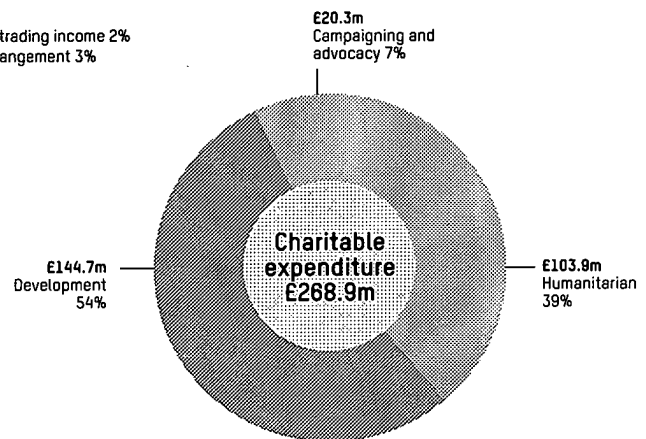
Our success in achieving this commitment to accountability is measured annually through our membership of, and compliance with, the International NGO Accountability Charter and International Aid Transparency Initiative. More detail on our accountability objectives and achievements are published on our website.

## INCOME AND EXPENDITURE

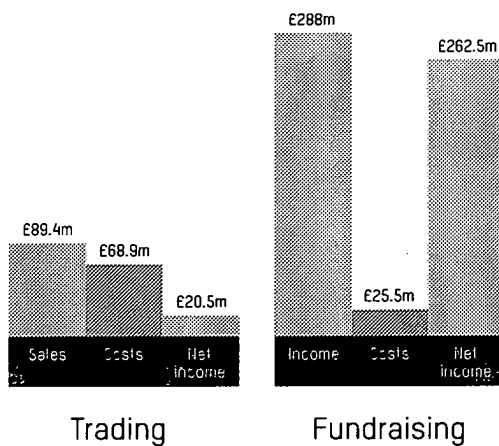
Where our funds came from in 2013/14



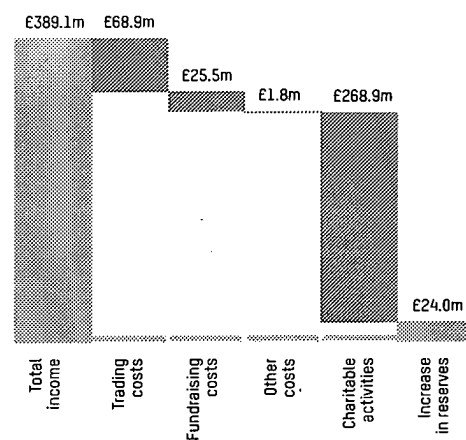
What we spent our money on in 2013/14



Trading and fundraising net income in 2013/14



Total income less expenditure in 2013/14



## ACHIEVEMENTS AND PERFORMANCE IN OUR PROGRAMME WORK

In order to achieve the six External Change Goals in the Oxfam Strategic Plan, 'The Power of People Against Poverty' we work in three interlinked ways:

- development: long-term solutions to poverty
- humanitarian: saving lives in disasters
- campaigning: speaking out against injustice

In 2013/14 we reached 11 million direct beneficiaries, 2.5 million fewer people than we reached in 2012/13.<sup>2</sup>

There are a number of reasons for this. Partly it is because we ran fewer humanitarian responses in 2013/14 than 2012/13 (when there were an exceptionally high number of humanitarian crises). Whilst 2013/14 continued to be a demanding year in terms of humanitarian activities (in particular in South Sudan, Syria and the Central African Republic), the scale of our response, particularly for acute crises, was lower than in the previous year.

A further reason for the reduced number of beneficiaries directly affected by our work is the scaling down of a number of our country programmes as part of our longer term agenda to combine Oxfam programmes under the leadership of a single affiliate – to reduce the duplication of a number of Oxfam affiliates working in a country.

As we place an increasing emphasis on influencing within our programmes going forward, we expect to see further reductions in the numbers of beneficiaries directly affected by our work; and a rise in the number of indirect beneficiaries. We have introduced methodology to measure these indirect beneficiaries this year, and have become much clearer about the distinction between direct and indirect beneficiaries. This tighter definition has also contributed to the reduction in direct beneficiary numbers seen this year.

### DEVELOPMENT

**In delivering our pioneering development work – long-term, life changing work that helps people to escape poverty and transform their communities for good – we have worked as convenor and catalyst, opening political space, building capacity and sharing expertise.**

Whether it is helping children and young people to claim their rights to education and health, new farming techniques or small-business loans for women, all our long-term development work is about promoting self-reliance rather than dependency.

#### Goal 1: Active citizens

In last year's Trustees' Report we said that we would: 'capitalise on our learning to help vulnerable people secure more power, and equip staff to design transformative programmes.'

In 2013/14 we did so through helping vulnerable people to claim their civil, social and political rights in around 25 countries. We supported NGOs, social movements, unions and communities directly to help poor and marginalised people in their own struggle for justice and equality.

For example, we launched a transformative programme in Lebanon, Jordan and Northern Iraq to challenge and change public perceptions of the legitimacy and value of women's participation and influence in decision-making.

Our 'Within and Without the State' programme supported civil society groups to be more effective at influencing governments on behalf of the poor in Afghanistan, South Sudan, Yemen and the Occupied Palestinian Territory. The programme works with civil society to hold weak or failing government institutions to account, and to show that civil society can engage constructively with governments to achieve protection of their rights, security, and justice.

<sup>2</sup> These figures represent those individuals who participate or engage directly in our projects, and do not capture the thousands more people that we have an indirect impact on through our work, for example those who benefit from the training that we have given other people. In 2013/14, 75 per cent of our projects indicated that they had also reached indirect beneficiaries.

## EMPOWERING PEOPLE IN POVERTY WORLDWIDE IN 2013/14



**1.3 million**

people have received information, training or regular updates about their rights as a citizen.



**150,000**

people received direct support from Oxfam, enabling them to engage directly with local government.



**400,000**

people received training, enabling them to engage directly with NGOs, the private sector and the media.



**2.3 million**

people actively participated in national and international campaigns to lobby for specific goals as a result of Oxfam's work.

### Goal 2: Gender justice

In last year's Trustees' Report we said that we would: 'explore how to improve the effectiveness of programmes in building the economic and decision-making power of women at all levels, especially household levels'.

In 2013/14, we worked to achieve this objective through a number of country programmes. For example, we have worked to improve women's economic strength; their access to and control over strategic assets such as land; women's ability to play leadership roles in their communities; and provision of information,

education and communication materials on women's rights and gender equality issues.

For example, using the recently developed 'Rapid Care Analysis' tool, in Bangladesh (where women currently spend more than double the amount of hours per week than men on household and agricultural activities), we supported the introduction of simple technologies to help women prepare meals and wash clothes more quickly and easily.

In Honduras we helped to build awareness of the amount of time women spend on domestic tasks, *and how these could be shared*.

And in the Occupied Palestinian Territory advocacy work was undertaken to improve public services for childcare, healthcare and sanitation, with the same purpose.

Through our 'Raising Her Voice' programme an estimated 1 million marginalised women in 17 countries have benefited from newly found activism, leading to increased voice and influence in the home and outside and more effective engagement with targeted decision-makers and state institutions.

This programme has included support to 1,700 women leaders in Pakistan; 70% of whom reported being able to influence decisions about services, investments, policies and legal frameworks to secure district-level investment for development schemes in their communities last year. Five women leaders were successfully elected into Provincial Assembly seats in the May 2013 elections.

### Goal 3: Saving lives, now and in the future

Achievements and performance against this goal are described on page 13.

### Goal 4 : Sustainable food

In last year's Trustees' Report we said that we would: 'maximise benefits to small-scale agricultural producers, especially women; and improve our ability to leverage change for more small-scale women producers via our enterprise and supply change work at national level.'

## PROMOTING GENDER EQUALITY GLOBALLY IN 2013/14



**200,000**

women have increased their ownership of land and assets thanks to Oxfam's support.



**200,000**

women have increased their business influence and their positions within communities.



**350,000**

women have been made aware of, and are now able to stand up for, their rights.



**350,000**

women and men are now aware of actions they can take against gender-based violence.

In 2013/14 we worked to achieve this objective in a number of our country programmes. For example, in Ghana, we continued to advocate, with our local partners, for an improved government agricultural policy. A 20,000-strong petition was presented to parliament and the government to prioritise support for small-holder farming in the allocation of the country's oil revenue (from the current 8.5% level), since agriculture employs 60% of the population.

#### *Our Africa Climate Change Resilience*

Alliance programme helped improve quality and accessibility of weather-forecasting information. It also successfully campaigned for significant increases in funding from district government to support female small producers to adapt to climate change in one of the most vulnerable districts in Uganda.

And for example, in Mali, through both direct actions (cash transfers, sale subsidy of animal fodder, seeds production, regeneration of pasture, training, etc) and advocacy (using the results of a comprehensive Household Economy Analysis) we have helped the poorest rural population to cope with soaring food prices.

In Colombia, we worked with Alpina, a dairy processor, to trial a new way of sourcing from poor producers through micro-dairies, supported by access to financing and training specifically for women. This led to significant

improvements in quality of production, yield and income for poor producers. A critical report produced through this project led the government to improve credit legislation. This new business model, supported by a public fund worth \$15 million, is now being replicated in 14 areas, to benefit an additional 7,800 people.

#### **Goal 5: Fair sharing of natural resources**

In the face of increasing competition over natural resources and unsustainable resource use, our 2013-2019 Strategic Plan incorporated a new objective to support communities to access, gain control and improve management of their scarce resources.

In 2013/14 we have worked to achieve this in, for example, Nepal where alongside seven local partners we provided targeted support to 7,000 vulnerable families in 40 communities in the Terai area to become less vulnerable to disasters through better land and water-management practices, appropriate disaster management and market access development.

And for example in Niger, we have improved the capacity of communities and authorities to manage the available water resources in a more sustainable way. This project included a variety of approaches based on the findings of detailed research and livelihood profiling, both working to reduce risks and introduce Integrated Water Resource Management approaches.

In Vietnam, we supported a coalition of 18 organisations focused on land policy to facilitate unprecedented public engagement and media coverage on a revised Land Law. This resulted in a delay to the passing of the law until it took account of issues raised through a consultation process carried out by Oxfam and partners. During National Assembly sessions on the revised Land Law, approximately 20 deputies cited recommendations made by Oxfam and our partners, many of which were subsequently reflected in a revised Land Law that will take effect from July 2014.

### **PROMOTING SUSTAINABLE LIVELIHOODS GLOBALLY IN 2013/14**



**95,000**

people benefited from innovative responses to climate change.



**400,000**

people benefited from support to improve their crops, their goods or their services.



**200,000**

producers can now negotiate better prices for their goods in more markets as a result of our work.



**3,500**

rural and urban small enterprises benefit from Oxfam support.

**Goal 6: Financing development**

Sustainable development gains will only be possible if governments, donors and private-sector organisations are held to account for how revenue is raised and spent. In our new Strategic Plan we commit to building local capacity to argue for increased access to good quality, free health and education services for the world's poorest women and men.

In 2013/14 we worked to achieve this goal in both our global and country level work. For example, our global 'My Rights My Voice' programme in Afghanistan, Georgia, Mali, Nepal, Niger, Pakistan, Tanzania and Vietnam has enabled citizens, particularly young people, to achieve better access to quality health and education services. We have equipped young people with the right skills, support and opportunities to become agents of change to break the cycle of poverty they are born into. Activities in each country are tailored to the specific contexts and conditions children and young people experience, but all have come together in a wider global programme that *inspires learning, innovation and sharing of experience.*

At a country level, we also have supported local partner organisations to advocate for more sustainable government funding for essential services. For example, in Zambia we supported the newly created Civil Society Health Forum to advocate for provision of quality healthcare for everyone, especially the poor. This project built the capacity of local civil society organisations to support selected Neighbourhood Health Committees to understand their role and demand quality healthcare and an accountable system for all citizens. This campaigning work played an important role in the abolition of user fees for health services in urban areas.

**HUMANITARIAN****Goal 3: Saving lives, now and in the future**

**In 2013/14 Oxfam was able to respond quickly to 24 emergencies reaching nearly six million people.**

**Building local capacity**

In last year's Trustees' Report we said that we would: 'build partner capacity, especially of states, at local, national and regional levels', to respond appropriately in countries with complex long-term humanitarian needs.

In 2013/14 we worked to achieve this for example in South Sudan, where we ensured that we had strong public health teams with technical equipment ready in-country when hostilities broke out in December. As a result, we were well placed to mount a swift response, with the flexibility to move into new areas as the conflict spread and the versatility to adapt our work to the exceptionally challenging conditions of insecurity, heavy rain, and a population on the move.

In DRC, we are building a well-trained, experienced core team of local staff who can work anywhere as needed. This gave us the capacity to mount a fast response in Katanga, working closely with small communities to devise gravity-fed water systems and household water filters that could be easily maintained across this large, isolated region in the south of the country.

**Improving the way we work**

In last year's Trustees' Report we said that we would: 'strengthen Oxfam's technical capacity, especially in water and sanitation; and improve internal structures and working practices to ensure that all our programmes deliver more sustainable outcomes for poor people.'

In 2013/14 we embarked on new ways of working to better join together the different experts we have to support countries with humanitarian needs. We identified nine country programmes in fragile states that needed more sustainable and comprehensive support and capacity-building plans. For example, in Mali we now have a two-year agreement for strategic support to partners who have been at the forefront of humanitarian action in and around Gao.

We developed a support model for countries facing humanitarian emergencies with a 'systems overhaul' team, comprising logistics, finance and HR specialists, who last year travelled around DRC to systematically improve business systems in each location.

#### **Increasing our impact and managing risk**

In last year's Trustees' Report we said that we would: 'pilot innovative approaches to increasing our impact and managing risk in fragile states.'

In 2013/14 we launched three programmes in response to the crisis in Syria. We were one of only a handful of agencies able to establish a presence in Damascus to undertake emergency repairs to existing water infrastructure, providing additional generators to support pumps. The installation of new facilities helped an estimated half a million people to access clean water on all sides of the conflict.

Our work with refugees in Zaatari camp was cited as setting a standard for engaging communities in programme delivery, and we received widespread media coverage of our research highlighting the difficulties faced by refugees in Lebanon spiralling into debt and even greater poverty.

In the Philippines we reached 500,000 people affected by Typhoon Haiyan in less than three months. We were able to take measured risks

to ensure as fast and as comprehensive a response as possible, helping with such things as: blanket distributions of cash to affected households; Cash for Work programmes to clear debris from roads; clearing sites for housing; and working to unblock drains. Clearing fallen coconut trees also had the advantage of generating lumber for the construction of shelters.

We quickly mobilised large numbers of volunteers from the local community and have received overwhelmingly positive feedback from the Philippines' government, beneficiaries and volunteers about our approaches.

In South Sudan we rapidly expanded our support to meet the emergency needs of displaced people and those affected by the conflict. Working in seven locations we have now reached over 155,000 people and have been praised by the UN and other humanitarian donors for the speed of scale up and coverage that we managed to achieve in this significant, challenging environment.

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### **OUR GLOBAL HUMANITARIAN PROGRAMME 2013/14**



**3.8 million**

people provided with improved access to clean water.



**1.4 million**

people benefited from improved sanitation facilities, greatly reducing the spread of disease.



**3.2 million**

people reached by health promotion activities.



**1.3 million**

people benefited from the distribution of food, cash or vouchers, enabling them to survive a crisis.

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## CAMPAIGNS

**People living in poverty want justice, not handouts. That is why, alongside our development and emergency work, we campaign for change.**

In last year's Trustees Report we said we would:

- 'Increase public understanding of the role and responsibility of food and beverage companies;
- Achieve stronger regulation on land investment and improvement in major companies' land policies;
- Conduct research into, and prepare for, a future campaign on food and climate change;
- Deliver the 'IF' campaign, ensuring a broad base of public support and specific policy progress in the four focus areas (land, tax, transparency and aid/climate finance)'.

2013/14 was a transitional year for two of our global campaigns (GROW and We Can), and marked the end of our advocacy programme on the Sahel and Mali crisis. So there was a reduction in the number of people who took action as a result of our campaigns work compared to last year.

Our global campaign staff have focused on a great deal of future planning to prepare for our forthcoming five-year campaigns on *Inequality and Food and Climate*. We ran a successful campaign against income inequality, using our research showing that the richest 85 people are as wealthy as the poorest half of the world to challenge world leaders to take action. This research was widely quoted by a number of influential leaders at the World Economic Forum in Davos, including by Christine Lagarde, Managing Director of the International Monetary Fund.

Our *Behind the Brands* campaign used a scorecard to assess and influence the agricultural sourcing policies of the world's largest food and beverage companies. Since its launch in February 2013, this campaign has mobilised 339,000 people to take action online and offline. Alongside our direct advocacy efforts, this saw nine of the ten targeted companies making progressive policy commitments; General Mills is the only company not to have improved their position. The top

three performing companies (in order: Nestlé, Unilever and Coca-Cola) all improved their scores by the biggest margins.

Behind the Brands was particularly successful in securing progress to stop land grabs. Coca-Cola and PepsiCo have now both committed to 'zero tolerance' for land grabs throughout their supply chains. Seven of the ten targeted companies have new policies, which endorse principles to ensure communities are consulted and must give consent before the land they are using is sold. This could help hundreds of thousands of farmers in poor countries.

Through a programme of campaigning at music festivals in the UK, we raised awareness of the human cost of the conflict in Syria. A petition with 31,572 signatures was received positively when handed to Hugh Robertson MP (Minister of State at the UK Foreign & Commonwealth Office).

Following the launch of our #LoveSyria campaign, the UK government has committed to giving more aid to the Syrian people than it has ever given to a humanitarian crisis. Politicians also voted against military action in Syria and agreed to stop sending arms to the region.

## CAMPAIGNING AND AWARENESS-RAISING ACTIVITIES UNDERTAKEN IN 2013/14



**7,000**

solicited contacts with influential decision-makers regarding campaign issues.



**100,000**

offline actions taken by people in support of campaign or advocacy issues.



**600,000**

online actions taken by people in support of campaign or advocacy issues.



**15,000**

known media pieces featuring Oxfam's activities.



**4,000**

Oxfam-led high-profile campaign and advocacy events.

We continued as a leading contributor and Chair of the 'Enough Food for Everyone IF' coalition that was launched in January 2013. In 2013/14 this campaign brought over 200 NGOs and charities together to campaign for government commitments on land, aid, transparency and tax in the UK budget and in the run-up to the G8 Summit. At that Summit, the coalition presented a petition with 1.4 million signatures urging action. This year the UK became the first G8 country to keep a 43-year promise to spend 0.7% of national income on international aid. Official figures show that the UK government meeting its aid pledge helps 20 million people access clean water and sanitation and helps 13 million women and children from going hungry.

Following a concerted Oxfam campaign on World Bank land investments, in April 2013 the World Bank President Jim Yong Kim made a new statement recognising that the Bank needs to 'make more effort' to 'build capacity and safeguards related to land rights'. The Bank also reiterated its commitment to 'promoting policies that recognise all forms of land tenure'. We continue to be in dialogue with World Bank on this issue.

#### **UK Poverty programme**

We have also continued to stand up for – and with – the UK's poorest and most vulnerable. In 2013/14 we focused our efforts on highlighting the rise of food-bank provision in the UK, campaigning for the social security net to be strengthened so that no family in the UK should go hungry or cold. We also continued to work with partners to provide training and skills for people who have been unemployed for some time in Glasgow, South West Wales and England.

#### **Oxfam in Scotland**

During 2013/14, Oxfam celebrated a major historical landmark when it marked its 50th anniversary of operating in Scotland.

This momentous year saw activity focused on the IF Campaign, during which a Scottish activist was chosen to meet Prime Minister David Cameron ahead of the G8 talks. Oxfam's campaigning contributed to the Scottish Government's announcement of core funding for global citizenship education in Scotland for the first time, and doubling of the Climate Justice Fund. Clear progress was made in promoting the idea of policy coherence in Scotland, the concept that every government department should play their part in promoting sustainable development through their work.

The Scotland team also actively supported UK-wide Syria campaign work, raising awareness across Scotland and contributing to two debates in the Scottish Parliament, as well as playing a leading role in the delivery of the Philippines Disaster's Emergency Committee.

## ENABLING THE PROGRAMME

*In order to achieve the six External Change Goals in our Strategic Plan, we have set six Enabling Change Goals for how we will change the way we work to ensure we adapt and remain effective and responsive over the Plan period.*

### **Goal 1: Creating a worldwide influencing network**

By 2019 we are committed to changing the way in which we work in countries: to move towards working even more on influencing authorities and the powerful, and less on delivering the services for which duty-bearers are responsible. Our distinctive foothold in more than 95 countries allows us to have a Worldwide Influencing Network that we hope to use to drive our shared agenda more powerfully within a broader global movement for change.

