

2016/17  
**OXFAM**  
ANNUAL REPORT & ACCOUNTS



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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 about this Trustees' Annual Report and Accounts.

# CORPORATE DIRECTORY

## Oxfam GB Council of Trustees (as at 31 March 2017)

Karen Brown (Chair) <sup>2,3,4</sup>	Gavin Stewart (Vice Chair) <sup>2,5</sup>	David Pitt-Watson (Honorary Treasurer) <sup>1,2</sup>
Kul Gautam <sup>4</sup>	Ken Caldwell <sup>4</sup>	Steve Walton <sup>1</sup>
Caroline Thomson (appointed 10 March 2017)	Wakkas Khan <sup>1,5</sup>	Lois Jacobs
Lidy Nacpil <sup>4</sup>	Nkoyo Toyo <sup>4</sup>	Katy Steward <sup>2,3</sup>
Ruth Ruderham <sup>5</sup>		

Matthew Spencer retired from Council on 8 July 2016 and James Darcy retired from Council on 7 October 2016. Ruth Ruderham retired from Council on 7 July 2017. Lois Jacobs and Lidy Nacpil were appointed to Council at the Annual General Meeting on 7 October 2016. Ken Caldwell was appointed to Council on 7 November 2016.

## Non-trustee advisory members of committees (as at 31 March 2017)

The following people play a role as non-trustee advisory members of committees:

Helen Marquard <sup>3</sup>	Tunde Olanrewaju <sup>1</sup>	Mark Hoble <sup>2</sup>
Margie Buchanan-Smith <sup>4</sup>	Kate Hogg <sup>5,6</sup>	Janine Woodward-Grant <sup>3</sup>
James Briggs <sup>5</sup>		

**Trustee and non-trustee advisory members of committees:** changes taking place after 31 March 2017, as at 6 October 2017: Susan Cordingley<sup>1</sup>, Andy Parsons<sup>1</sup> and Ken Brotherston<sup>3</sup> were appointed as non-trustee advisory members of committees.

<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

<sup>4</sup> Member of Programme Committee (formerly Programme Review Group)

<sup>5</sup> Member of Fundraising Committee

<sup>6</sup> With an agreed temporary suspension of membership from June 2017 due to a potential conflict of interest arising from work commitment

## Principal professional advisers

Oxfam GB'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, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH

### Principal Solicitors

Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS

Gowling WLG, 2 Snow Hill, Birmingham B4 6WR

## Leadership Team (as at 31 March 2017)

Oxfam's Leadership Team comprises:

<b>Chief Executive:</b>	