This approach is not new. For decades Oxfam has been building trust and linkages with a wide range of actors, from village to global level, in order to combat injustice and poverty. But we are committed to ensuring that this approach features in all of our work worldwide. Our success in achieving this change in the way that we work will depend on developing a rich web of relationships and alliances at country, regional and global levels.

For example, in 2013/14 in our work to improve conditions for olive oil producers in the Occupied Palestinian Territory, through the links that we have with the Coady International Institute in Canada, we significantly deepened our cooperation with proficient local partners; built working relations at all levels with the Palestinian Authority; supported the establishment of cooperatives for women and men, and are now creating autonomous farmers' federations. We developed links with the private sector in the country, in the Gulf and in Europe and used research to deepen our knowledge of the sector and the market. This network is creating the conditions for change that go beyond benefits for a limited number of direct beneficiaries to affect the whole olive-oil sector.

### **Goal 2: Enhancing programme quality and impact**

In 2013/14 we undertook 23 reviews of the effectiveness of a random sample of our programmes. We use these to ensure we are continuously learning from, and adapting to, the lessons from our work. These can be seen at [www.oxfam.org.uk/effectiveness](http://www.oxfam.org.uk/effectiveness).

We continue to lead debate in the sector on how to ensure quality and impact in development, humanitarian and campaign work. Our Oxfam Policy and Practice website, which shares learning from our programmes, research and policy with experts from the development sector, saw a 29% increase in the number of visits this year, with downloads of material also rising by 37% from the previous year.

We use various means to actively encourage our programmes to develop innovative solutions. In our humanitarian work we have an Innovation Fund to incentivise the development of pioneering solutions. Our programme teams have access to a resource of policy and advisory expertise to assist them in designing original, new solutions that reflect our knowledge of what works. An exciting example of this is our support to the Africa Climate Change Resilience Alliance, which is analysing previously unused raw meteorological data in Uganda, translating this into local languages and then using a wide variety of means to disseminate this predictive information directly to farmers working in remote areas most affected by changing weather patterns.

### **Goal 3: Strengthening accountability**

Building our culture of accountability to all our stakeholders (the communities in which our programmes work, those who we campaign with and for, our staff and volunteers, our supporters, including institutional donors, our trustees and the environment) is fundamental to our effectiveness. We are committed to reporting fully against our progress in improving our accountability to each of these groups (see page 20).

**Goal 4: Investing in people**

Achieving this change in the way in which we work will depend on nurturing the diverse and rich expertise of our staff and volunteers (including the members of our governance bodies). Supporting this workforce to adapt to the changes in our operating environment is crucial if we are to meet the ambitious goals that we have set ourselves.

In 2013/14, we have worked hard to ensure that our staff remain motivated and effective through the organisational changes that we have made, providing a range of support, including: sessions for managers and people affected by change; one-to-one coaching for country directors and senior programme staff on managing the changes; and tailored development programmes for Oxfam managers such as 'Leading across Boundaries' and 'Leading from where you sit'.

We are particularly indebted to the commitment of our 22,000 volunteers who work tirelessly in our shops and community fundraising efforts. This year, we have rolled out a programme of management training to all volunteer managers working in our retail network, and made progress towards delivering a database to improve internal communications with all our volunteers.

**Goal 5: Cost-effectiveness measures**

We are constantly striving to find economy, efficiency and effectiveness savings to free up resources to be invested in the achievement of our Strategic Plan goals. In 2013/14 we made significant savings to our Oxford headquarter's costs through reducing staff numbers and seeking efficiencies in how we operate. These changes will result in savings of £5.5 million for 2014/15 and £6.5 million in 2015/16.

We have reduced the number of our suppliers and moved to a mix of central suppliers (to access niche goods or economies of scale). We also now use local suppliers, with lower transportation costs and shorter delivery times, to drive up value for money. The roll-out of a new logistics system to 15 countries across six regions has delivered £2.5 million savings through better benchmarking information, planning and improving the visibility of our

supply chain, which we will build on further as we roll it out across all the countries in which we work.

We recognise the need to continue delivering further savings, so in 2013/14 we also invested additional staff time to develop proposals for measures to be pursued through an Oxfam International programme for affiliates to share back-office systems and processes in areas such as HR, IT, internal audit and procurement.

**Goal 6: Income strategies**

Oxfam continued to enjoy strong and sustained support from institutional donors who provided a total of £189 million in 2013/14. We received significant contributions from the UK Department for International Development (£34 million), the European Union (£43 million), and various United Nations agencies (£27 million).

When a natural disaster struck in the Philippines, and when the conflict escalated in Syria, our donors provided the financial resources necessary to enable Oxfam to respond to humanitarian crises at scale. We succeeded in raising more than £20 million to provide emergency relief in the Philippines following Typhoon Haiyan and more than £17 million for crisis response in Syria, Lebanon, and Jordan through public appeals, individual donations and grants from institutional donors.

Beyond funding for short-term crises, we also raised increased amounts of funding for long-term development work, including a £27 million contract from the Department for International Development to provide water and sanitation for one million people over the next four years in Democratic Republic of Congo, Liberia, and Kenya in consortium with a range of partners.

We secured a further two-year extension of the *Programme Partnership Agreement* from the Department for International Development until March 2016. This provides strategic flexible finance of approximately £11 million per year, enabling Oxfam to invest in humanitarian standing capacity, innovative new programming, and improved organisational effectiveness. An evaluation of this Agreement,

commissioned by the Department for International Development in 2013, assessed Oxfam's performance as 'High' across all evaluation criteria.

The voluntary donations we receive from our regular supporters, community fundraising and events remain a hugely important focus of our income strategy. We were pleased to see an overall increase in the income received from public fundraising this year after difficulties experienced in 2012/13.

The environment for attracting new donors remains challenging and we launched a new advertising campaign: 'Lift lives for Good', which received over 12,000 text-message donations and more than 250,000 online visits to our donation page. These results were lower than we had hoped and we will be thoroughly reviewing this campaign approach before investing further.

We have continued to engage the UK public by encouraging them to take part and raise funds. Our supporter groups up and down the country held *coffee mornings*, *bungee-jumped*, collected, ran marathons and much more. Our events Oxjam and Trailtrekker had their two most successful years to date, and in our 20th anniversary year of Stewarding at Festivals, around 6,000 Oxfam volunteers stewarded at 22 festivals across the UK.

We also launched 'Emergency Challenge', a team event, providing supporters with the opportunity to experience a simulation of what Oxfam faces in disasters worldwide.

Our new Trading Strategy, with its extensive restructuring of our retail operations, has reaped strong results, with trading income contributing £23.7 million of income towards our programmes. This was due in part to the impact of our shop refit programme in 17 shops last year. We will be rolling this shop refit programme out further next year to ensure that all of our shops are fit to attract new supporters. We have also seen a sharp increase in the profitability of our online business, where net income increased by 75%.

The success of our trading strategy depends on the donated stock we receive and we are indebted to all those who donate their unwanted items through our shops and drop-off points. Last year saw further increases in the volume of clothing donations we received, and growth in the donations made through our partnerships with M&S and Sainsbury's. Over the year 3.8 million items were 'shopped' in M&S stores and Oxfam shops, raising around £2.7 million for Oxfam.

This presence across M&S and Oxfam stores enabled us to promote our 'Mother Appeal' to a wider public audience. Focusing on Oxfam's work with women and mothers, this appeal generated £1.2 million in single gifts. Our partnership with M&S to deliver that appeal helped us to secure £5 million of additional income in 'matched funds' from the Department for International Development.

We received significant specific funds for our emergency, development and advocacy work from the Scottish public, Scottish-based trusts and the Scottish Government, including for the Philippines Typhoon appeal as well as development and climate projects in Zimbabwe, Tanzania, Malawi, Pakistan and Zambia. As part of Oxfam Scotland's 50th anniversary we invited many of our supporters to come to our new offices in Glasgow to see and hear about the work that their donations made possible.

## ACCOUNTABILITY

Building a culture of accountability to all our stakeholders (the communities in which our programmes work, those who we campaign with and for, our staff and volunteers, our supporters, including institutional donors, trustees and the environment) is fundamental to our effectiveness. We are committed to reporting against our progress in improving our accountability, with full disclosure against the Global Reporting Initiative requirements, in accordance with our commitment to, and membership of, the INGO Accountability Charter. This is published on our website each autumn.

| Accountability objective   | Progress in 2013/14  |
|--|--|
| <b>Governance</b><br>Become an increasingly effective and accountable organisation.  | In 2013/14 we published information (under our Open Information Policy) on: the external codes Oxfam subscribes to; our Internal Audit Charter; our corporate governance, including Council and Leadership Team agendas and minutes; financial information; policy papers and briefings; internal guidance documents and formal agreements with partner organisations. We published 23 Effectiveness Reviews and several other research and reports by which we measure our success on our website ( <a href="http://www.oxfam.org.uk/effectiveness">www.oxfam.org.uk/effectiveness</a> ). We published a new Anti-Fraud and Theft Policy and established a Fraud Champion Network to sit alongside our regular production of fraud management information.  |
| <b>People and communities</b><br>Improve our ability to give account to, take account of, and be held to account by, our primary stakeholders. | We continued to publish our programme information quarterly to the International Aid Transparency Initiative. Internally, all Oxfam's programmes are required to meet Programme Standards, which include measures to ensure accountability to the communities in which we work. The extent to which programmes adhere to these measures is judged through a programme of self-assessment by country directors. In 2013/14, half of all respondents assessed their programmes as adequately transparent, and half believe their programmes to be adequately participative. 73% reviewed their monitoring and evaluation processes to be adequate. More programmes have improvement plans against these indicators than scored themselves as performing inadequately. Against our standards to be accountable to communities affected by our humanitarian responses, we scored 'excellent' in our Jordan response to the Syrian crisis, 'partially met excellent standards' in our Lebanon response to the Syrian crisis, and 'almost met excellent standards' in our Great Lakes crisis response. Three of the Effectiveness Reviews conducted in 2013/14 assessed specifically whether our accountability standards were being met in certain projects and the lessons from those Reviews are being used to ensure learning in our programme development.  |
| <b>Women and women's rights organisations</b><br>Put women's rights at the heart of everything we do.  | <p>We have worked to improve the quantity and quality of feedback from women in the communities in which we work. In 2013/14 we conducted three reviews that looked specifically at whether women's empowerment support resulted in women demonstrating greater involvement in household decision-making and influencing affairs at community level. We also carried out questionnaires with representative samples of women supported by the projects selected for review, and with similar women not supported by the projects. We will spread this good practice, providing support, guidance and mutual learning amongst all Oxfam affiliates.</p> <p>We place strong emphasis on ensuring women's participation at each stage of the project cycle (design, implementation and evaluation). In Asia, for example, the regional team conducted an internal evaluation to review the outcomes of programmes aimed at improving women's economic empowerment, which included evaluators interviewing the women and women's organisations who were directly affected. And in Liberia, for example, when evaluating a rice-farming project, we engaged directly with women farmers to get their views on the effectiveness of the project and used this, alongside a series of sessions with a network of women's organisations working on women's rights, to gain insights into how best to integrate women's economic rights into future project design.</p> |
| <b>Partners</b><br>Consistently put into practice the values and principles embodied in our Partnership Policy.                                | We secured agreement to a common Partners Survey for all Oxfam affiliates which, commencing next year, will provide an annual assessment of the degree to which we are accountable to our partners, how effective our relationships are with them, what partners value about our relationships, and strengths and weaknesses in our partner relationships. We made steady progress on donor accountability, submitting 86% of programme reports on time.   |

|   |   |
|---|---|
| <b>Advocacy</b><br>Increase engagement, debate and exchange of ideas with advocacy and campaign targets.  | Information about our campaigns and advocacy projects at both global and national levels were published to the International Aid Transparency Initiative ( <a href="http://www.aidtransparency.net">www.aidtransparency.net</a> ). Policies, research articles and other papers were placed on our Policy and Practice website to promote engagement, debate and the exchange of ideas. In our <i>Behind the Brands</i> campaign we shared our assessment of their public policy statements with the top 10 food and beverage companies for their comments on factual accuracy before publishing. We continued to ensure that the views of those that we advocate for and with were sought in evaluations of our national-level campaign programmes.  |
| <b>Supporters</b><br>Ensure we communicate with our supporters in a clear, transparent way and seek their feedback.   | We launched an 'Audience Listening' programme in September, which uses a panel of 10,000 members of the UK public (including a significant number of our supporters) to help us to understand what motivates people to support us. This has produced four waves of tracking research so far. We have also launched an MP tracker in order to gain feedback from, and better understanding of, our impact on political audiences. We continued to adhere to the external fundraising codes and standards and, on a biannual basis, reviewed and published our learning from all complaints received from our supporters.   |
| <b>Staff and volunteers</b><br>Seek feedback from staff, volunteers, Trustees and members of the Association.   | The organisational change programme undertaken in 2013/14 resulted in changes to a large number of staff roles and responsibilities. We ensured a wide range of internal communication and consultation mechanisms throughout this process, including talks, bulletins, videos, Q&A sessions, 1:1s with leaders, and team meetings, as well as the formal consultation meetings with affected staff. We also created a platform to encourage staff to input ideas for cost efficiencies, which generated over 180 ideas and 1,000 comments. We rolled out the offer of management training and attendance at Working Groups to all volunteers working in our retail network and made progress towards delivering a database to provide improved internal communications with our volunteers. Our trustees continued to meet a range of stakeholders throughout the year, with one trustee visit to a country programme, all attending a seminar with our shop managers and visiting at least one shop, and meetings between trustees and members of the Association and the Leadership Team.  |
| <b>Government and regulators</b><br>Constructively engage with, and be accountable to the governments and regulators in the countries in which we work (including UK).  | In the UK we provided inputs to a number of Charity Commission, Department for International Development and Parliamentary consultations and engaged with regulators on terrorism finance, data protection and, to a lesser extent, other fundraising regulatory issues.<br><br>In our programming work, at a cross-Oxfam level, we published an analysis of the rights and duties of states, 'Civil society in fragile and conflict-affected states', as well as continuing to support a number of capacity-building programmes at a country level to encourage civil society engagement with governments. We conducted an internal survey to ensure Oxfam's programmes are compliant with the laws of the countries in which we work.   |
| <b>The environment</b><br>Increase the adaptive capacity and resilience of poverty-affected vulnerable and marginalised people at risk from climate change/climate-related disasters, and deliver carbon-reduction targets and programmes to mitigate Oxfam's own environmental impact. | Adaptation: through our programme work we continued to deliver research and advocacy to help countries to adapt to the effects of climate change. For example, in Ethiopia, Uganda and Mozambique, we provided support to local government to develop policies and practices to support those vulnerable to the effects of climate change. We have also worked within the Oxfam International confederation to establish an innovative new methodology for monitoring and evaluating the extent to which Oxfam's programmes have built resilience to the effects of climate change.<br><br>Mitigation: With only a 2% reduction in greenhouse gas emissions over the last three years, we started implementing the first phase of our longer-term environmental impact reduction programme: gathering data to enable the development of informed carbon-reduction targets for our trading logistics network and energy use in our shops, warehouses and offices; embedding procedures to encourage reduced travel by our staff; and identifying ways to improve inter-affiliate carbon reporting. We further developed our ethical environmental policy to strengthen environmental standards and processes in all our procurement. |

## PRINCIPAL RISKS AND UNCERTAINTIES

Oxfam operates in inherently unstable environments across the world, often with difficult communications, and institutional and financial infrastructures. In delivering all of our objectives we therefore face significant risks every day, whether that is to the safety of our staff, to our financial health, a duty of care to those who attend our fundraising events or visit our shops. We have robust procedures to evaluate, design and implement effective measures to reduce both the likelihood and the potential impact of these risks occurring.

### RISK POLICY AND CONTROL FRAMEWORK

Biannually, the major strategic and operational risks that Oxfam faces – and the ways in which these are being monitored, managed and mitigated – are assessed by Oxfam's Leadership Team and considered by Council. The control framework approved by Council is subject to the following review and testing:

- The Internal Audit department carries out a programme of audits across all operations and activities, which is approved by the Trustees Audit and Finance Group and is based on an agreed cycle of audits of the international programme and the major risk areas as identified by the Leadership Team and Council.
- The Head of Internal Audit submits regular reports to the Leadership Team and Trustees Audit and Finance Group on audits conducted, risks identified and management's response to their findings, as well as giving his independent annual opinion on internal control.
- The Leadership Team, via its Control Assurance report, provides Trustees with an annual opinion on the control environment.
- Both the external auditors (PricewaterhouseCoopers LLP) and the Head of Internal Audit meet annually with the Trustees Audit and Finance Group in a private session, independent of management.
- The Trustees Audit and Finance Group provide an annual report to Council on its view of the control environment within Oxfam.

Council considers that systems and controls are in place to monitor, manage, and mitigate Oxfam's exposure to major risks. These include, among other control mechanisms, the maintaining of Oxfam's general reserves at the levels stated on page 27, and the review of key systems and processes by the internal audit function.

### RISK MANAGEMENT

In addition to the control framework set out in the Risk Management Policy, Oxfam has clear and easily accessible whistle-blowing procedures. Within the Internal Audit function, there are staff responsible at a corporate level for: investigating incidents of loss, theft, fraud and safeguarding; recovering losses wherever possible; and providing training for staff on incident management and reporting. These staff help ensure that breaches and weaknesses within the control framework are identified and investigated.

In 2013/14 this work has included:

#### Fraud recovery and prevention

The number of recorded suspicions of fraud, theft or bribery in 2013/14 has increased by ten on 2012/13 figures. Confirmed losses are not yet known as investigations are ongoing. Over the last year we have invested significantly in improving Oxfam's deterrence, prevention, detection and response to fraud and corruption. This has included work to capture and enhance our learning from incidents; prevention and education activities; a zero tolerance policy to paying bribes; always making public any significant frauds as well as prosecuting offenders where possible. These activities have seen an increase in reporting of suspicions, which now provides a strong base on which to launch investigations and inform further preventative activity.



### Accidents and incidents

There was one fatal accident involving Oxfam staff and/or third parties in 2013/14. Those involved in the accident are being fully supported and efforts continue to ensure that all possible lessons are learnt and shared within the organisation. The total number of reported vehicle accidents increased in 2013/14 (from 43 to 52) largely due to improved reliability of reporting. Use of black-box technology reduced speeding instances by around 50%, and we continue to actively tackle the risk of vehicle accidents through black-box technology, training and printed materials.

### Safeguarding

We remain committed to transparency on allegations of sexual exploitation and abuse perpetrated by Oxfam staff and partners. In 2013/14, as a result of our efforts to raise awareness of the issues and our whistle-blowing procedures we saw an increase in the number of reported allegations from 19 to 39. All 39 allegations were or are in the process of being investigated: 54% have resulted in disciplinary action so far, 8% found insufficient evidence to take action and 36% were being investigated at the time of this report. We do not know the outcome of the remaining 2% because they were reported and managed by an external statutory agency. Of these allegations, 16 were received from the Trading Division, 21 from the International Division and two from other UK-based divisions.

Under-reporting is recognised within the sector as the major barrier to tackling sexual exploitation and abuse in delivering humanitarian and development programmes. By appointing a dedicated Safeguarding post-holder we have raised visibility of our Preventing Sexual Exploitation and Abuse policy and reporting procedures. We believe that the increases in the number of allegations that we have seen in recent years show that we are improving awareness of this important issue and giving survivors more confidence to report incidents.

## MAJOR RISKS

The following major risks were identified at an organisational level in 2013/14. For each risk, specific actions and performance indicators relating to them were monitored twice yearly by the Trustees Audit and Finance Group:

| Risk   | Management actions in 2013/14  |
|--|--|
| Falling UK public commitment to tackling global poverty  | <ul style="list-style-type: none"> <li>• Implementation of strategy to frame the case for aid across multiple media channels</li> <li>• Efforts to improve evidence of outcomes and impact of Oxfam's programmes</li> <li>• Global strategy on aid effectiveness and levels</li> <li>• Continued campaigning and influencing work to raise awareness of hunger, poverty and therefore government aid</li> </ul>  |
| Changes brought about by shifts in world power and financial infrastructure  | <ul style="list-style-type: none"> <li>• Coordinated advocacy efforts in the 'BRICSAM' (Brazil, Russia, India, China, South Africa, Mexico) countries</li> <li>• Advocacy training and support programmes in influential southern countries</li> <li>• Investments to improve outcomes achieved in fragile states</li> </ul>   |
| Failing in our duty of care in terms of security or health and safety  | <ul style="list-style-type: none"> <li>• Annual Security and Health and Safety reports</li> <li>• Health and Security Steering Committee reviews</li> <li>• Security Management training for relevant staff (including senior managers)</li> <li>• Global fleet manager, alongside international driver network, works to improve awareness and behaviour associated with risks of driving at work</li> <li>• Regular internal communications focus on wellbeing, including encouraging staff to use full annual leave entitlements</li> </ul> |
| Internal ways of working negatively impact on Oxfam's reputation (e.g. complex approach to programming inadequately explained to donors) | <ul style="list-style-type: none"> <li>• Regular reviews of internal and external policies and procedures</li> <li>• Senior commitment to culture of transparency, accountability, empowerment and responsibility</li> <li>• Launch and monitoring of an 'Audience Listening' programme</li> </ul>   |
| Falling income stemming from continued impacts of the global economic crisis   | <ul style="list-style-type: none"> <li>• Three-year strategy to achieve income and cost-reduction targets</li> <li>• Launch of new fundraising 'proposition'</li> <li>• Review of retail network and launch of new Trading Strategy</li> <li>• Review of cost base and delivery of staff-reduction programme</li> </ul>  |
| Operating as a member of a confederation   | <ul style="list-style-type: none"> <li>• Established a vision ('2020') and underpinning programme of joint work to improve and harmonise cross-affiliate operating models, policies and procedures</li> <li>• Revised Oxfam International governance arrangements</li> <li>• All country programmes completed Global Legality Survey (to assess compliance with local laws in countries in which we work)</li> </ul>   |
| Rising pension deficit as a result of lower investment yields and more pessimistic actuarial assumptions                                 | <ul style="list-style-type: none"> <li>• Additional £1 million per annum contribution to pension fund</li> </ul>   |

## OUR PLANS FOR 2014/15

The Oxfam Strategic Plan<sup>3</sup> sets out our plans for making progress towards six External Change Goals and six Enabling Change Goals. In addition, every year we set more detailed objectives for specific areas of corporate focus.

In 2014/15 these corporate objectives are to:

**Influence:** Use our knowledge more effectively by helping people capture, communicate, share and access what we are finding out through our and others' experience.

**Internationalise:** Become more globally balanced.

**Income:** Drive increased income from regular donors, major gifts and a full range of fundraising activities.

### Influencing

In 2014/15, as part of a step-change in how we work, we will:

- use our knowledge more effectively by helping people capture, communicate, share and access what we are finding out through ours and others' experience
- support country strategy development, increase levels and types of investment to strengthen our influence in a tailored way in all types of country programme
- articulate what success looks like in Oxfam's worldwide influencing network; test and agree minimum standards for influencing for all countries and regions
- effectively launch major new long-term worldwide campaigns tackling inequality and climate change.

### Internationalisation of Oxfam

To increase relevance, legitimacy and impact, Oxfam affiliates have committed to work more closely and reduce our duplication and management costs. In 2014/15, along with other affiliates, we will:

- support a shift in power in Oxfam from being a Northern led to a truly global organisation
- simplify structures, improve programme quality and identify clear ways to reduce programme management spend within 'One Oxfam', eventually leading to savings of 25%
- support the development of collective/shared business systems, services and processes.

### Increase income by inspiring the public

We know that continuing to put women's rights at the heart of all we do is critical to achieving maximum impact on our efforts to reduce poverty and suffering. In 2014/15 we will continue to put the programme needs first in the way that we attract new supporters.

In all our fundraising communications we will improve the focus on the impact of our work; and the importance of working with and alongside poor women to end the injustice of poverty. We will:

- drive increased income across the full range of Oxfam's fundraising activities
- develop a systematic upgrading programme for our shops
- invest in our capacity to understand and relate to our supporters
- continue to develop income generation in new markets, starting with the Republic of Korea.

<sup>3</sup> [www.oxfam.org/sites/www.oxfam.org/files/oxfam-strategic-plan-2013-2019.pdf](http://www.oxfam.org/sites/www.oxfam.org/files/oxfam-strategic-plan-2013-2019.pdf)

## FINANCIAL REVIEW

### INCOME

Oxfam's total income increased by £21.2m to £389.1m in 2013/14, derived principally from trading and fundraising. Trading income increased by 1% on last year, and represented 23% of total income. Fundraising income (which includes both income from supporters and the public, and institutional donor income) increased by 8% on last year. A detailed analysis of income is shown in the consolidated Statement of Financial Activities (SOFA) and Note 2 to the accounts.

#### Four-year analysis of trading and fundraising net income

|   | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|---|---------|---------|---------|---------|
|   | £m      | £m      | £m      | £m      |
| Trading sales   | 85.9    | 89.9    | 88.7    | 89.4    |
| Trading costs   | (65.0)  | (67.6)  | (68.6)  | (68.9)  |
| Trading net income  | 20.9    | 22.3    | 20.1    | 20.5    |
| Trading profit margin                                       | 24%     | 25%     | 23%     | 23%     |
| Fundraising income  | 262.9   | 282.8   | 267.8   | 288.0   |
| Fundraising costs   | (20.8)  | (23.0)  | (23.2)  | (25.5)  |
| Fundraising net income                                      | 242.1   | 259.8   | 244.6   | 262.5   |
| Fundraising net margin                                      | 92%     | 92%     | 91%     | 91%     |
| Net income from trading and fundraising                     | 263.0   | 282.1   | 264.7   | 283.0   |
| Gifts-in-kind   | 13.6    | 6.7     | 5.8     | 2.7     |
| Net miscellaneous income                                    | 4.9     | 6.0     | 5.5     | 8.9     |
| Net incoming resources available for charitable application | 281.5   | 294.8   | 276.0   | 294.6   |

Trading sales at £89.4m are £0.7m higher than last year. Following on from last year, the retail sector remains challenging, with high-street footfall below last year. Despite this, we achieved increased sales of donated products, which compensated for reduced sales of fair-traded goods. The income from our Wastesaver operation fell this year, due mainly to the falling global price for used textiles. Trading contribution is 2% above last year, maintaining a profit margin of 23%. The overall contribution from our shop network, which includes sales from Oxfam Unwrapped and donations received in shops, increased to £23.7m, an increase of 5% from last year, with a high level of donations received from the public in response to our Philippines and Syria appeals.

Fundraising income has increased significantly this year, to £288.0m, being £20.2m (8%) higher than last year. This is due to a combination of factors, but most significantly the tremendous public response to the emergency appeals

for the Philippines and Syria, institutional donors and other Oxfam Affiliates alike. Legacies income was also up this year, whilst regular giving continued to reduce, as did gifts-in-kind.

Maintaining our income from regular givers has proved increasingly more expensive, and so we have seen an increase of 10% in the cost of raising voluntary income. Despite this, the fundraising margin has been maintained at 91%.

Gifts-in-kind continued decreasing this year as donors appear to move away from this type of funding. This year's gifts-in-kind total of £2.7m mainly represents food aid for Kenya and Mali.

Net miscellaneous income includes 'Primary purpose trading' which predominantly relates to the profits generated from our subsidiary micro-credit scheme in Azerbaijan.

### EXPENDITURE

The Statement of Financial Activities (SOFA) shows the analysis of charitable activities split between development, humanitarian, and campaigning and advocacy. Total spending on charitable activities, at £268.9m. This represents a 7% reduction in expenditure from 2012/13 levels. This was partly due to the unprecedented number of concurrent emergencies in 2012/13, and partly due to income from our emergency appeals arriving late in the financial year that will be carried over for spend in 2014/15.

Unrestricted charitable spend reduced by 9%, with expenditure now aligned to income levels, whilst last year there was a deliberate plan to spend down general reserve levels. Restricted charitable spend decreased by 7%, due to the reduction in humanitarian work. The amount spent on support costs remains consistent with recent years, being 9% of charitable spend.

The table below shows the proportion of charitable activities spent on each charitable activity.

|                              | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|------------------------------|---------|---------|---------|---------|
| Development                  | 43%     | 47%     | 45%     | 49%     |
| Humanitarian                 | 42%     | 39%     | 41%     | 35%     |
| Campaigning and Advocacy     | 6%      | 5%      | 6%      | 7%      |
| Total                        | 91%     | 91%     | 92%     | 91%     |
| Support costs                | 9%      | 9%      | 8%      | 9%      |
|                              | 100%    | 100%    | 100%    | 100%    |
| Total charitable expenditure | £272.7m | £286.4m | £290.0m | £268.9m |

Further analysis of charitable activity expenditure, showing the operational activities undertaken by Oxfam and those undertaken by partners through grants from Oxfam, is given in Note 3c to the accounts.

### RESERVES POLICY

The Council of Trustees has established a General Reserves Policy which continues to protect our programme work from risk of disruption at short notice due to a lack of funds, while at the same time ensuring that we do not retain income for longer than required. The Policy also provides parameters for future strategic plans and contributes towards decision-making. It determines an appropriate target level for general reserves, taking into account the following factors:

- vulnerability to unplanned changes in financial position, relating mainly to our trading and fundraising unrestricted income
- net financial risk related to the above, taking into account the likely speed of onset as well as the mitigation steps available to management
- expenditure is generally predictable and long-term, with the exception of 'variable' spend on restricted programmes, where risks typically involve unplanned events such as hostile government action or major uninsured health and safety or security emergencies.

This approach results in a target base level of general reserves of £25m. The basis of determining the target reserves level is kept under periodic review and will be adjusted as perceptions of risk and other factors change.

Since Oxfam is confident that it can meet the required pension contributions from projected future income without significantly impacting on its planned level of charitable activity, it continues to calculate its 'free' or general reserves without setting aside designated reserves to cover the pension liability (see below).

### GENERAL RESERVES (UNRESTRICTED)

General reserves are not restricted to or designated for a particular purpose. General reserves increased by £0.8m during 2013/14, with the balance being £27.3m at the end of March 2014. This is in line with our target base level of £25m and consistent with our intention to align our unrestricted spend to income levels.

Given the ongoing uncertainties in world economies, our future plans are to maintain this level of general reserves by aligning our unrestricted spend to the income predictions. General reserves are represented by net current assets and are equivalent to approximately two months' unrestricted expenditure at 2013/14 levels.

### PENSION SCHEME DEFICIT

The valuation of Oxfam's pension scheme at 31 March 2014, for the purposes of FRS17, showed a funding deficit of £30.2m (2012/13: £28.6m – see Note 21d). This deficit represents the difference between the liabilities of the pension fund and the value of its underlying assets; it does not represent an immediate cash commitment, as the cash flow required to meet the £30.2m deficit relates to future pension contributions. The valuation of the pension scheme's assets under FRS17 is different from the triennial actuarial valuation, which determines the pension contributions required to reduce the deficit. Current financial projections indicate that Oxfam will be able to make these contributions as they fall due. FRS17 requires that the pension deficit should be shown as a reduction in unrestricted funds. The defined benefit pension scheme was closed to new members during 2002/03.

### DESIGNATED FUNDS (UNRESTRICTED)

Designated funds are those unrestricted funds that have been allocated by the Trustees for particular purposes. The designated fund for fixed assets of £12.5m (2012/13: £13.3m) represents resources invested in the charity's fixed assets that are, therefore, not available for other purposes. Funds have also been designated to cover retained profits of the micro-credit scheme in Azerbaijan, which are available only in Azerbaijan and totalled £4.1m at the end of March 2014 along with the retained profit of Frip Ethique SARL in Senegal of £0.2m. The designated fund for the Network Project has been reduced by £0.4m to reflect further work on the project to standardise our IS network worldwide and will be further utilised in 2014/15.

The designated fund for strategic investments set up to enable the charity to ring-fence funds for major strategic proposals, which aim to develop fundraising opportunities remains in place, with plans identified for 2014/15 requiring use of some of these funds. A designated fund set up to further a single approach to managing all Oxfam affiliate programmes in country (the 'Single Management Structure' designated fund) has now been fully utilised in the year as planned. Further details of the designated funds and their movements during the year are shown in Note 20 of the accounts.

## RESTRICTED FUNDS

These funds are tied to particular purposes, as specified by the donor or as identified at the time of a public appeal. At 31 March 2014, unspent restricted funds were £52.4m (2012/13: £31.7m). The restricted fund balance includes total deficit balances of £10.8m (2012/13: £13.8m), which have arisen on projects where total expenditure has exceeded income, and where the expenditure will be reimbursed by a government or other agency in the following accounting year (see Note 19 for further details).

## ENDOWMENT FUNDS

Endowment funds of £2.6m (2012/13: £2.6m) represent monies received from donors where there is some restriction on the use of the capital (see Note 18).

## FINANCIAL POSITION

The Council of Trustees considers that there are sufficient reserves held at the year-end to manage any foreseeable downturn in the UK and global economies. The Trustees consider that there is a reasonable expectation that Oxfam has adequate resources to continue in operational existence for the foreseeable future and, for this reason, the Council of Trustees continues to adopt the 'going concern' basis in preparing the accounts.

## INVESTMENT POLICY AND PERFORMANCE

Oxfam's investments are held almost entirely in cash deposits, mainly with building societies and banks. During the year, the average return on these investments was 1.16% compared with a base rate of 0.50% throughout the period.

## REMUNERATION POLICY

Oxfam believes that the opportunity to lift poor people's lives for good is an important part of the total reward of working for Oxfam, especially at more senior levels. In deciding appropriate pay levels, Oxfam aims to strike a balance between paying enough to recruit and keep people with the skills we need, our employees' needs, and the public and our donors' expectations that the money they entrust us with will be used wisely to overcome poverty and suffering. We are a Living Wage employer.

In setting CEO and Director pay, the Remuneration Committee takes account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found. They have taken independent advice to inform those judgements and also have taken account of affordability for Oxfam. The general aim is to pay salaries of up to the median level for

large UK charities. These would typically be no more than 70% of the base salaries for comparably sized roles in the public and private sectors. We do not aim to pay salaries comparable to United Nations agencies, donor organisations or North American International NGOs. We do not pay bonuses or other incentive payments to our directors. Pay increases to directors and other employees are awarded subject to good performance.

The Remuneration Committee is confident that the current level of reward has enabled Oxfam to recruit a Leadership Team which is performing well and represents good value for money.

## FINANCIAL RISK MANAGEMENT

Prices of goods and services purchased are subject to contracts with suppliers based on market prices, and salary costs are subject to a formal annual review. Our standard payment terms are 30 days. Credit risk on amounts owed by donors is low. In terms of liquidity risk, Oxfam has no borrowings, and our policies on the management of investments and reserves are set out above. Net exchange risk is kept under review and appropriate action taken to mitigate the risk.

## GRANT-MAKING POLICIES

In 2013/14 we spent £67.4m (2012/13: £79.3m) in grants to international, national and local partner organisations. We made 1,337 grants to 881 organisations (2012/13: 1,289 grants to 889 organisations). The average grant per project was £50,000 (2012/13: £62,000) and per partner was £77,000 (2012/13: £89,000).

Oxfam works with and through others to take action to achieve common goals for overcoming poverty and injustice based on complementarity and respect for the contribution that each party brings. Oxfam's partner relations are informed by, and managed to, a set of clear principles. These five principles underpin our programme and partnership decisions in development, humanitarian and campaigns work at every level of activity. We hold ourselves accountable to these principles and seek to be held accountable by partners, communities and other stakeholders with whom we and our partners work:

The five principles are:

- complementary purpose and added value
- mutual respect for values and beliefs
- clarity on roles, responsibilities and decision-making
- transparency and accountability
- commitment and flexibility.

Before making a grant, Oxfam completes appraisals of the project and the proposed partner organisation. These ensure that there is a good strategic fit between Oxfam and the partner organisation, and that the project objectives are consistent with the principles listed above and reflect a coherent and well-designed project that will be a cost-effective way of bringing about the intended impact.

Grants are managed through specific agreements with partners, which set out the conditions of the grant, including reporting requirements, and when and how disbursement will happen. The agreement also outlines Oxfam's responsibilities in the partnership to ensure that it can be held to account by partners and other stakeholders (see Accountability update, pages 20–21). Grants are usually disbursed in instalments to ensure that agreed timings and results are being met and managed.

- Oxfam staff monitor and evaluate progress throughout the period of the grant. The nature of these activities will depend on the size and complexity of the grant and the perceived level of risk.

Monitoring and evaluation may include:

- visits to the partners and beneficiaries
- formal evaluation processes such as impact assessment by Oxfam or a third party
- auditing of the project and/or the partner.

*If we are not satisfied that the grant is being managed according to the partner agreement, we discontinue the grant.*

## INDEPENDENT AUDITORS

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

## STRUCTURE, GOVERNANCE AND MANAGEMENT

**Oxfam is a registered charity in England (registration number 202918) and is constituted as a company registered in England and limited by guarantee (registration number 612172). Oxfam is also a registered charity in Scotland (SC039042). Its objects and powers are set out in its Memorandum and Articles of Association.**

Oxfam has several subsidiaries, four of which are consolidated into our group accounts: Oxfam Activities Limited (our trading subsidiary), Finance for Development Limited (a micro-credit institution in Azerbaijan), Fripp Ethique SARL (a private-sector enterprise in Senegal), and SELF Limited (an advisory company to a Small Enterprise Impact Investing Fund). Oxfam also has a dormant subsidiary, Just Energy Limited.

Oxfam Activities Limited raises funds by means of trading activities. Its principal operations are the purchase of goods from commercial suppliers to be sold at a profit. Oxfam Activities Limited paid to Oxfam a profit of less than £0.1m (2012/13: £0.1m) and interest on working capital of less than £0.1m (2012/13: £0.1m).

Finance for Development Limited is a limited liability company in the Azerbaijan Republic and provides financial services (mainly credit) on a sustainable basis to people with relatively low incomes who do not have access to other financial sources. Its profit for the year was £0.8m (2012/13: £1.0m).

SELF Limited provides advisory services to a Small Enterprise Impact Investing Fund to support Oxfam's development work and raise funds for other business activities that promote and support the charity in the achievement of its fundraising and charitable activities. The Small Enterprise Impact Investing Fund is an innovative financial product based in Luxembourg, which aims to make a real difference to the developing world by investing in the small and medium enterprise sector. Income and net assets for this company were less than £0.1 m for 2013/14 and 2012/13.

Fripp Ethique SARL is a company registered in Senegal, which imports second-hand clothing (mainly from Oxfam), and then sorts and distributes it for resale in local markets. The company made a net annual profit of £0.1m (2012/13: loss of £0.1m).

Oxfam Activities Limited has a 10.8% (2012/13: 10.8%) interest in Cafédirect plc (a company registered in Scotland, with registration number SC141496), which promotes fair trade, primarily through the marketing and distribution of tea and coffee.

Oxfam is a member of Oxfam International, a separate legal entity registered in the Netherlands as a charitable foundation (registration number 41159611). Oxfam International encourages and coordinates joint activities with the 17 affiliated international agencies, each separately constituted under appropriate national regulations. See Notes 2d and 3c to the accounts for details of financial transactions with other members of Oxfam International.

### Trustees

The Directors of Oxfam are the Trustees, collectively known as Oxfam's Council. This Council, Oxfam's governing body, has a minimum of 10 and a maximum of 14 Trustees.

Trustees serve an initial term of three years, which can be extended up to a maximum of six years. The Honorary Officers (Chair, Vice-Chair and Treasurer) may also serve until the end of their term as Officers. The members of the company are known as the Association, which comprises all the Trustees plus a number of other members up to a maximum of 34. Members are appointed by Council and ratified by the Association. New Trustees are appointed by the Association on the recommendation of Council. Members of the Association have guaranteed the liabilities of the company up to £1 each.

The Council has created three specialist sub-committees to assist it with its work: the Recruitment and Development Group (RADG), the Trustee Audit and Finance Group (TAFG) and the Remuneration Committee. Each Committee includes members of Council as well as those appointed for their specialist knowledge.

The RADG is responsible for ensuring members of Council have the appropriate balance of skills to discharge their duties as Trustees. Trustees are appointed following open advertising in specialist publications or websites and following a rigorous interview process. All new Trustees are provided with a structured induction programme. In ongoing training, Council conducts seminars on key areas, such as risk and accountability. The annual review of board performance includes input from the Chair's formal discussions with individual Trustees and from an appraisal of the Chair by all Trustees.

The TAFG, Oxfam's audit committee, chaired by the Treasurer, meets regularly with the external auditors, both with and without the presence of management. The committee agrees internal and external audit plans, reviews the external auditor's management letter, and monitors implementation of



actions required. The TAFG also has responsibility to ensure that the audit, risk management and control processes within Oxfam are effective (for details of the Risk Management Policy see page 22)

*The Remuneration Committee, chaired by the Chair of Oxfam, monitors implementation of Oxfam's policy on remuneration and benefits for its staff, and reports annually to Oxfam's Council. It also determines Oxfam's policy on the remuneration and benefits of the Chief Executive and members of the Leadership Team (for details of Remuneration Policy see page 28).*

Trustees are also involved in a number of other Oxfam committees, working groups, areas where a duty cannot legally be delegated and areas where there are specific issues around Oxfam's reputation. Committees include the Pension Committee and the Oxfam Activities Limited Board, both of which have at least one Trustee as a member.

Oxfam's Trustees are responsible for everything that Oxfam does. However, to ensure that Oxfam is managed efficiently and effectively, the Trustees have delegated a range of day-to-day decision-making powers to the Leadership Team, which reports directly to Council. Trustees have also established appropriate controls and reporting mechanisms to ensure the Leadership Team operates within the scope of powers delegated to it. The delegation policy is updated on an ongoing basis and is formally reviewed and approved by Trustees every three years. The last review was in October 2011.

The names of members of the Leadership Team, Council and the Association, and the committees they have served on, are available in the Corporate Directory (see page 3). The members of the Leadership Team are not directors for the purposes of company law.

#### **Statement of trustees' responsibilities**

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

#### **Public benefit**

Charity Trustees have a duty to report in the Trustees' Annual Report on their charity's public benefit. They should demonstrate that:

1. they are clear about what benefits are generated by the activities of the charity. This report sets out in some detail the activities carried out to further the goals set out in Oxfam's Strategic Plan, the types of programmes funded and the number of beneficiaries reached.
2. the benefits must be related to the objectives of the charity. Each of Oxfam's areas of work, namely humanitarian, development, and campaigning and advocacy, is related to, and intended to further, Oxfam's charitable objectives, which

are 'to prevent and relieve poverty and to protect the vulnerable including through humanitarian intervention; to advance sustainable development; and to promote human rights and equality and diversity, in particular where to do so contributes to the prevention and relief of poverty'.

3. the people who receive support are entitled to do so according to criteria set out in the charity's objectives. Wherever possible, the views and opinions of people living in poverty are sought in the design and implementation of programmes of assistance. This approach helps to ensure that programmes are targeted to people in need, take into account their assessment of their own needs, and that beneficial changes to the lives of people living in poverty can be evaluated and assessed.

Trustees are therefore confident that Oxfam meets the public benefit requirements, and confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit, where applicable.

#### **Communicating with staff and volunteers**

Oxfam has well-established arrangements for consulting and involving staff. Management and staff bodies negotiate terms and conditions of employment through Staff Associations in countries outside the UK, and through the Oxfam Negotiating Committee in the UK. There are many other formal and informal opportunities for consultation. All managers are expected to hold regular meetings with staff. To keep staff and volunteers informed, Oxfam produces a monthly letter from the Chief Executive, a monthly bulletin on our programmes, a bi-monthly magazine for shop volunteers, and maintain an intranet site with information, including on Oxfam's finances and performance.

#### **Diversity and disability**

Oxfam has a strong commitment to developing the diversity of its staff and volunteers through equal opportunity policies, training, targets and practical action. This includes encouraging applications from disabled people, developing their skills, and taking every reasonable measure to adapt our premises and working conditions to enable disabled people to work or volunteer with Oxfam.

#### **Volunteers**

More than 22,000 volunteers work in Oxfam shops, and thousands of others contribute their time to Oxfam in a variety of ways. Most make a regular commitment, ranging from a few hours to a full working week. Some volunteers may be retired or not in paid employment. Oxfam tries to apply the principles of involvement and equality to its many volunteers.

The Trustees' Annual Report and Strategic Report were approved by the Council of Trustees (in their capacity as company directors) on 11 July 2014 and signed on its behalf by:



Karen Brown  
Chair of Oxfam  
11 July 2014

# ACCOUNTS

For the year to 31 March 2014

## Independent auditors' report to the Members and Trustees of Oxfam

### REPORT ON THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure and the group's cash flows 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, the Charities and Trustee Investment (Scotland) Act 2005, and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

This opinion is to be read in the context of what we say in the remainder of this report.

#### What we have audited

The group financial statements and parent charitable company financial statements (the "financial statements"), which are prepared by Oxfam, comprise:

- the consolidated statement of financial activities for the year ended 31 March 2014;

- the group and parent charitable company balance sheet as at 31 March 2014;
- the group cash flow statement for the year ended 31 March 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the trustees have made a number of subjective judgements; for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

#### **OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Trustees' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**

##### **Our responsibilities and those of the trustees**

As explained more fully in the statement of trustees' responsibilities set out on page 31, the trustees 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 ISAs (UK & 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 and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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.



Liz Hazell (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
16 July 2014

## Consolidated statement of financial activities (including income and expenditure account)

| Notes   | Trading funds<br>£m | Unrestricted funds<br>£m | Restricted funds<br>£m | Endowment funds<br>£m | Year to<br>31 March 14<br>Total<br>£m | Year to<br>31 March 13<br>Total<br>£m |
|---|---------------------|--------------------------|------------------------|-----------------------|---------------------------------------|---------------------------------------|
| <b>Incoming resources</b>   |                     |                          |                        |                       |                                       |                                       |
| <b>Incoming resources from generated funds</b>                                  |                     |                          |                        |                       |                                       |                                       |
| 2a Voluntary income   | -                   | 75.9                     | 42.4                   | -                     | 118.3                                 | 111.5                                 |
| 2b Activities for generating funds  | 89.4                | -                        | -                      | -                     | 89.4                                  | 88.7                                  |
| 2c Investment income  | -                   | 0.4                      | 0.1                    | -                     | 0.5                                   | 0.9                                   |
| <b>Incoming resources from charitable activities</b>                            |                     |                          |                        |                       |                                       |                                       |
| 2d Resources from government, institutional donors and other public authorities | -                   | 0.1                      | 172.3                  | -                     | 172.4                                 | 162.1                                 |
| 2d Primary purpose trading  | -                   | 5.2                      | -                      | -                     | 5.2                                   | 3.9                                   |
| 2e Other incoming resources   | -                   | 3.3                      | -                      | -                     | 3.3                                   | 0.8                                   |
| <b>Total incoming resources</b>   | 89.4                | 84.9                     | 214.8                  | -                     | 389.1                                 | 367.9                                 |
| <b>Costs of generating funds</b>  |                     |                          |                        |                       |                                       |                                       |
| 3a Costs of generating voluntary income   | -                   | 21.8                     | 3.7                    | -                     | 25.5                                  | 23.2                                  |
| 2b Fundraising trading: cost of goods sold and other associated costs           | 68.9                | -                        | -                      | -                     | 68.9                                  | 68.6                                  |
| 3b Investment management costs  | -                   | 0.1                      | -                      | -                     | 0.1                                   | 0.1                                   |
| <b>Net incoming resources available for charitable application</b>              | 20.5                | 63.0                     | 211.1                  | -                     | 294.6                                 | 276.0                                 |
| Allocation of trading contribution  | (20.5)              | 20.4                     | 0.1                    | -                     | -                                     | -                                     |
| <b>Net incoming resources available for charitable application</b>              | -                   | 83.4                     | 211.2                  | -                     | 294.6                                 | 276.0                                 |
| <b>Charitable activities</b>  |                     |                          |                        |                       |                                       |                                       |
| 3c Development  |                     | 44.6                     | 100.1                  | -                     | 144.7                                 | 142.0                                 |
| 3c Humanitarian   |                     | 19.2                     | 84.7                   | -                     | 103.9                                 | 126.3                                 |
| 3c Campaigning and advocacy   |                     | 14.6                     | 5.7                    | -                     | 20.3                                  | 21.7                                  |
| <b>Total charitable activities</b>  |                     | 78.4                     | 190.5                  | -                     | 268.9                                 | 290.0                                 |
| 3d Governance costs   |                     | 1.3                      | -                      | -                     | 1.3                                   | 1.3                                   |
| 3e Other resources expended   |                     | 0.4                      | -                      | -                     | 0.4                                   | 1.4                                   |
| <b>Total resources expended (including costs of generating funds)</b>           |                     | 170.9                    | 194.2                  | -                     | 365.1                                 | 384.6                                 |
| <b>8 Net income/(expenditure) for the year</b>                                  |                     | 3.3                      | 20.7                   | -                     | 24.0                                  | (16.7)                                |
| <b>Other recognised gains/losses</b>  |                     |                          |                        |                       |                                       |                                       |
| 10 Gains on investment assets   |                     | 0.1                      | -                      | -                     | 0.1                                   | -                                     |
| 21 Actuarial losses on defined benefit pension scheme                           |                     | (4.9)                    | -                      | -                     | (4.9)                                 | (1.3)                                 |
| <b>Net movement in funds</b>  |                     | (1.5)                    | 20.7                   | -                     | 19.2                                  | (18.0)                                |
| <b>Reconciliation of funds</b>  |                     |                          |                        |                       |                                       |                                       |
| <b>Total funds brought forward at 1 April</b>                                   |                     | 21.6                     | 31.7                   | 2.6                   | 55.9                                  | 73.9                                  |
| <b>Total funds carried forward at 31 March</b>                                  |                     | 20.1                     | 52.4                   | 2.6                   | 75.1                                  | 55.9                                  |

Total unrestricted incoming resources for the year amounted to £174.2m (2012/13: £167.8m).

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

There is no difference between the net income/(expenditure) for the year above and the historical cost equivalent. All activities are continuing.

Oxfam uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate Income and Expenditure Account for Oxfam as a separate entity. The net income for Oxfam alone for the year ended 31 March 2014 was £23.1m (2012/13: net expenditure £17.6m).

The notes on pages 38 to 59 form part of these financial statements.

## Balance sheets at 31 March

| Notes   | Oxfam                     |                           | Oxfam Group               |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | At 31 March<br>2014<br>£m | At 31 March<br>2013<br>£m | At 31 March<br>2014<br>£m | At 31 March<br>2013<br>£m |
| <b>Fixed assets</b>   |                           |                           |                           |                           |
| 9 Tangible assets   | 12.1                      | 13.0                      | 12.2                      | 13.1                      |
| 10 Investments:   |                           |                           |                           |                           |
| 10a Investments   | 4.6                       | 4.5                       | 3.0                       | 2.9                       |
| 10b Programme-related investments                               | 2.1                       | -                         | 2.2                       | 0.1                       |
|   | <u>18.8</u>               | <u>17.5</u>               | <u>17.4</u>               | <u>16.1</u>               |
| <b>Current assets</b>   |                           |                           |                           |                           |
| 11 Stocks   | 1.6                       | 1.7                       | 2.8                       | 2.9                       |
| 12 Debtors  | 42.8                      | 41.1                      | 59.5                      | 52.6                      |
| 13 Cash at bank and in hand                                     | 69.6                      | 51.4                      | 71.2                      | 52.9                      |
|   | <u>114.0</u>              | <u>94.2</u>               | <u>133.5</u>              | <u>108.4</u>              |
| 14 Creditors: amounts falling due within one year               | (22.4)                    | (21.3)                    | (27.4)                    | (25.9)                    |
| <b>Net current assets</b>                                       | <u>91.6</u>               | <u>72.9</u>               | <u>106.1</u>              | <u>82.5</u>               |
| <b>Total assets less current liabilities</b>                    | <u>110.4</u>              | <u>90.4</u>               | <u>123.5</u>              | <u>98.6</u>               |
| 15 Creditors: amounts falling due after more than one year      | (0.7)                     | (0.7)                     | (9.2)                     | (5.3)                     |
| 16 Provisions for liabilities and charges                       | (8.8)                     | (8.6)                     | (9.0)                     | (8.8)                     |
| <b>Net assets before pension scheme liability</b>               | <u>100.9</u>              | <u>81.1</u>               | <u>105.3</u>              | <u>84.5</u>               |
| 21 Defined benefit pension scheme liability                     | (30.2)                    | (28.6)                    | (30.2)                    | (28.6)                    |
| <b>Net assets</b>   | <u>70.7</u>               | <u>52.5</u>               | <u>75.1</u>               | <u>55.9</u>               |
| <b>Charitable funds</b>   |                           |                           |                           |                           |
| 20 Designated fund – fixed assets                               | 12.4                      | 13.3                      | 12.5                      | 13.3                      |
| 20 Designated fund – other                                      | 6.9                       | 7.8                       | 11.2                      | 11.2                      |
| 20 General reserves   | 27.3                      | 26.5                      | 27.3                      | 26.5                      |
|   | <u>46.6</u>               | <u>47.6</u>               | <u>51.0</u>               | <u>51.0</u>               |
| <b>Charitable unrestricted funds excluding pension reserves</b> | <u>46.6</u>               | <u>47.6</u>               | <u>51.0</u>               | <u>51.0</u>               |
| 20 Pension reserves   | (30.9)                    | (29.4)                    | (30.9)                    | (29.4)                    |
| <b>Total charitable unrestricted funds</b>                      | <u>15.7</u>               | <u>18.2</u>               | <u>20.1</u>               | <u>21.6</u>               |
| 18 Endowment funds  | 2.6                       | 2.6                       | 2.6                       | 2.6                       |
| 19 Restricted funds   | 52.4                      | 31.7                      | 52.4                      | 31.7                      |
|   | <u>70.7</u>               | <u>52.5</u>               | <u>75.1</u>               | <u>55.9</u>               |
| <b>Total charitable funds</b>                                   | <u>70.7</u>               | <u>52.5</u>               | <u>75.1</u>               | <u>55.9</u>               |
| 20 Funds retained within a non-charitable subsidiary            | -                         | -                         | -                         | -                         |
| <b>Total funds</b>  | <u>70.7</u>               | <u>52.5</u>               | <u>75.1</u>               | <u>55.9</u>               |

The notes on pages 38 to 59 form part of these financial statements.

The financial statements on pages 35 to 59 were approved by the Council of Trustees on 11 July 2014 and signed on its behalf by:



Karen Brown  
Chair of Oxfam  
Company Number 612172  
11 July 2014

## Consolidated cash flow statement

|  | Year to 31 March 2014 |        | Year to 31 March 2013 |        |
|--|-----------------------|--------|-----------------------|--------|
|  | £m                    | £m     | £m                    | £m     |
| <b>Net cash inflow/(outflow) from operating activities</b>                           |                       | 16.2   |                       | (10.7) |
| <b>Returns on investments and servicing of finance</b>                               |                       |        |                       |        |
| Deposit interest received  | 0.5                   |        | 1.1                   |        |
|  |                       | 0.5    |                       | 1.1    |
| <b>Capital expenditure and financial investment</b>                                  |                       |        |                       |        |
| Payments to acquire fixed asset investments  | (2.1)                 |        | -                     |        |
| Payments to acquire tangible fixed assets  | (3.4)                 |        | (4.6)                 |        |
| Receipts from sales of tangible fixed assets   | 3.5                   |        | 0.3                   |        |
|  |                       | (2.0)  |                       | (4.3)  |
| <b>Net cash inflow/(outflow) before management of liquid resources and financing</b> |                       | 14.7   |                       | (13.9) |
| <b>Management of liquid resources</b>  |                       |        |                       |        |
| Cash withdrawn from notice and short-term deposit                                    | 41.1                  |        | 68.1                  |        |
| Cash invested on notice and short-term deposit                                       | (52.2)                |        | (50.1)                |        |
| <b>Net cash (outflow)/inflow from management of liquid resources</b>                 |                       | (11.1) |                       | 18.0   |
| <b>Financing</b>   |                       |        |                       |        |
| Increase in borrowings   | 3.6                   |        | 3.5                   |        |
| <b>Net cash inflow from financing</b>  |                       | 3.6    |                       | 3.5    |
| <b>Increase in cash in the year</b>  |                       | 7.2    |                       | 7.6    |

## Notes

## a. Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

|  | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|--|--------------------------------|--------------------------------|
| Net income/(expenditure)   | 24.0                           | (16.7)                         |
| Deposit interest and investment income receivable                        | (0.5)                          | (0.9)                          |
| Depreciation charge  | 3.5                            | 3.2                            |
| Profit on disposal of fixed assets                                       | (2.7)                          | (0.2)                          |
| Decrease in stocks   | 0.1                            | 0.2                            |
| (Increase)/decrease in debtors   | (6.9)                          | 3.5                            |
| Increase in creditors and provisions                                     | 2.0                            | 3.5                            |
| FRS17 difference between pension contributions and current service costs | (3.3)                          | (3.3)                          |
| <b>Net cash inflow/(outflow) from operating activities</b>               | <b>16.2</b>                    | <b>(10.7)</b>                  |

## b. Analysis of net funds

|                                       | At<br>1 April 2013<br>£m | Cash flow<br>movement<br>£m | At<br>31 March 2014<br>£m |
|---------------------------------------|--------------------------|-----------------------------|---------------------------|
| Cash at bank and in hand              | 34.9                     | 7.2                         | 42.1                      |
| Cash on notice and short-term deposit | 18.0                     | 11.1                        | 29.1                      |
| Debt due within one year              | (4.3)                    | 0.3                         | (4.0)                     |
| Debt due after one year               | (4.6)                    | (3.9)                       | (8.5)                     |
| <b>Net funds</b>                      | <b>44.0</b>              | <b>14.7</b>                 | <b>58.7</b>               |

## c. Reconciliation of net cash flow to movement in net funds

|   | 2014<br>£m  | 2013<br>£m  |
|---|-------------|-------------|
| Increase in cash  | 7.2         | 7.6         |
| Cash outflow/(inflow) from increase/(decrease) in liquid resources* | 11.1        | (18.0)      |
| Cash inflow from financing  | (3.6)       | (3.5)       |
| <b>Net funds at 1 April</b>   | <b>44.0</b> | <b>57.9</b> |
| <b>Net funds at 31 March</b>  | <b>58.7</b> | <b>44.0</b> |

\*Liquid resources comprise monies held on notice and short-term Money Market accounts.

## Notes to the financial statements

### 1. ACCOUNTING POLICIES

#### a. Accounting conventions

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the inclusion of investments at market value, and on an accruals basis except where specified separately below. The Financial Statements are prepared in compliance with the Companies Act 2006, the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice 2005 (Revised 2008) ('the SORP'), the Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and applicable accounting standards in the United Kingdom.

The charity has adjusted the formats from those prescribed by the Companies Act 2006 to include headings that are relevant to its activities, to enable it to show a true and fair view. No separate Statement of Financial Activities (SOFA) is presented for the charity itself as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

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

#### b. Basis of consolidation

The financial statements of Oxfam's trading subsidiary company, Oxfam Activities Limited (OAL), are consolidated with the financial statements of Oxfam on a line-by-line basis.

Oxfam operates a micro-credit scheme, Finance for Development Limited, in Azerbaijan which has been registered as a separate organisation. As a subsidiary of Oxfam its accounts have been consolidated on a line-by-line basis, based on its year-end accounts to 31 December 2013, with any movement to 31 March 2014 not considered material. Finance for Development Limited's accounts are prepared under International Financial Reporting Standards (IFRS) which are materially consistent with Oxfam's Accounting Policies.

Oxfam holds 100% of the shares in SEIF Limited, a company registered in the United Kingdom. The accounts are consolidated with the accounts of Oxfam on a line-by-line basis.

Oxfam Activities Limited holds 100% of the shares in Fripp Ethique SARL, a company based in Senegal. The company is considered a subsidiary of Oxfam Activities Limited and has been consolidated in Oxfam's accounts on a line-by-line basis, based on its year-end accounts to 31 December 2013, with any movement to 31 March 2014 not considered material. Fripp Ethique SARL's accounts are prepared under Senegalese reporting requirements which are materially consistent with Oxfam's Accounting Policies.

Oxfam Activities Limited holds a 10.8% shareholding in Cafédirect. Cafédirect is not considered an associate and has not been consolidated.

Oxfam Activities Limited holds a 50% shareholding (one £1 ordinary share) in the Guardian Share Company Limited. This company is owned by two of the four founders of Cafédirect and has a right to nominate a director to the Cafédirect Board. The consent of the Guardian Share Company is also required for the appointment of the Chair of the Board and for any changes to Cafédirect's Gold Standard. The accounts of this company have not been included on the grounds of materiality.

Just Energy Limited, a company limited by guarantee, is considered a subsidiary of Oxfam, since Oxfam controls the company through its 100% membership of the board of directors. The company is not consolidated since it had not commenced trading by 31 March 2014 and the pre-trading position of the company is not material to these Financial Statements.

To comply with overseas local legislation, Oxfam has established 100%-owned subsidiaries and other overseas legal entities in a number of countries. These are fully controlled by Oxfam and their accounts are included within the accounts of Oxfam.

#### c. Fund accounting

General reserves are unrestricted funds that are available for use at the Trustees' discretion in furtherance of the objects of the charity.

Designated funds are set aside at the discretion of the Trustees for specific purposes.

In accordance with FRS17 - Retirement Benefits, a pension reserve is included within unrestricted funds representing the defined benefit pension scheme and growth plan deficits.

Restricted and endowment funds are subject to specific restrictions imposed by the originator of the income. These include grants and contracts from institutions for provision of specific activities or services, and also general donations raised through a public appeal which may be spent at our discretion, provided any expenditure is in accordance with the aims of that appeal.

A final review of the allocation of expenditure is performed after a project or contract has been completed, which can give rise to a transfer between funds.

#### d. Incoming resources

Income, including donations, legacies and investment income is recognised in the period in which Oxfam is entitled to receipt and where the amount can be measured with reasonable certainty.

Trading income is recognised on point of sale for both donated and purchased goods.



Grants from governments and other agencies have been included as 'Incoming resources from charitable activities' where these are specifically for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries. Grants which provide core funding, or are of a general nature, or are given in response to an appeal, are included as 'Voluntary income'. Income is recognised in accordance with the terms of the funding agreement or contract.

Income received in the year has been deferred in respect of specific fundraising events taking place after the year end.

Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when notification is received and residuary legacies when the final accounts under the will are received. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will.

Gifts-in-kind - food aid, for which Oxfam accepts full responsibility for distribution, is included in 'Voluntary income' at its market value when it is distributed, and under 'Charitable activities' at the same value and time.

Gifts-in-kind - properties, investments, and other fixed assets donated to the charity are included as 'Voluntary income' at market value at the time of receipt.

Donated services and facilities are included as 'Voluntary income' at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of service or facility provided, at the same value and time.

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.

In many cases costs are incurred on projects before the relevant restricted income is received. Therefore, unless contrary to a donor's wishes, interest income generated from restricted funds is treated as unrestricted, to cover the pre-financing costs incurred.

Income from endowments is either restricted or unrestricted, depending on the conditions attached to the endowment when provided.

#### **e. Costs of generating funds**

Costs of generating funds comprise the costs incurred in commercial trading activities, fundraising and managing investments. Trading costs cover all the costs of the shops and other trading activities, including the costs of goods sold. Fundraising costs include the costs of advertising, producing publications, printing and mailing fundraising material, staff costs in these areas, and an appropriate allocation of central overhead costs. Investment management costs represent staff costs.

#### **f. Charitable expenditure**

Charitable expenditure is reported as a functional analysis of the work undertaken by the charity, being humanitarian, development, and campaigning and advocacy. Under these headings are included grants payable and costs of activities performed directly by the charity, together with associated support costs.

Grants payable in furtherance of the charity's objects are recognised as expenditure when payment is due to the partner organisation, in accordance with the terms of the contract. Standard partner contracts are typically for a year's duration, but can span several years. The contracts contain conditions, the fulfilment of which is under the control of Oxfam. For contracts in place at the year-end that include payments to be made in future years, these payments are disclosed in note 21 to the accounts as commitments.

Costs of activities in furtherance of the charity's objects are accounted for as they are incurred. These activities include campaigning, advocacy and capacity building together with humanitarian aid and development programme expenditure, which are delivered directly by Oxfam staff, and costs associated with the local management of Oxfam's programmes.

#### **g. Governance costs**

Governance costs represent the salaries, direct expenditure, and overhead costs incurred by the Chief Executive's office, central finance, legal, corporate communications, and internal audit departments in the strategic planning processes of the charity and compliance with constitutional and statutory requirements, as well as external audit costs.

#### **h. Allocation and apportionment**

Costs to be recharged to specific activities or departments within the charity are apportioned on the following basis:

- Buildings costs are allocated on the basis of floor area used.
- In-house printing and warehousing are allocated to user departments on the basis of units of output.
- Information systems (IS) costs are allocated based on the time spent by IS staff on business users' requirements and the usage of IS systems by each department.
- The costs of the directorate, central finance, human resources, and legal departments are allocated on the basis of employee numbers, after an appropriate proportion has been allocated to Governance costs.
- Irrecoverable VAT is allocated to the principal areas in which it is incurred.

Support costs represent the costs of providing direct support to Oxfam's programmes by staff based in regional centres and in the UK, as well as central costs, which include central finance, central human resources and corporate communications.

**i. 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 tangible fixed assets at rates calculated to write off the cost by equal annual instalments over their expected useful economic lives as follows:

|  |                |
|--|----------------|
| Freehold land                              | Not applicable |
| Freehold buildings                         | 50 years       |
| Warehouse fittings and equipment           | 10 years       |
| Computer infrastructure                    | 10 years       |
| Leasehold assets                           | 5 years        |
| Furniture, fixtures and equipment in GB    | 5 years        |
| Motor vehicles                             | 4 years        |
| Computer virtual servers                   | 4 years        |
| Other computer equipment                   | 3 years        |
| Furniture, fixtures and equipment overseas | 3 years        |

Vehicles and equipment used in programmes overseas are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to charitable expenditure when purchased.

Where appropriate, provision has been made for impairment in the value of tangible fixed assets.

**j. Fixed asset investments**

Fixed asset investments include freehold properties that Oxfam is required to retain until conditions specified by the donor have been met. The consequence of these conditions is that 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. These fall within the definition of current asset investments given in the SORP. However, due to the specific circumstances relating to these properties, the Trustees consider it appropriate to classify them as fixed asset investments.

Investment property and listed investments are included in the Balance Sheet at market value. Unlisted investments are included at cost as an approximation to market value unless there is specific evidence to the contrary. Investments in subsidiaries are included in the charity's accounts at cost.

Programme-related investments are investments made directly in pursuit of Oxfam's charitable purposes. Oxfam's investment in The Small Enterprise Impact Investing Fund and Oxfam Activities Limited shareholdings in Cafédirect and the Guardian Share Company Limited are treated as programme-related investments in the Oxfam Group accounts and are included in the Balance Sheet at the amount invested less impairment. Oxfam's investment in Finance for Development Limited is treated on the same basis in the charity's accounts but the company has been consolidated in the group accounts.

**k. Stocks**

Bought-in goods are valued at the lower of cost and net realisable value. Unsold donated items are not included in closing stock since their cost is nil and their value is uncertain until sold.

Humanitarian supplies are valued at cost, with obsolete stock written off. Goods in transit to overseas projects are removed from stock and included in programme expenditure when released from the warehouse.

**l. Provisions**

In general, provisions for future liabilities are recognised when Oxfam has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

**m. 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. Foreign exchange gains and losses incurred in respect of our overseas operations are included in the SOFA within charitable activity expenditure for the period in which they are incurred. The net of all other foreign exchange gains and losses is included either in 'Other incoming resources' if it is a net gain or 'Other resources expended' if it is a net loss.

Restricted contract balances have been retranslated at the rate of exchange prevailing at the Balance Sheet date. The resulting exchange gain or loss has been reflected as a transfer between restricted and unrestricted funds.

The results of foreign entities consolidated within these Financial Statements are translated at the exchange rates prevailing at the Balance Sheet date. Exchange differences arising on opening reserves are recognised through the SOFA.

**n. Pension schemes**

Oxfam operates defined benefit and defined contribution pension schemes.

**Defined benefit scheme**

The pension liabilities and assets are recorded in line with FRS17, with a valuation undertaken by an independent actuary. FRS17 measures the value of pension assets and liabilities at the Balance Sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the SOFA and the expected return on scheme assets and the interest cost on scheme liabilities are allocated across the appropriate incoming/outgoing resource categories. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised in the SOFA

within actuarial gains/losses on defined benefit pension schemes. The resulting pension liability or asset is shown on the Balance Sheet.

The expected rate of return on scheme assets has been calculated on the following basis:

- Equities – Equity risk premium of 4% over gilt returns;
- Property – 1% lower than equities;
- Bonds – The yield on the relevant index/bond held at the beginning of the year;
- Cash – Bank of England base rate.

Quoted securities have been valued at current bid prices.

#### **Growth plan**

The Growth plan is a defined benefit multi-employer pension scheme. It is not possible to identify Oxfam's share of the underlying assets and liabilities of the Growth plan and hence contributions to the scheme are accounted for as if they were contributions to a defined contribution scheme. Oxfam's share of the deficit is deemed to be the deficit contributions payable by Oxfam. This deficit is recorded as a liability on the Balance Sheet.

#### **Defined contribution scheme**

Pension contributions are charged to the SOFA as incurred.

#### **o. Micro-credit schemes**

Oxfam provides funds under micro-credit schemes either direct to individual members of local communities or via local community groups. Oxfam generally retains a responsibility for managing these schemes until such time as it is possible to transfer the management responsibility to the local community. Under the SORP, these micro-credit schemes are treated as programme-related investments within Oxfam's individual company accounts. Within the group accounts, micro-credit schemes are consolidated on a line-by-line basis, with loans received and given out reflected in creditors and debtors respectively, where material.

Details of the micro-credit scheme, which is a locally registered organisation in Azerbaijan, are given in note 10 to the accounts.

#### **p. Operating leases**

Rentals payable under operating leases are charged to the SOFA as incurred over the term of the lease.

## 2. INCOMING RESOURCES

### a. Voluntary income

|   | Unrestricted<br>£m | Restricted<br>£m | Endowments<br>£m | Year to<br>31 March 2014<br>Total<br>£m | Year to<br>31 March 2013<br>Total<br>£m |
|---|--------------------|------------------|------------------|---|---|
| Regular giving*   | 49.4               | 3.3              | -                | 52.7                                    | 53.8                                    |
| Legacies  | 13.7               | 0.4              | -                | 14.1                                    | 11.8                                    |
| Public donations, appeals, and fundraising events*  | 12.4               | 19.0             | -                | 31.4                                    | 26.1                                    |
| Disasters Emergency Committee (DEC) appeals   | -                  | 5.8              | -                | 5.8                                     | 2.3                                     |
| UK government: Department for International Development - Partnership Programme Arrangement | -                  | 11.2             | -                | 11.2                                    | 11.2                                    |
| Gifts-in-kind   | -                  | 2.7              | -                | 2.7                                     | 5.8                                     |
| Donated services and facilities   | 0.4                | -                | -                | 0.4                                     | 0.5                                     |
|   | <u>75.9</u>        | <u>42.4</u>      | <u>-</u>         | <u>118.3</u>                            | <u>111.5</u>                            |

\*Includes related Gift Aid.

The value of gifts-in-kind not distributed at 31 March 2014 is £0.1m (2012/13: £1.1m).

At 31 March 2014, in addition to legacy income that has been included in the accounts, Oxfam expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. Oxfam's future income from these legacies is estimated at £6.2m (2012/13: £7.8m). Accrued legacy income included within the accounts amounts to £1.0m (2012/13: £0.8m).

### b. Activities for generating funds: trading income

|   | Oxfam<br>£m | OAL<br>£m   | Frip Ethique<br>£m | Year to<br>31 March 2014<br>Total<br>£m | Year to<br>31 March 2013<br>Total<br>£m |
|---|-------------|-------------|--------------------|---|---|
| Turnover from donated goods               | 72.8        | 5.8         | 2.1                | 80.7                                    | 79.5                                    |
| Turnover from purchased goods             | -           | 7.3         | -                  | 7.3                                     | 8.1                                     |
| Other trading income                      | 0.3         | 1.1         | -                  | 1.4                                     | 1.1                                     |
| <b>Total trading sales</b>                | <u>73.1</u> | <u>14.2</u> | <u>2.1</u>         | <u>89.4</u>                             | <u>88.7</u>                             |
| Direct trading expenses - donated goods   | 50.8        | 4.6         | 2.0                | 57.4                                    | 56.1                                    |
| Direct trading expenses - purchased goods | -           | 9.5         | -                  | 9.5                                     | 10.8                                    |
| Support costs                             | 2.0         | -           | -                  | 2.0                                     | 1.7                                     |
| <b>Total trading costs</b>                | <u>52.8</u> | <u>14.1</u> | <u>2.0</u>         | <u>68.9</u>                             | <u>68.6</u>                             |
| <b>Net trading income</b>                 | <u>20.3</u> | <u>0.1</u>  | <u>0.1</u>         | <u>20.5</u>                             | <u>20.1</u>                             |

*In addition, the following other amounts were collected through the shops and are included in voluntary income:*

|                                 |             |            |            |             |             |
|---------------------------------|-------------|------------|------------|-------------|-------------|
| Oxfam Unwrapped net income      | 1.1         | -          | -          | 1.1         | 1.2         |
| Unrestricted donations          | 0.7         | -          | -          | 0.7         | 0.8         |
| Restricted donations            | 1.4         | -          | -          | 1.4         | 0.4         |
| <b>Total net trading income</b> | <u>23.5</u> | <u>0.1</u> | <u>0.1</u> | <u>23.7</u> | <u>22.5</u> |

Trading income represents income from the sale of donated and bought-in goods through the charity's shops, recycling operations and licensing income.

### c. Investment income

|                                 | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|---------------------------------|--------------------------------|--------------------------------|
| Deposit interest - unrestricted | 0.4                            | 0.9                            |
| Deposit interest - restricted   | 0.1                            | -                              |
|                                 | <u>0.5</u>                     | <u>0.9</u>                     |

## d. Incoming resources from charitable activities

## i. Income from government, institutional donors and other public authorities

|   | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|---|--------------------------------|--------------------------------|
| Governments*  | 49.3                           | 46.7                           |
| Multilateral organisations**                              | 71.7                           | 78.7                           |
| Oxfam Affiliates***                                       | 36.4                           | 21.2                           |
| International foundations, grant makers, and other donors | 15.0                           | 15.5                           |
|   | <u>172.4</u>                   | <u>162.1</u>                   |

|                     | Year to<br>31 March 2014<br>£'000 | Year to<br>31 March 2013<br>£'000 |
|---------------------|-----------------------------------|-----------------------------------|
| <b>*Governments</b> |                                   |                                   |
| Austria             | 312                               | 284                               |
| Denmark             | -                                 | 1,461                             |
| Germany             | 266                               | -                                 |
| Ireland             | 2,358                             | 806                               |
| Netherlands         | 1,160                             | 1,444                             |
| New Zealand         | 511                               | 445                               |
| Norway              | 574                               | 471                               |
| Sweden              | 14,117                            | 9,458                             |
| Switzerland         | 1,537                             | 2,339                             |
| United Kingdom      | 34,322                            | 38,262                            |
| United States       | 4,943                             | 2,832                             |
| Other               | 420                               | 107                               |
|                     | <u>60,511</u>                     | <u>57,909</u>                     |

£11.2m (2012/13: £11.2m) of income from governments is reflected as voluntary income (Note 2a), in respect of the DFID PPA, and £49.3m (2012/13: £46.7m) as income from charitable activities (Note 2d).

|  | £'000         | £'000         |
|--|---------------|---------------|
| <b>**Multilateral organisations</b>  |               |               |
| European Commission Directorate General for Humanitarian Aid and Civil Protection (ECHO) | 29,374        | 35,175        |
| European Commission Directorate General for Development and Cooperation (EuropeAid)      | 14,114        | 12,936        |
| International Fund for Agricultural Development (IFAD)                                   | -             | 31            |
| International Organisation for Migration (IOM)   | 140           | 143           |
| Tiltonse Fund  | 134           | -             |
| United Nations Children's Fund (UNICEF)  | 8,161         | 8,114         |
| United Nations Democracy Fund  | -             | 999           |
| United Nations Development Programme   | 1,362         | 3,187         |
| United Nations Food and Agricultural Organisation (FAO)                                  | 172           | 374           |
| United Nations High Commissioner for Refugees (UNHCR)                                    | 5,727         | 7,875         |
| United Nations Office for Coordination of Humanitarian Affairs (OCHA)                    | 1,801         | 2,546         |
| United Nations Office for Project Services   | 1             | 844           |
| United Nations Population Fund   | 50            | 65            |
| United Nations Women   | (6)           | 23            |
| United Nations World Food Programme (WFP)  | 9,042         | 5,253         |
| United Nations World Health Organisation (WHO)   | 518           | 197           |
| World Bank   | 1,064         | 909           |
|  | <u>71,654</u> | <u>78,671</u> |

|                            | £'000         | £'000         |
|----------------------------|---------------|---------------|
| <b>***Oxfam affiliates</b> |               |               |
| Oxfam America              | 4,825         | 1,459         |
| Oxfam Australia            | 8,552         | 5,600         |
| Oxfam Belgium              | 3,090         | 130           |
| Oxfam Canada               | 4,192         | 2,450         |
| Oxfam France               | 386           | 257           |
| Oxfam Germany              | 661           | 649           |
| Oxfam Hong Kong            | 2,257         | 1,527         |
| Oxfam Intermón             | 1,805         | 295           |
| Oxfam International        | 466           | 86            |
| Oxfam Ireland              | 1,929         | 2,779         |
| Oxfam Japan                | 32            | 39            |
| Oxfam Mexico               | 111           | 17            |
| Oxfam New Zealand          | 1,214         | (7)           |
| Oxfam Novib                | 4,820         | 5,457         |
| Oxfam Quebec               | 2,104         | 455           |
|                            | <u>36,444</u> | <u>21,193</u> |

|   |                                | Year to<br>31 March 2014<br>£'000 | Year to<br>31 March 2013<br>£'000 |
|---|--------------------------------|-----------------------------------|-----------------------------------|
| <b>Income from DFID by contract title</b>   | <b>Country</b>                 |                                   |                                   |
| <b>DFID – Resources for specific programmes</b>   |                                |                                   |                                   |
| Humanitarian Assistance and Resilience Building in Western Yemen                              | Yemen                          | 4,007                             | -                                 |
| Supporting Vulnerable Communities Affected by Food insecurity in the Sahel                    | West Africa                    | 3,150                             | -                                 |
| Freetown WASH Consortium  | Sierra Leone                   | 2,837                             | -                                 |
| Emergency Food Security Response  | Yemen                          | 2,000                             | 6,300                             |
| Addressing the Immediate and Longer-term Needs of Refugees & Host Communities                 | Lebanon                        | 1,561                             | -                                 |
| Emergency WASH Support for the Conflict Affected Population in Syria                          | Syria                          | 1,380                             | -                                 |
| Emergency Response to Conflict Affected Population in South Sudan                             | South Sudan                    | 1,348                             | -                                 |
| Humanitarian Assistance to IDPs and Riverine Communities in Lower Shebelle                    | Somalia                        | 1,265                             | 1,229                             |
| Population Registration in North and Central Turkana  | Kenya                          | 1,213                             | 662                               |
| Support to Civic Participation in Constitutional Review Process                               | Tanzania                       | 1,036                             | -                                 |
| Resilience through Economic Empowerment, Climate Adaptation, Learning and Leadership          | Bangladesh                     | 786                               | 973                               |
| Earthquake Preparedness in the Kathmandu Valley and Urban Risk Management                     | Nepal                          | 611                               | 337                               |
| INGO Partnership Agreement Programme  | India                          | 547                               | 622                               |
| Vietnam Empowerment and Accountability Project. Phase I                                       | Vietnam                        | 476                               | -                                 |
| Sahel Food Security Emergency Response: Mali, Niger, Chad                                     | West Africa                    | 332                               | 2,668                             |
| Ensuring Food and Nutrition Security in a Time of Volatility                                  | UK                             | 230                               | 26                                |
| Strengthening Community Resilience in Wajir County  | Kenya                          | 119                               | -                                 |
| Monitoring the Impacts of the Economic Crisis and Integration on Poverty                      | Vietnam                        | 106                               | 141                               |
| Somaliland Election Programme   | Somalia                        | 102                               | 468                               |
| A Consortium Initiative for Strengthening Myanmar Civil Society through Innovation            | Myanmar                        | 91                                | 190                               |
| Other contracts   |                                | (182)                             | 12,611                            |
|   |                                | 23,015                            | 26,227                            |
| <b>DFID – Governance and Transparency Fund</b>  |                                |                                   |                                   |
| Raising Her Voice: Promoting Poor Women's Participation in Governance                         | Global                         | 80                                | 622                               |
| <b>DFID – Partnership Programme Arrangement (see Note 2a)</b>                                 |                                |                                   |                                   |
| Partnership Programme Arrangement (PPA)   | Global                         | 11,171                            | 11,171                            |
|   |                                |                                   |                                   |
|   |                                | Year to<br>31 March 2014<br>£'000 | Year to<br>31 March 2013<br>£'000 |
| <b>Income from EuropeAid by contract title</b>  | <b>Country</b>                 |                                   |                                   |
| Socio-Economic Development for Conflict Affected Communities of North and East Sri Lanka      | Sri Lanka                      | 1,802                             | 1,307                             |
| Towards a new direction-supporting agricultural cooperation in Georgia                        | Georgia                        | 802                               | -                                 |
| Community Driven Livelihoods Food Security Initiative Project (CLFSI-2)                       | Somalia                        | 737                               | -                                 |
| Partnership for minimising transmission and impacts of HIV/AIDS in rural Angola               | Angola                         | 728                               | (670)                             |
| Improving sanitation and hygiene in urban and peri-urban Monrovia                             | Liberia                        | 723                               | -                                 |
| Renforcement des capacités des associations féminines afin d'améliorer la couve               | Chad                           | 691                               | 233                               |
| Improved food security for poor and vulnerable households in Badakshan Province               | Afghanistan                    | 682                               | -                                 |
| Strengthening participation and influence of poor and vulnerable farmers                      | Nepal, Bangladesh, Pakistan    | 672                               | 212                               |
| Turkana Millennium Development Goals WASH programme   | Kenya                          | 652                               | 611                               |
| Empowering CSO Networks in an Unequal Multi-Polar World                                       | BRICSAM                        | 665                               | -                                 |
| Enhancing Non State Actors' Capacity for Development in South Sudan                           | South Sudan                    | 492                               | -                                 |
| Community Driven Livelihood and Food Security Initiatives                                     | Somalia                        | 446                               | 384                               |
| Improving Regional Food Security in the South Caucasus  | Georgia, Azerbaijan, Armenia   | 393                               | -                                 |
| Human Rights defenders in land and natural resource conflicts                                 | Guatemala, Honduras            | 389                               | -                                 |
| Rural Sustainable Energy Development in Zimbabwe  | Zimbabwe                       | 376                               | 414                               |
| Empowerment of Somali Non-State Actors  | Somalia                        | 327                               | (18)                              |
| Sustainable use of natural resource to improve resilience in South Africa                     | South Africa                   | 290                               | -                                 |
| Strengthen partnership toward participatory and accountable governance of land                | Cambodia                       | 259                               | 162                               |
| Rural regeneration in central Azerbaijan – supporting small-scale farmers                     | Azerbaijan                     | 256                               | -                                 |
| Promoting freedom of thought, association and movement in Gaza                                | Occupied Palestine Territories | 245                               | 240                               |
| Promotion of community rights on coastal resource management                                  | Thailand                       | 242                               | -                                 |
| BON Amélioration des conditions nutritionnelles sanitaires des femmes au nord est             | Haiti                          | 198                               | -                                 |
| Improving the health status of Koinadugu District through Water, Sanitation and Health (WASH) | Sierra Leone                   | 182                               | -                                 |
| Promoting working with men and boys to end violence against women                             | Lebanon                        | 179                               | 179                               |
| Small-scale producers in RAAN, Nicaragua  | Nicaragua                      | 150                               | -                                 |
| Strengthening the role of Non-State Actors on Climate Change policy formulation               | Bangladesh                     | 146                               | 141                               |
| Sanitation Improvement Programme in Peri-urban Barrios in Luanda, Angola                      | Angola                         | 134                               | (169)                             |
| Producción de Semilla Criolla en los municipios de Siuna y Rosita, NIC                        | Nicaragua                      | 130                               | -                                 |
| Increasing civil society participation in national policy dialogue in Armenia                 | Armenia                        | 124                               | -                                 |
| Strengthening the voice of human rights defenders to protect right and entitlements           | Bangladesh                     | 124                               | 102                               |
| Construction de la paix dans les zones transfrontalières Mali-Niger                           | Mali, Niger                    | 123                               | -                                 |
| Turkana Community Engagement in Democratic Reforms, Kenya                                     | Kenya                          | 123                               | 87                                |
| Protect women against violence, exploitation and sexual abuse                                 | Haiti                          | 122                               | -                                 |
| Networking and interaction among small producers, Non State Actors and Local Authorities      | Global                         | 120                               | 368                               |
| Land Rights and Natural Resources of Small Farmers in Northern Thailand                       | Thailand                       | 114                               | -                                 |
| Your Money, Your Future: Improving Public Finance Policy and Management in Azerbaijan         | Azerbaijan                     | 113                               | 67                                |
| Empowering civil society to promote the Right to Health in Russia                             | Russia                         | 76                                | 91                                |
| Advancing Healthy Communities through Responsive Local Governance                             | Azerbaijan                     | 57                                | 151                               |
| Other contracts   |                                | 30                                | 9,044                             |
|   |                                | 14,114                            | 12,936                            |

| Income from the Big Lottery Fund by project                 | £'000      | £'000      |
|---|------------|------------|
| Sanctuary in Wales  | 207        | 122        |
| Building Livelihoods and Strengthening Communities in Wales | 133        | 199        |
| Linking farmers to markets in Guatemala                     | 19         | -          |
| Organisational Support for Planning and Managing Projects   | 5          | -          |
|   | <b>364</b> | <b>321</b> |

Expenditure on these projects was: Sanctuary in Wales £165,000 (2012/13: £136,000), Building Livelihoods and Strengthening Communities in Wales £243,000 (2012/13: £87,000), Linking Farmers to Markets in Guatemala £1,000.

Further information on our donors is provided in the Acknowledgements (page 60)

## ii. Primary purpose trading

|  | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|--|--------------------------------|--------------------------------|
| <b>Income</b>                                      |                                |                                |
| Micro-credit schemes                               | 4.5                            | 3.5                            |
| Sale of humanitarian equipment                     | 0.7                            | 0.4                            |
|  | <b>5.2</b>                     | <b>3.9</b>                     |
| <b>Costs included within charitable activities</b> |                                |                                |
| Micro-credit schemes                               | (3.7)                          | (2.5)                          |
| Humanitarian equipment                             | (0.6)                          | (0.4)                          |
|  | <b>(4.3)</b>                   | <b>(2.9)</b>                   |
| <b>Net income from primary purpose trading</b>     | <b>0.9</b>                     | <b>1.0</b>                     |

## e. Other incoming resources

|                                  | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|----------------------------------|--------------------------------|--------------------------------|
| Gain on disposal of fixed assets | 2.7                            | 0.2                            |
| Nursery fees                     | 0.2                            | 0.2                            |
| Miscellaneous overseas income    | 0.3                            | 0.3                            |
| Other                            | 0.1                            | 0.1                            |
|                                  | <b>3.3</b>                     | <b>0.8</b>                     |

## 3. RESOURCES EXPENDED

### a. Costs of generating voluntary income

Costs of generating voluntary income represent fundraising costs to raise both restricted and unrestricted income, excluding trading sales. This is analysed as follows:

|   | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|---|--------------------------------|--------------------------------|
| Regular giving  | 9.7                            | 7.5                            |
| Legacies  | 0.2                            | 0.1                            |
| Public donations, appeals, and fundraising events and Disasters Emergency Committee (DEC) appeals | 6.3                            | 6.8                            |
| Income from government, institutional donors, and other public authorities                        | 1.6                            | 1.5                            |
| Support costs   | 2.7                            | 2.5                            |
| Other*  | 5.0                            | 4.8                            |
|   | <b>25.5</b>                    | <b>23.2</b>                    |

\* Other costs include costs of developing and maintaining fundraising information systems, market analysis, and developing future fundraising products.

### b. Investment management costs

|             | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|-------------|--------------------------------|--------------------------------|
| Staff costs | 0.1                            | 0.1                            |

### c. Charitable activities

#### i. Functional analysis

Expenditure on charitable activities can be analysed by the three main areas of activity as follows:

|                                 | Activities<br>undertaken<br>directly<br>£m | Grant funding<br>of activities<br>£m | Support<br>costs*<br>£m | Year to<br>31 March 2014<br>Total<br>£m | Year to<br>31 March 2013<br>Total<br>£m |
|---------------------------------|--|--------------------------------------|-------------------------|---|---|
| Humanitarian                    | 74.7                                       | 17.2                                 | 9.3                     | 101.2                                   | 120.5                                   |
| Gifts-in-kind (mainly Food Aid) | 2.7  | -                                    | -                       | 2.7                                     | 5.8                                     |
| Total humanitarian              | 77.4                                       | 17.2                                 | 9.3                     | 103.9                                   | 126.3                                   |
| Development                     | 88.2                                       | 43.2                                 | 13.3                    | 144.7                                   | 142.0                                   |
| Campaigning and advocacy        | 10.6                                       | 7.0                                  | 2.7                     | 20.3                                    | 21.7                                    |
|                                 | <b>176.2</b>                               | <b>67.4</b>                          | <b>25.3</b>             | <b>268.9</b>                            | <b>290.0</b>                            |

\* It is not appropriate to split support costs between activities undertaken directly and grant funding of activities due to the dual role played by programme support functions.

**ii. Grants payable**

The top 50 financial grant recipients in the year to 31 March 2014 are listed below.

|     | <b>Name of Institution</b>   | <b>No. of grants</b> | <b>£'000</b>  | <b>Geographic region</b> |
|-----|--|----------------------|---------------|--------------------------|
| 1)  | Kachin Baptist Convention  | 1                    | 1,652         | Asia                     |
| 2)  | Humanitarian Initiative Just Relief Aid                                      | 3                    | 1,185         | HECA                     |
| 3)  | Save the Children - UK   | 6                    | 1,115         | Global                   |
| 4)  | International Organisation for Migration                                     | 1                    | 994           | LAC                      |
| 5)  | Fundación para el Desarrollo Participativo Comunitario                       | 7                    | 878           | LAC                      |
| 6)  | Concern Worldwide  | 7                    | 821           | Global                   |
| 7)  | Ma'an Development Center - Gaza  | 5                    | 785           | MECIS                    |
| 8)  | Association Nigerienne pour la Dynamisation des Initiatives Locales          | 5                    | 645           | West Africa              |
| 9)  | Jadawel Al Kheir   | 4                    | 605           | MECIS                    |
| 10) | BARGUNA NARI JAGARON KARMOSUCHI  | 3                    | 565           | Asia                     |
| 11) | Wajir South Development Association  | 6                    | 537           | HECA                     |
| 12) | SAWA Group   | 3                    | 533           | MECIS                    |
| 13) | Mancomunidad de Municipios Kakchiquel Chichoy Atitlán                        | 2                    | 523           | LAC                      |
| 14) | National Association for Vocational Training and Social Services             | 2                    | 502           | MECIS                    |
| 15) | Partners in Revitalization and Building                                      | 5                    | 485           | Asia                     |
| 16) | GOAL Ireland   | 1                    | 479           | West Africa              |
| 17) | Centre de Promotion Socio - Sanitaire  | 6                    | 456           | HECA                     |
| 18) | Action Contre la Faim  | 4                    | 445           | Global                   |
| 19) | Legal and Human Rights Centre  | 1                    | 439           | HECA                     |
| 20) | Horn of Africa Voluntary Youth Committee                                     | 5                    | 432           | HECA                     |
| 21) | Rift Valley Children and Women Development (RCWD)                            | 1                    | 414           | HECA                     |
| 22) | Network Activities Group   | 5                    | 412           | Asia                     |
| 23) | Agency for Technical Cooperation and Development                             | 3                    | 408           | HECA                     |
| 24) | Legal Aid Jordan   | 6                    | 394           | MECIS                    |
| 25) | Cooperativa Integral Agrícola Chorti'jol, Responsabilidad Limitada           | 1                    | 385           | LAC                      |
| 26) | Practical Action   | 3                    | 377           | Global                   |
| 27) | The Department of Agriculture and Rural Development of Ben Tre province      | 1                    | 361           | Asia                     |
| 28) | Institute for Community Partnership  | 3                    | 337           | MECIS                    |
| 29) | Better Life Organisation   | 3                    | 332           | Asia                     |
| 30) | TASSAGHT   | 2                    | 327           | West Africa              |
| 31) | Asociación de Desarrollo Agrícola y Microempresarial                         | 3                    | 326           | LAC                      |
| 32) | Shalom Foundation (Nyein Foundation)   | 1                    | 325           | Asia                     |
| 33) | Appui aux Initiatives Paysannes Takkayt                                      | 3                    | 311           | West Africa              |
| 34) | WELTHUNGERHILFE  | 2                    | 304           | Global                   |
| 35) | Hydraulique Sans Frontière   | 2                    | 294           | HECA                     |
| 36) | Mancomunidad de Municipios de Desarrollo Integral de la Cuenca Copanch'orti' | 2                    | 292           | LAC                      |
| 37) | Catalyst   | 1                    | 281           | West Africa              |
| 38) | A Single Drop for Safe Water, Inc.   | 3                    | 278           | Asia                     |
| 39) | Oganizacyon Sante Popile   | 1                    | 275           | LAC                      |
| 40) | CARE Deutschland Luxemburg   | 1                    | 274           | MECIS                    |
| 41) | Gono Unnayan Kendra  | 5                    | 265           | Asia                     |
| 42) | Volontaire pour l'integration educative                                      | 3                    | 262           | West Africa              |
| 43) | Institute for Development Studies  | 1                    | 242           | Global                   |
| 44) | Strengthening Participatory Organisation                                     | 2                    | 239           | Asia                     |
| 45) | United Nations Children's Fund   | 1                    | 229           | Global                   |
| 46) | WAVE Foundation  | 2                    | 229           | Asia                     |
| 47) | Village Water Zambia   | 2                    | 220           | Southern Africa          |
| 48) | Multi National Relief and Development Organisation                           | 1                    | 215           | HECA                     |
| 49) | Veterinaires Sans Frontières - Dierenartsen Zonder Grenzen Belgium           | 3                    | 205           | HECA                     |
| 50) | DUTERIMBERE asbl   | 2                    | 202           | HECA                     |
|     |  |                      | <b>23,091</b> |                          |

Key to geographic regions:

HECA: Horn, East and Central Africa

LAC: Latin America and the Caribbean

MECIS: Middle East and Commonwealth of Independent States

Global: The grants apply to more than one region



The grants made by Oxfam to other Oxfams in the year to 31 March 2014 are listed below.

| Name of other Oxfam  | No of grants | £'000         | Geographic region                      |
|----------------------|--------------|---------------|--|
| Oxfam America        | 9            | 152           | LAC, Global, West Africa, HECA         |
| Oxfam Australia      | 1            | 27            | Global                                 |
| Oxfam Belgium        | 1            | (6)           | Asia, Global                           |
| Oxfam Canada         | 1            | 3             | Global                                 |
| Oxfam France         | 2            | 61            | Global                                 |
| Oxfam Germany        | 2            | 49            | Global                                 |
| Oxfam Hong Kong      | 3            | 114           | Global                                 |
| Oxfam India          | 7            | 1,619         | Asia, Global                           |
| Oxfam Italy          | 4            | 615           | MECIS, Global                          |
| Oxfam Intermón       | 12           | 1,920         | Global, West Africa, LAC               |
| Oxfam International* | 8            | 4,591         | Global                                 |
| Oxfam Ireland        | 2            | 294           | HECA, Global                           |
| Oxfam New Zealand    | 1            | 417           | Global                                 |
| Oxfam Novib          | 13           | 2,835         | HECA, West Africa, Global, MECIS, Asia |
| Oxfam Mexico         | 3            | 106           | Global, LAC                            |
| Oxfam Quebec         | 5            | 425           | West Africa, Global, HECA, LAC         |
|                      |              | <u>13,222</u> |  |

\*13

Net of interest earned on funds held by Oxfam International of £2,014 (2012/13: £2,598).

The grants made to, and received by, Oxfam from the other Oxfams are separately determined by operational decisions based on the strategy or capacity of Oxfam affiliates in particular areas.

|  | Year to<br>31 March 2014<br>£'000 | Year to<br>31 March 2013<br>£'000 |
|--|-----------------------------------|-----------------------------------|
| Total value of 50 largest grants                             | 23,091                            | 36,718                            |
| Total value of grants to other Oxfams                        | <u>13,222</u>                     | <u>12,431</u>                     |
| Other grants   | <u>31,117</u>                     | <u>30,110</u>                     |
| Total grants payable in furtherance of the charity's objects | <u>67,430</u>                     | <u>79,259</u>                     |
| Total number of grants made                                  | 1,337                             | 1,289                             |

### iii. Costs of activities

Oxfam's own overseas staff are involved in the delivery of the programme through the provision of specialist services (e.g. to address the water and sanitation needs of refugees) and through training and networking for local organisations. Included in 'Charitable activities' are all the in-country costs associated with programme delivery and monitoring of grants made to partner organisations (e.g. direct programme costs, logistics, finance, human resources, and programme management). This provides an accurate reflection of the true costs of our activities and support to those activities.

**iv. Support costs**

Support costs include support to the programme from Oxford and the costs associated with supporting programme delivery at a regional level (e.g. finance, human resources, and senior programme management). Support costs also include central finance, human resources, and corporate communications costs. Support costs are analysed as follows:

|                            | Trading    | Fundraising | Humanitarian | Development | Campaigning<br>& advocacy | Year to<br>31 March 2014<br>Total | Year to<br>31 March 2013<br>Total |
|----------------------------|------------|-------------|--------------|-------------|---------------------------|-----------------------------------|-----------------------------------|
|                            | £m         | £m          | £m           | £m          | £m                        | £m                                | £m                                |
| Regional programme support | -          | -           | 3.7          | 5.3         | 0.2                       | 9.2                               | 8.3                               |
| Central programme support  | -          | -           | 4.1          | 5.9         | -                         | 10.0                              | 9.6                               |
| Exchange rate differences  | -          | -           | 0.3          | 0.5         | -                         | 0.8                               | (0.2)                             |
| Central finance            | 0.4        | 0.2         | 0.3          | 0.4         | 0.1                       | 1.4                               | 1.2                               |
| Central human resources    | 0.3        | 0.3         | 0.7          | 0.9         | 0.2                       | 2.4                               | 2.9                               |
| Corporate communications   | 1.3        | 2.2         | 0.2          | 0.3         | 2.2                       | 6.2                               | 5.9                               |
| <b>Total support costs</b> | <b>2.0</b> | <b>2.7</b>  | <b>9.3</b>   | <b>13.3</b> | <b>2.7</b>                | <b>30.0</b>                       | <b>27.7</b>                       |
| Unrestricted               | 2.0        | 2.7         | 5.0          | 7.1         | 2.7                       | 19.5                              | 20.9                              |
| Restricted                 | -          | -           | 4.3          | 6.2         | -                         | 10.5                              | 6.8                               |
|                            | <b>2.0</b> | <b>2.7</b>  | <b>9.3</b>   | <b>13.3</b> | <b>2.7</b>                | <b>30.0</b>                       | <b>27.7</b>                       |

The basis of allocation of support costs is detailed in the Accounting Policies under Note 1h.

**d. Governance costs (see Note 1g)**

|                                    | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|------------------------------------|--------------------------------|--------------------------------|
| Finance, Trustees, and legal costs | 0.2                            | 0.3                            |
| Audit fee                          | 0.2                            | 0.2                            |
| Internal audit                     | 0.4                            | 0.4                            |
| Directors' costs                   | 0.1                            | 0.1                            |
| Communications                     | 0.4                            | 0.3                            |
|                                    | <b>1.3</b>                     | <b>1.3</b>                     |

**e. Other resources expended**

|   | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|---|--------------------------------|--------------------------------|
| Nursery costs                             | 0.2                            | 0.2                            |
| Growth plan pension deficit contributions | -                              | 0.8                            |
| Other                                     | 0.2                            | 0.4                            |
|   | <b>0.4</b>                     | <b>1.4</b>                     |

**4. EMPLOYEES**

The average headcount number of employees and full-time equivalent (FTE) for the year was:

| Oxfam Group             | Year to<br>31 March 2014<br>Headcount | Year to<br>31 March 2013<br>Headcount | Year to<br>31 March 2014<br>FTE | Year to<br>31 March 2013<br>FTE |
|-------------------------|---------------------------------------|---------------------------------------|---------------------------------|---------------------------------|
| <b>GB payroll</b>       |                                       |                                       |                                 |                                 |
| Trading                 | 1,062                                 | 1,078                                 | 853                             | 866                             |
| Marketing               | 146                                   | 146                                   | 139                             | 140                             |
| Corporate functions     | 262                                   | 250                                   | 228                             | 220                             |
| Campaigns and policy    | 169                                   | 193                                   | 155                             | 177                             |
| Communications          | 78                                    | 79                                    | 73                              | 74                              |
| Programme headquarters  | 202                                   | 226                                   | 182                             | 207                             |
| Programme overseas      | 332                                   | 321                                   | 329                             | 316                             |
|                         | <b>2,251</b>                          | <b>2,293</b>                          | <b>1,959</b>                    | <b>2,000</b>                    |
| <b>Overseas payroll</b> | <b>2,910</b>                          | <b>3,048</b>                          | <b>2,896</b>                    | <b>3,046</b>                    |
|                         | <b>5,161</b>                          | <b>5,341</b>                          | <b>4,855</b>                    | <b>5,046</b>                    |

The staff numbers for Oxfam only are the same as above except that Trading includes 103 (2012/13: 95) OAL staff and Overseas payroll includes 144 (2012/13: 95) staff for Finance for Development Ltd and 39 (2012/13: 23) staff for Frip Ethique SARL.

Oxfam's employment policies encourage a range of working patterns including job sharing and part-time working. These result in a significantly lower number of employees when based on full-time equivalents rather than on headcount.

## 5. STAFF COSTS

|                              | Year to<br>31 March 2014 | Year to<br>31 March 2013 |
|------------------------------|--------------------------|--------------------------|
|                              | £m                       | £m                       |
| GB Payroll                   |                          |                          |
| Wages and salaries           | 56.2                     | 54.1                     |
| Social security costs        | 4.0                      | 4.1                      |
| Other pension costs*         | 3.3                      | 3.1                      |
| GB payroll staff costs       | 63.5                     | 61.3                     |
| Overseas payroll staff costs | 44.9                     | 45.3                     |
| Total staff costs            | 108.4                    | 106.6                    |

\*The charge to the SOFA for the year was £3.5m (2012/13: £3.3m), representing pension contributions (£3.3m as above, 2012/13: £3.1m), adjusted following the defined benefit scheme actuarial valuation to reflect the actual service cost.

Staff costs are allocated according to the functions of each staff member and, therefore, form part of trading costs, fundraising costs, governance costs, and charitable expenditure, as appropriate.

In addition, a great amount of time, the value of which is not reflected in these accounts, is donated by more than 22,000 volunteers throughout Great Britain.

The table below shows the number of higher-paid staff with emoluments falling in the following ranges. Emoluments include salary and taxable benefits in kind and other payments to employees. These include a number of allowances to cover the additional costs of working in another country for long term senior expatriate staff, to enable them to take their family with them, as this encourages staff to stay on assignment longer. For example, Oxfam pays towards the cost of education for up to three children where suitable free schooling is not available. Allowances also cover the additional cost of living in very expensive countries, additional tax in countries with high tax rates, and for Hard to Work countries which lack basic facilities or are dangerous. Senior international managers who receive specific benefits and allowances, mainly in countries with high tax regimes, account for 63% of higher-paid staff and, with the exception of our Chief Executive, account for all staff paid over £100,000.

The Chief Executive's earnings for 2013/14 were £121,294, with a pension contribution of £12,170. (The former Chief Executive's total emoluments in 2012/13 were £108,775, though this was for less than a year, with benefits accruing under a defined benefit scheme. Both Chief Executives were paid equivalent salaries).

|                      | UK<br>Year to<br>31 March 2014<br>Number | Overseas<br>Year to<br>31 March 2014<br>Number | Total<br>Year to<br>31 March 2014<br>Number | Total<br>Year to<br>31 March 2013<br>Number* |
|----------------------|--|--|---|--|
| £60,000 to £69,999   | 14                                       | 15   | 29  | 17   |
| £70,000 to £79,999   | 5  | 11   | 16  | 13   |
| £80,000 to £89,999   | 2  | 2  | 4   | 6  |
| £90,000 to £99,999   | 4  | 2  | 6   | 4  |
| £100,000 to £109,999 | -  | 1  | 1   | 2  |
| £110,000 to £119,999 | -  | 1  | 1   | 1  |
| £120,000 to £129,999 | 1  | 2  | 3   | -  |

\*2012/13 salaries are expressed net of salary sacrifice employee pension contributions for 12 UK-based employees, typically 5% or 7% of pay. Employer pension contributions are increased commensurately.

The rise from last year mainly reflects some people coming into the £60k bracket for the first time, and a number of one-off payments, including two for pension arrears or gratuities in lieu of pension for international employees unable to join Oxfam's pension scheme, one severance payment and two cases of double tax costs arising in a country which withdrew from double tax treaties. Six new staff have joined the UK group as a result of a change in the method of accounting for our pension salary sacrifice scheme. This has increased the amount shown as salary and decreased the amount of employer pension contribution by an equivalent amount. The two overseas employees earning over £120,000 were due to special factors. One case concerned an expatriate manager with high allowances for living in an expensive country with a high tax rate. The other was due to paying a gratuity in lieu of pension to an international staff member not eligible for a pension.

Retirement benefits are accruing under a defined benefit scheme for 5 (2012/13: 4) higher paid employees. In addition, Oxfam paid £169,000 (2012/13: £114,000) into a defined contribution pension scheme for 28 (2012/13: 19) higher-paid employees.

## 6. TRUSTEES' AND CHIEF EXECUTIVE'S EXPENSES

Members of Oxfam's Council of Trustees receive no remuneration for their services. Directly incurred expenses of the Trustees borne by the charity in 2013/14, paid to 12 Trustees (2012/13: 14), were £13,000 (2012/13: £37,000). A Council meeting is usually held overseas once every three years, with the next one due in July 2015.

Directly incurred expenses of the Chief Executive in 2013/14 were £25,000 (2012/13: £35,000).

The most significant element of the Trustees' and Chief Executive's expenses is the cost of visits to overseas programmes.

## 7. TAXATION

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

**8. NET INCOME/(EXPENDITURE) FOR THE YEAR IS STATED AFTER CHARGING/(CREDITING):**

|  | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|--|--------------------------------|--------------------------------|
| Depreciation of tangible fixed assets          | 3.5                            | 3.2                            |
| Gain on disposal of fixed assets               | (2.7)                          | (0.2)                          |
| Hire of vehicles and equipment                 | 4.2                            | 4.7                            |
| Property rental                                | 21.8                           | 21.6                           |
| Auditors' remuneration - statutory audit (GB)* | 0.2                            | 0.2                            |
| Rental income                                  | (0.5)                          | (0.6)                          |
| Exchange rate differences                      | 1.9                            | (0.9)                          |
| Irrecoverable VAT                              | 1.8                            | 1.8                            |

\*Auditors' remuneration includes £0.1m (2012/13: £0.1m) in respect of donated services.

The reported exchange rate loss was £1.9m (2012/13: gain £0.9m). This reported loss consists of two elements:

- i) Realised exchange gains/losses resulting from carrying out transactions in multiple currencies, receiving income predominantly in Sterling and Euros and incurring charitable expenditure in US Dollars and other foreign currencies (net gain of less than £0.1m; 2012/13 net gain £0.1m).
- ii) Unrealised gains/losses resulting from the fluctuation in the Sterling value of assets and liabilities, mainly foreign currency bank account balances, held during the year (net loss £1.9m; 2012/13 net gain £0.8m).

**9. TANGIBLE FIXED ASSETS****Oxfam**

|                                 | Freehold<br>property<br>£m | Leasehold<br>property<br>£m | Furniture,<br>fixtures,<br>equipment<br>£m | Motor<br>vehicles<br>£m | Total<br>£m |
|---------------------------------|----------------------------|-----------------------------|--|-------------------------|-------------|
| <b>Cost</b>                     |                            |                             |  |                         |             |
| At 1 April 2013                 | 6.3                        | 11.5                        | 34.4                                       | 5.3                     | 57.5        |
| Additions                       | -                          | 0.6                         | 2.4  | 0.4                     | 3.4         |
| Disposals                       | (0.8)                      | (5.3)                       | (1.7)                                      | (0.2)                   | (8.0)       |
| Transfers                       | -                          | -                           | -  | (0.1)                   | (0.1)       |
| At 31 March 2014                | 5.5                        | 6.8                         | 35.1                                       | 5.4                     | 52.8        |
| <b>Accumulated Depreciation</b> |                            |                             |  |                         |             |
| At 1 April 2013                 | 2.7                        | 8.4                         | 30.1                                       | 3.3                     | 44.5        |
| Charge for the year             | 0.1                        | 0.8                         | 1.8  | 0.8                     | 3.5         |
| Disposals                       | (0.4)                      | (5.3)                       | (1.3)                                      | (0.2)                   | (7.2)       |
| Transfers                       | -                          | -                           | -  | (0.1)                   | (0.1)       |
| At 31 March 2014                | 2.4                        | 3.9                         | 30.6                                       | 3.8                     | 40.7        |
| <b>Net book value</b>           |                            |                             |  |                         |             |
| At 31 March 2014                | 3.1                        | 2.9                         | 4.5  | 1.6                     | 12.1        |
| At 31 March 2013                | 3.6                        | 3.1                         | 4.3  | 2.0                     | 13.0        |

**Oxfam Group**

|                                 | Freehold<br>property<br>£m | Leasehold<br>property<br>£m | Furniture,<br>fixtures,<br>equipment<br>£m | Motor<br>vehicles<br>£m | Total<br>£m |
|---------------------------------|----------------------------|-----------------------------|--|-------------------------|-------------|
| <b>Cost</b>                     |                            |                             |  |                         |             |
| At 1 April 2013                 | 6.3                        | 11.5                        | 34.8                                       | 5.3                     | 57.9        |
| Additions                       | -                          | 0.6                         | 2.4  | 0.4                     | 3.4         |
| Disposals                       | (0.8)                      | (5.3)                       | (1.8)                                      | (0.2)                   | (8.1)       |
| Transfers                       | -                          | -                           | -  | (0.1)                   | (0.1)       |
| At 31 March 2014                | 5.5                        | 6.8                         | 35.4                                       | 5.4                     | 53.1        |
| <b>Accumulated Depreciation</b> |                            |                             |  |                         |             |
| At 1 April 2013                 | 2.7                        | 8.4                         | 30.4                                       | 3.3                     | 44.8        |
| Charge for the year             | 0.1                        | 0.8                         | 1.8  | 0.8                     | 3.5         |
| Disposals                       | (0.4)                      | (5.3)                       | (1.4)                                      | (0.2)                   | (7.3)       |
| Transfers                       | -                          | -                           | -  | (0.1)                   | (0.1)       |
| At 31 March 2014                | 2.4                        | 3.9                         | 30.8                                       | 3.8                     | 40.9        |
| <b>Net book value</b>           |                            |                             |  |                         |             |
| At 31 March 2014                | 3.1                        | 2.9                         | 4.6  | 1.6                     | 12.2        |
| At 31 March 2013                | 3.6                        | 3.1                         | 4.4  | 2.0                     | 13.1        |

The book value of land (which is not depreciated) included in freehold properties is £1.1m (2012/13: £1.3m). The value of freehold property held at 31 March 2014 is £10.5m (2012/13: £12.6m).

All tangible fixed assets are held for charitable use.

## 10. FIXED ASSET INVESTMENTS

### Oxfam

|                  | Freehold<br>Property<br>£m | Cash<br>£m | Unquoted*<br>£m | Investments<br>Total<br>£m | Programme-<br>related<br>investments<br>Unquoted<br>£m | Fixed asset<br>investments<br>Total<br>£m |
|------------------|----------------------------|------------|-----------------|----------------------------|--|---|
| Market value:    |                            |            |                 |                            |  |   |
| At 1 April 2013  | 0.4                        | 2.5        | 1.6             | 4.5                        | -  | 4.5                                       |
| Additions        | -                          | -          | -               | -                          | 2.1  | 2.1                                       |
| Revaluation      | 0.1                        | -          | -               | 0.1                        | -  | 0.1                                       |
| Disposals        | -                          | -          | -               | -                          | -  | -   |
| At 31 March 2014 | 0.5                        | 2.5        | 1.6             | 4.6                        | 2.1  | 6.7                                       |

### Oxfam Group

|                  | Freehold<br>Property<br>£m | Cash<br>£m | Unquoted<br>£m | Investments<br>Total<br>£m | Programme-<br>related<br>investments<br>Unquoted<br>£m | Fixed asset<br>investments<br>Total<br>£m |
|------------------|----------------------------|------------|----------------|----------------------------|--|---|
| Market value:    |                            |            |                |                            |  |   |
| At 1 April 2013  | 0.4                        | 2.5        | -              | 2.9                        | 0.1  | 3.0                                       |
| Additions        | -                          | -          | -              | -                          | 2.1  | 2.1                                       |
| Revaluation      | 0.1                        | -          | -              | 0.1                        | -  | 0.1                                       |
| Disposals        | -                          | -          | -              | -                          | -  | -   |
| At 31 March 2014 | 0.5                        | 2.5        | -              | 3.0                        | 2.2  | 5.2                                       |

#### a. Investments

\*This includes a loan of £1.6m to Oxfam Activities Limited, which is incorporated in England and Wales. The loan is secured by a fixed and floating charge. Interest was charged on the outstanding balance of the loan at 2% above LIBOR. Terms, including interest, are agreed between the parties and repayment is due in three equal instalments following the issue of a repayment notice.

Freehold investment properties with an original cost of £0.4m are included in the Balance Sheet at market value of £0.5m. Investment properties have been valued by surveyors, all of whom are Associates of the Royal Institute of Chartered Surveyors and are employees of Oxfam. The valuation of assets was on an open market basis, in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors and is carried out on an annual basis.

At 31 March 2014, Oxfam had an interest in the following subsidiary undertakings:

| Organisation name           | Country of<br>registration | Nature of<br>business                         | Class of share<br>capital held | Parent company<br>interest | Consolidation | Year end date |
|-----------------------------|----------------------------|---|--------------------------------|----------------------------|---------------|---------------|
| Oxfam Activities Ltd        | United Kingdom             | Raises funds<br>through trading<br>activities | Ordinary                       | 100%                       | Yes           | 31 March      |
| Finance for Development Ltd | Azerbaijan                 | Micro-credit<br>scheme                        | Ordinary                       | 100%                       | Yes           | 31 December   |
| Frip Ethique SARL           | Senegal                    | Second-hand<br>clothing                       | Ordinary                       | 100%                       | Yes           | 31 December   |
| SEIIF Ltd                   | United Kingdom             | Small Enterprise<br>Investments               | Ordinary                       | 100%                       | Yes           | 31 March      |
| Just Energy Ltd             | United Kingdom             | Renewable<br>energy projects                  | N/A                            | 100%                       | No (dormant)  | 31 March      |

The aggregate total amount invested in all Oxfam's subsidiaries is £1.6m (2012/13: £1.6m).

The financial results of the subsidiaries for the year were:

|                             | Oxfam Activities Ltd     |                          | Finance for Development Ltd |                             | Frip Ethique SARL           |                             |
|-----------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                             | Year to<br>31 March 2014 | Year to<br>31 March 2013 | Year to<br>31 December 2013 | Year to<br>31 December 2012 | Year to<br>31 December 2013 | Year to<br>31 December 2012 |
|                             | £m                       | £m                       | £m                          | £m                          | £m                          | £m                          |
| Income                      | 15.6                     | 16.3                     | 4.5                         | 3.5                         | 2.1                         | 2.0                         |
| Expenditure                 | (15.5)                   | (16.1)                   | (3.7)                       | (2.5)                       | (2.0)                       | (2.1)                       |
| Trading profit/(loss)       | 0.1                      | 0.2                      | 0.8                         | 1.0                         | 0.1                         | (0.1)                       |
| Loan interest paid to Oxfam | -                        | (0.1)                    | -                           | -                           | -                           | -                           |
| Profit Gift Aided to Oxfam  | (0.1)                    | (0.1)                    | -                           | -                           | -                           | -                           |
| Profit/(loss) for the year  | -                        | -                        | 0.8                         | 1.0                         | 0.1                         | (0.1)                       |
|                             | At<br>31 March 2014      | At<br>31 March 2013      | At<br>31 December 2013      | At<br>31 December 2012      | At<br>31 December 2013      | At<br>31 December 2012      |
|                             | £m                       | £m                       | £m                          | £m                          | £m                          | £m                          |
| Net assets                  | -                        | -                        | 4.1                         | 3.3                         | 0.2                         | 0.1                         |

The results and net assets for SEIF Ltd are less than £0.1m.

Just Energy Ltd was dormant for both 2013 and 2014 and has no net assets.

In order to operate in some countries, Oxfam is required by local legislation to establish 100% controlled, locally registered organisations. These organisations, which are listed below, are treated as branches of Oxfam and their accounts are included within the accounts of Oxfam.

| Organisation name   | Country of registration | Nature of business |
|---------------------|-------------------------|--------------------|
| Oxfam Great Britain | South Africa            | As per Oxfam       |

## b. Programme-related investments

### Cafédirect plc

This comprises 903,000 ordinary shares of 25p each in Cafédirect plc, a company registered in Scotland, which represents a 10.8% (2012/13: 10.8%) interest in the company. The principal activity of the company is the promotion of fair trade through the marketing and distribution of coffee and tea.

### Guardian Share Company Limited

Oxfam Activities Limited holds a 50% (2012/13: 50%) shareholding (one £1 ordinary share) in the Guardian Share Company Limited, a company registered in the UK. This company, which is jointly owned by two of the founding members of Cafédirect plc (including OAL), aims to promote fair trade through Cafédirect plc and, through its holding of one 25p special share in Cafédirect plc.

### Micro-credit schemes

In order to operate micro-credit schemes in some countries, Oxfam is required by local legislation to establish registered organisations. Details of Finance for Development Limited, a locally registered micro-credit scheme are set out above and in Notes 1b and 1j.

### Small Enterprise Impact Investing Fund

Oxfam has invested £2.1m in The Small Enterprise Impact Investing Fund, an innovative financial product based in Luxembourg, which aims to make a real difference to the developing world by investing in the Small and Medium Enterprise sector.

## 11. STOCKS

|                       | Oxfam      |            | Oxfam Group |            |
|-----------------------|------------|------------|-------------|------------|
|                       | 2014<br>£m | 2013<br>£m | 2014<br>£m  | 2013<br>£m |
| Oxfam trading stocks  | -          | -          | 1.2         | 1.2        |
| Humanitarian supplies | 1.6        | 1.7        | 1.6         | 1.7        |
|                       | 1.6        | 1.7        | 2.8         | 2.9        |

Trading and other stocks relate to goods for resale. Humanitarian supplies represent equipment to be used in emergency response.

## 12. DEBTORS

|   | Oxfam       |             | Oxfam Group |             |
|---|-------------|-------------|-------------|-------------|
|   | 2014        | 2013        | 2014        | 2013        |
|   | £m          | £m          | £m          | £m          |
| <b>Amounts falling due within one year</b>  |             |             |             |             |
| Loans by micro-credit schemes               | -           | -           | 12.0        | 9.3         |
| Other debtors                               | 4.1         | 2.1         | 4.9         | 2.6         |
| Prepayments                                 | 7.1         | 5.6         | 7.2         | 5.7         |
| Accrued income                              | 1.3         | 1.1         | 1.4         | 1.1         |
| Tax recoverable                             | 11.4        | 12.3        | 11.4        | 12.3        |
| Amounts due from institutional donors       | 18.2        | 18.3        | 18.2        | 18.3        |
|   | <u>42.1</u> | <u>39.4</u> | <u>55.1</u> | <u>49.3</u> |
| <b>Amounts falling due outside one year</b> |             |             |             |             |
| Loans by micro-credit schemes               | -           | -           | 3.6         | 1.5         |
| Other debtors                               | 0.7         | 1.7         | 0.8         | 1.8         |
|   | <u>0.7</u>  | <u>1.7</u>  | <u>4.4</u>  | <u>3.3</u>  |
| <b>Total debtors</b>                        | <u>42.8</u> | <u>41.1</u> | <u>59.5</u> | <u>52.6</u> |

## 13. CASH AT BANK AND IN HAND

|                                       | Oxfam       |             | Oxfam Group |             |
|---------------------------------------|-------------|-------------|-------------|-------------|
|                                       | 2014        | 2013        | 2014        | 2013        |
|                                       | £m          | £m          | £m          | £m          |
| Cash on notice and short-term deposit | 29.1        | 18.0        | 29.1        | 18.0        |
| Cash and bank balances                | 40.5        | 33.4        | 42.1        | 34.9        |
|                                       | <u>69.6</u> | <u>51.4</u> | <u>71.2</u> | <u>52.9</u> |

## 14. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                | Oxfam       |             | Oxfam Group |             |
|--------------------------------|-------------|-------------|-------------|-------------|
|                                | 2014        | 2013        | 2014        | 2013        |
|                                | £m          | £m          | £m          | £m          |
| Loans to micro-credit schemes* | -           | -           | 4.0         | 4.3         |
| Trade creditors                | 4.3         | 3.4         | 5.2         | 3.6         |
| Amounts due to subsidiaries    | 0.2         | 0.4         | -           | -           |
| Other tax and social security  | 0.4         | 0.4         | 0.4         | 0.4         |
| Other creditors                | 5.4         | 5.0         | 5.5         | 5.0         |
| Accruals                       | 11.8        | 10.7        | 12.0        | 11.2        |
| Deferred income**              | 0.3         | 1.4         | 0.3         | 1.4         |
|                                | <u>22.4</u> | <u>21.3</u> | <u>27.4</u> | <u>25.9</u> |

\* There is no security on the loans. The rate of interest varies according to the loan provider, with the average approximately 10%.

\*\* Deferred income of £0.3m arose in the year and £1.4m brought forward from 2012/13 was released.

## 15. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                                | Oxfam      |            | Oxfam Group |            |
|--------------------------------|------------|------------|-------------|------------|
|                                | 2014       | 2013       | 2014        | 2013       |
|                                | £m         | £m         | £m          | £m         |
| Loans to micro-credit schemes* | -          | -          | 8.5         | 4.6        |
| Other creditors                | 0.7        | 0.7        | 0.7         | 0.7        |
|                                | <u>0.7</u> | <u>0.7</u> | <u>9.2</u>  | <u>5.3</u> |

\* See Note 14.

## 16. PROVISIONS FOR LIABILITIES AND CHARGES

|                      | End of Contract | Dilapidations | Other | Oxfam<br>Total | OAL<br>Dilapidations | Oxfam Group<br>Total |
|----------------------|-----------------|---------------|-------|----------------|----------------------|----------------------|
|                      | £m              | £m            | £m    | £m             | £m                   | £m                   |
| At 1 April 2013      | 6.5             | 1.7           | 0.4   | 8.6            | 0.2                  | 8.8                  |
| Arising in the year  | 1.2             | 0.3           | 0.6   | 2.1            | -                    | 2.1                  |
| Released in the year | (1.4)           | (0.1)         | (0.4) | (1.9)          | -                    | (1.9)                |
| At 31 March 2014     | 6.3             | 1.9           | 0.6   | 8.8            | 0.2                  | 9.0                  |

The end of contract provision is a two-fold arrangement for staff on non-UK contracts. The first element is a gratuity, where a lump sum is paid at the end of their contract in lieu of Oxfam paying monthly amounts into a pension scheme. The second element is a loyalty bonus, which is paid specifically to staff on fixed-term contracts as an incentive to complete the full period of service.

The provision for dilapidations is to cover the probable future costs of restoring properties to their required condition at the end of their lease.

## 17. CONTINGENT LIABILITIES

The following contingent liabilities existed at 31 March 2014: ongoing legal cases in Kenya (£0.1m), Chad (£0.1m) and Nigeria (£0.1m).

Members of Oxfam's defined benefit scheme are entitled to join a Pension Trust Growth Plan into which they can pay additional voluntary contributions to fund additional benefits. Oxfam does not make employer contributions into the Plan, but under government regulations which came into force in September 2005 there is a potential employer liability on withdrawal from the Plan or in the event of the Plan winding up when it is not fully funded on a buy-out basis. The amount of employer liability on withdrawal for Oxfam as at 30 September 2013 has been calculated as £1.0m (2012/13: £1.2m). However, at present Oxfam has no intention of withdrawing from the Plan and the Trustees of the Plan have no intention of winding it up; it is therefore unlikely that the liability will crystallise in the foreseeable future.

## 18. ENDOWMENT FUNDS

|  | Oxfam and Oxfam Group |                   |                            |                     |
|--|-----------------------|-------------------|----------------------------|---------------------|
|  | At<br>1 April 2013    | Income<br>in year | Unrealised gain<br>in year | At<br>31 March 2014 |
|  | £m                    | £m                | £m                         | £m                  |
| <b>Permanent endowment funds</b>                 |                       |                   |                            |                     |
| The Mary & Henry Makinson Spink Memorial Fund    | 1.4                   | -                 | -                          | 1.4                 |
| The Ellen & Ronald Carr-Webb Memorial Trust Fund | 1.0                   | -                 | -                          | 1.0                 |
| Other permanent endowment funds                  | 0.2                   | -                 | -                          | 0.2                 |
|  | 2.6                   | -                 | -                          | 2.6                 |

Income generated by The Mary & Henry Makinson Spink Memorial Fund is used for unrestricted purposes. Income generated by The Ellen & Ronald Carr-Webb Memorial Trust Fund is required to be used for restricted purposes, for our humanitarian and development work. The income from the other permanent endowment funds is mainly restricted.



## 19. RESTRICTED FUNDS

|  | Oxfam and Oxfam Group |              |                |
|--|-----------------------|--------------|----------------|
|  | At<br>1 April 2013    | Income       | Expenditure    |
|  | £m                    | £m           | £m             |
| <b>Regional funds</b>                    |                       |              |                |
| Asia                                     | 4.3                   | 47.3         | (38.0)         |
| LAC                                      | 2.5                   | 11.5         | (10.8)         |
| HECA                                     | 6.6                   | 39.8         | (38.8)         |
| West Africa                              | 0.4                   | 21.8         | (20.2)         |
| Humanitarian                             | 0.3                   | 12.8         | (11.8)         |
| MECIS                                    | 5.3                   | 43.9         | (37.6)         |
| Southern Africa                          | 2.1                   | 5.8          | (6.9)          |
| UK Poverty Programme                     | 0.5                   | 0.7          | (0.9)          |
| Campaigns and Policy                     | 1.1                   | 2.3          | (3.2)          |
| Goods and services in kind               | -                     | 2.7          | (2.7)          |
| Oxfam Unwrapped                          | 2.8                   | 2.2          | (3.5)          |
| Other funds                              | 3.7                   | 4.3          | (3.6)          |
| DFID - Partnership Programme Arrangement | 0.6                   | 11.2         | (11.6)         |
| <b>Appeals</b>                           |                       |              |                |
| East Africa food crisis                  | 0.1                   | 0.1          | (0.1)          |
| Syria crisis                             | 0.9                   | 3.1          | (0.9)          |
| Philippines typhoon                      | -                     | 5.4          | (3.1)          |
| Other Appeals                            | 0.5                   | -            | (0.5)          |
|  | <u>31.7</u>           | <u>214.9</u> | <u>(194.2)</u> |
|  |                       |              | <u>52.4</u>    |

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial period, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some project funds. The total deficit fund balances at 31 March 2014 amounted to £10.8m (2012/13: £13.8m). The Trustees consider that the likelihood of reimbursement is of sufficient level to justify the carrying of these deficit funds at the end of the year.

## 20. UNRESTRICTED FUNDS

Movements on unrestricted funds are as follows:

### Oxfam

|                                | General<br>reserves<br>£m | Designated<br>fund<br>fixed assets<br>£m | Designated<br>fund<br>other<br>£m | Pension<br>reserves<br>£m | Total<br>£m |
|--------------------------------|---------------------------|--|-----------------------------------|---------------------------|-------------|
| At 1 April 2013                | 26.5                      | 13.3                                     | 7.8                               | (29.4)                    | 18.2        |
| Surplus/(deficit) for the year | 3.4                       | (0.8)                                    | -                                 | (0.2)                     | 2.4         |
| Gains and losses               | -                         | -  | -                                 | (4.9)                     | (4.9)       |
| Transfers between funds        | (2.6)                     | (0.1)                                    | (0.9)                             | 3.6                       | -           |
| At 31 March 2014               | 27.3                      | 12.4                                     | 6.9                               | (30.9)                    | 15.7        |

### Oxfam Group

|                                | General<br>reserves<br>£m | Designated<br>fund<br>fixed assets<br>£m | Designated<br>fund<br>other<br>£m | Pension<br>reserves<br>£m | Funds held in<br>non-charitable<br>subsidiary<br>£m | Total<br>£m |
|--------------------------------|---------------------------|--|-----------------------------------|---------------------------|---|-------------|
| At 1 April 2013                | 26.5                      | 13.3                                     | 11.2                              | (29.4)                    | -   | 21.6        |
| Surplus/(deficit) for the year | 3.4                       | (0.8)                                    | 0.9                               | (0.2)                     | -   | 3.3         |
| Gains and losses               | -                         | 0.1                                      | -                                 | (4.9)                     | -   | (4.8)       |
| Transfers between funds        | (2.6)                     | (0.1)                                    | (0.9)                             | 3.6                       | -   | -           |
| At 31 March 2014               | 27.3                      | 12.5                                     | 11.2                              | (30.9)                    | -   | 20.1        |

The movement in 'Designated fund other' is analysed as follows:

|                                       | At<br>1 April 2013<br>£m | Net income/<br>(expenditure)<br>in the year<br>£m | Transfers<br>between<br>funds<br>£m | At<br>31 March 2014<br>£m |
|---------------------------------------|--------------------------|---|-------------------------------------|---------------------------|
| Single Management Structure (SMS)     | 0.5                      | -   | (0.5)                               | -                         |
| Network Project                       | 2.8                      | -   | (0.4)                               | 2.4                       |
| Strategic Investment Fund             | 4.5                      | -   | -                                   | 4.5                       |
| <b>Oxfam</b>                          | <b>7.8</b>               | <b>-</b>  | <b>(0.9)</b>                        | <b>6.9</b>                |
| Micro-credit scheme retained reserves | 3.3                      | 0.8   | -                                   | 4.1                       |
| Frip Ethique SARL                     | 0.1                      | 0.1   | -                                   | 0.2                       |
| <b>Oxfam Group</b>                    | <b>11.2</b>              | <b>0.9</b>  | <b>(0.9)</b>                        | <b>11.2</b>               |

The designated fund for fixed assets represents resources invested in the charity's tangible fixed assets and certain fixed asset investments. The fund is therefore not readily available for other purposes.

The Single Management Structure designated fund represents funds set aside for the anticipated additional costs in reorganising our overseas operations in conjunction with the other Oxfam affiliates to improve the coordination of programme activity throughout the Oxfam International affiliation.

The Network Project designated fund represents funds set aside for upgrading our global information systems network.

The Strategic Investment Fund represents funds set aside for specific investment proposals which aim to develop new fundraising opportunities.

Transfers to/(from) the fixed asset designated fund represent capital additions less disposal proceeds. Transfers to the pension reserve represent one-off lump sum payments into the scheme during the year.

The pension reserve represents the following:

|  | At<br>1 April 2013<br>£m | Cost<br>for the year<br>£m | Gains and<br>losses<br>£m | Transfers<br>between funds<br>£m | At<br>31 March 2014<br>£m |
|--|--------------------------|----------------------------|---------------------------|----------------------------------|---------------------------|
| Defined benefit pension scheme liability | (28.6)                   | (0.2)                      | (4.9)                     | 3.5                              | (30.2)                    |
| Growth plan liability                    | (0.8)                    | -                          | -                         | 0.1                              | (0.7)                     |
| <b>Oxfam and Oxfam Group</b>             | <b>(29.4)</b>            | <b>(0.2)</b>               | <b>(4.9)</b>              | <b>3.6</b>                       | <b>(30.9)</b>             |

## 21. COMMITMENTS

### a. Capital

At 31 March the following capital expenditure had been authorised and contracted for:

|                 | Oxfam                     |                           | Oxfam Group               |                           |
|-----------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                 | At<br>31 March 2014<br>£m | At<br>31 March 2013<br>£m | At<br>31 March 2014<br>£m | At<br>31 March 2013<br>£m |
| Within one year | 0.6                       | 0.3                       | 0.6                       | 0.3                       |
|                 | 0.6                       | 0.3                       | 0.6                       | 0.3                       |

**b. Financial**

Oxfam had committed the following amount in grants to international projects which will form part of the grants allocated in future years:

|                            | Oxfam                     |                           | Oxfam Group               |                           |
|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                            | At<br>31 March 2014<br>£m | At<br>31 March 2013<br>£m | At<br>31 March 2014<br>£m | At<br>31 March 2013<br>£m |
| Within one year            | 18.2                      | 17.0                      | 18.2                      | 17.0                      |
| Between two and five years | 5.6                       | 6.2                       | 5.6                       | 6.2                       |
|                            | <u>23.8</u>               | <u>23.2</u>               | <u>23.8</u>               | <u>23.2</u>               |

**c. Operating leases**

There were the following annual commitments under non-cancellable operating leases:

|  | Oxfam                     |                           | Oxfam Group               |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
|  | At<br>31 March 2014<br>£m | At<br>31 March 2013<br>£m | At<br>31 March 2014<br>£m | At<br>31 March 2013<br>£m |
| <b>ii) Land and buildings</b>          |                           |                           |                           |                           |
| Operating leases which expire:         |                           |                           |                           |                           |
| Within one year                        | 5.6                       | 1.9                       | 5.6                       | 1.9                       |
| In the second to fifth years inclusive | 10.1                      | 10.7                      | 10.1                      | 10.7                      |
| After five years                       | 2.8                       | 3.0                       | 2.8                       | 3.0                       |
|  | <u>18.5</u>               | <u>15.6</u>               | <u>18.5</u>               | <u>15.6</u>               |
| <b>iii) Vehicles</b>                   |                           |                           |                           |                           |
| Operating leases which expire:         |                           |                           |                           |                           |
| Within one year                        | 0.1                       | 0.1                       | 0.1                       | 0.1                       |
| In the second to fifth year inclusive  | 0.2                       | 0.2                       | 0.2                       | 0.2                       |
|  | <u>0.3</u>                | <u>0.3</u>                | <u>0.3</u>                | <u>0.3</u>                |

**d. Pension scheme commitments**

Oxfam operates defined benefit and defined contribution pension schemes for the benefit of its employees.

**i) Defined benefit pension scheme**

The assets of the pension scheme are held separately from those of Oxfam and are administered by The Pensions Trust. The pension cost is determined on the advice of independent qualified actuaries, with the last triennial valuation being carried out as at 30 September 2013. An actuarial valuation was carried out at 31 March 2014 by a qualified independent actuary, based on the amendment to the provisions of FRS17 (issued December 2006).

The scheme was closed to new members on 31 January 2003 and as a result, the current service cost increases as the members of the scheme approach retirement. The scheme is funded and the employer's contribution is 10.4% of pensionable pay (2012/13: 10.4%). The employees' contribution is 7.0% of pensionable pay (2012/13: 7.0%). The current service cost for this scheme for the year were £1.4m (2012/13: £1.6m). Contributions paid by Oxfam during the year were £4.7m (2012/13: £4.8m). In addition, Oxfam Ireland and Oxfam International paid £0.1m (2012/13: £0.1m) of contributions into the scheme for their employees.

The best estimate of contributions expected to be paid to the scheme by Oxfam for the year to 31 March 2015 is £4.8m.

As required by FRS17, the defined benefit liabilities have been measured using the projected unit method. The tables below state the FRS17 actuarial assumptions upon which the valuation of the scheme was based.

**Financial assumptions**

|  | 31 March 2014<br>% | 31 March 2013<br>% |
|--|--------------------|--------------------|
| Rate of increase in salaries                           | 2.00 - 3.50        | 2.00 - 3.30        |
| Rate of increase of pensions (deferred and in payment) | 3.50               | 3.30               |
| Rate of inflation (RPI)                                | 3.50               | 3.30               |
| Rate used to discount scheme liabilities*              | 4.50               | 4.50               |

\*Under FRS17 the rate used to discount scheme liabilities is based on corporate bond yields.

The mortality assumptions adopted imply the following life expectancies at age 65:

|                        | At 31 March 2014<br>Years | At 31 March 2013<br>Years |
|------------------------|---------------------------|---------------------------|
| <b>Non-pensioners:</b> |                           |                           |
| Males                  | 25.3                      | 25.5                      |
| Females                | 27.0                      | 27.2                      |
| <b>Pensioners:</b>     |                           |                           |
| Males                  | 23.1                      | 23.3                      |
| Females                | 25.1                      | 25.3                      |

**Scheme assets and expectation of return**

|                                     | At<br>31 March 2014<br>£m | At<br>31 March 2013<br>£m | At<br>31 March 2012<br>£m | At<br>31 March 2011<br>£m | At<br>31 March 2010<br>£m |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Equities                            | 65.7                      | 59.8                      | 57.3                      | 54.5                      | 50.6                      |
| Government bonds                    | 41.5                      | 38.4                      | 28.7                      | 24.7                      | 21.4                      |
| Property                            | 7.0                       | 6.3                       | 5.3                       | 4.9                       | 4.5                       |
| Cash                                | 1.1                       | 1.1                       | 0.7                       | 0.7                       | 0.6                       |
| Total fair value of assets          | 115.3                     | 105.6                     | 92.0                      | 84.8                      | 77.1                      |
| Present value of scheme liabilities | (145.5)                   | (134.2)                   | (122.6)                   | (103.1)                   | (106.4)                   |
| Net pension liability               | (30.2)                    | (28.6)                    | (30.6)                    | (18.3)                    | (29.3)                    |

|          | Expected rate<br>of return<br>at 31 March 2014<br>% | Expected rate<br>of return<br>at 31 March 2013<br>% |
|----------|---|---|
| Equities | 7.00  | 7.30  |
| Bonds    | 3.40  | 4.13  |
| Property | 6.00  | 6.30  |
| Cash     | 0.50  | 0.50  |
| Total    | 5.57  | 6.20  |

None of the fair values of the assets shown include any of the Group's own financial instruments or any property occupied by, or other assets used by, the Group.

**Analysis of amounts charged to statement of financial activities**

|   | Year to<br>31 March 2014<br>£m | Year to<br>31 March 2013<br>£m |
|---|--------------------------------|--------------------------------|
| Current service cost  | 1.4                            | 1.6                            |
| Interest cost on scheme liabilities                                       | 6.0                            | 5.8                            |
| Expected return on assets in the scheme                                   | (5.9)                          | (5.8)                          |
| Net finance charge  | 0.1                            | -                              |
| Actual return less expected return on pension scheme assets               | 1.3                            | 5.2                            |
| Experience (losses)/gains on liabilities                                  | (6.0)                          | 0.2                            |
| Changes in assumptions underlying the present value of scheme liabilities | (0.2)                          | (6.7)                          |
| Total actuarial loss recognised   | (4.9)                          | (1.3)                          |

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since 1 May 2004 is a loss of £37.0m (2012/13: £32.1m loss).

**Reconciliation of opening and closing balances of the present value of the scheme liabilities**

|   | 2014<br>£m | 2013<br>£m |
|---|------------|------------|
| Scheme liabilities at the start of the year | 134.2      | 122.6      |
| Current service cost                        | 1.4        | 1.6        |
| Interest cost                               | 6.0        | 5.8        |
| Contributions by scheme participants        | 0.2        | 0.2        |
| Actuarial loss                              | 6.2        | 6.5        |
| Benefits paid                               | (2.5)      | (2.5)      |
| Scheme liabilities at the end of the year   | 145.5      | 134.2      |

**Reconciliation of opening and closing balances of the fair value of the scheme assets**

|  | 2014<br>£m | 2013<br>£m |
|--|------------|------------|
| Scheme assets at the start of the year | 105.6      | 92.0       |
| Expected return on scheme assets       | 5.9        | 5.8        |
| Actuarial gain                         | 1.3        | 5.2        |
| Contributions by employer              | 4.8        | 4.9        |
| Contributions by scheme participants   | 0.2        | 0.2        |
| Benefits paid                          | (2.5)      | (2.5)      |
| Scheme assets at the end of the year   | 115.3      | 105.6      |

The actual return on scheme assets for the year was £7.2m (2012/13: £11.0m).

**History of experience gains and losses**

|   | 2014   | 2013 | 2012   | 2011   | 2010  |
|---|--------|------|--------|--------|-------|
| Difference between the expected and actual return on scheme assets (£m) | 1.3    | 5.2  | (1.3)  | (0.7)  | 12.5  |
| As % of scheme assets   | 1.1%   | 4.9% | (1.4%) | (0.8%) | 16.2% |
| Experience (losses)/gains on scheme liabilities (£m)                    | (6.0)  | 0.2  | 0.1    | 2.5    | -     |
| As % of liabilities   | (4.1%) | 0.1% | 0.1%   | 2.4%   | 0.0%  |

**ii) Growth Plan**

As noted in Note 17, Oxfam participates in The Pensions Trust's Growth Plan, a multi-employer pension plan. Based on the latest triennial valuation of the scheme carried out on 30 September 2011, the scheme assets amounted to £780m, whilst liabilities were £928m, resulting in a deficit of £148m. A ten-year deficit recovery plan has been put in place which will require Oxfam to make annual payments of £81,318. These contributions were reflected in the SOFA and pension reserve in 2012/13, with the annual contribution reflected as a transfer between the pension reserve and general reserve in 2013/14.

**iii) Defined contribution pension scheme**

For employees not in the defined benefit scheme, Oxfam operates a Stakeholder Pension Scheme. This is a unit-linked money purchase scheme from Norwich Union. From 1 January 2003 Oxfam contributed double the employee contributions up to a maximum of 10% of pensionable pay. Oxfam contributed £2.5m (2012/13: £2.2m) to this pension scheme in the year to 31 March 2014.

**iv) Alternative pension arrangements**

When staff are not eligible to join the Stakeholder Pension Scheme or the Oxfam Pension Scheme, Oxfam offers alternative arrangements as appropriate.

**22. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

| Oxfam  | Unrestricted funds<br>£m | Restricted funds<br>£m | Endowment funds<br>£m | Total funds<br>£m |
|--|--------------------------|------------------------|-----------------------|-------------------|
| Fund balances at 31 March 2014 are represented by: |                          |                        |                       |                   |
| Tangible fixed assets                              | 12.1                     | -                      | -                     | 12.1              |
| Investment assets                                  | 4.1                      | -                      | 2.6                   | 6.7               |
| Current assets                                     | 60.6                     | 53.4                   | -                     | 114.0             |
| Current and long-term liabilities and provisions   | (30.9)                   | (1.0)                  | -                     | (31.9)            |
| Pension liability                                  | (30.2)                   | -                      | -                     | (30.2)            |
| Total net assets at 31 March 2014                  | 15.7                     | 52.4                   | 2.6                   | 70.7              |

| Oxfam Group  | Unrestricted funds<br>£m | Restricted funds<br>£m | Endowment funds<br>£m | Total funds<br>£m |
|--|--------------------------|------------------------|-----------------------|-------------------|
| Fund balances at 31 March 2014 are represented by: |                          |                        |                       |                   |
| Tangible fixed assets                              | 12.2                     | -                      | -                     | 12.2              |
| Investment assets                                  | 2.6                      | -                      | 2.6                   | 5.2               |
| Current assets                                     | 80.1                     | 53.4                   | -                     | 133.5             |
| Current and long-term liabilities and provisions   | (44.6)                   | (1.0)                  | -                     | (45.6)            |
| Pension liability                                  | (30.2)                   | -                      | -                     | (30.2)            |
| Total net assets at 31 March 2014                  | 20.1                     | 52.4                   | 2.6                   | 75.1              |

**23. RELATED PARTY TRANSACTIONS**

Amounts of £4,591,000 (2012/13: £3,445,000) were paid to and £466,000 (2012/13: £86,000) received from Oxfam International, an organisation in which the Chair and Chief Executive of Oxfam are members of the board. At 31 March 2014, £51,000 (31 March 2013: £185,000) was owed by Oxfam to Oxfam International.

With the exception of Oxfam International, Oxfam affiliates are not considered related parties to Oxfam as they are not under common control and neither Oxfam or the other affiliates have direct or indirect control over each other.

Grants totalling £1,000 (2012/13: £25,000) were paid by Oxfam to Development Finance International Ltd, a company in which Matthew Martin, a Trustee of Oxfam, is a director.

## ACKNOWLEDGEMENTS

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Front cover: Children play on the beach near Tacloban, three months after Typhoon Haiyan struck the Philippines. Oxfam provided immediate emergency support, and is continuing to help fishing communities to repair homes and boats and earn a living again. Photo: Eleanor Farmer

Inside front cover: Thanks to an innovative project in Cambodia, Chum Kor (right) receives weather warnings via her Oxfam-funded mobile phone. It's a scheme that benefits the whole community as Chum passes on the information to her neighbours. Photo: Simon Rawle

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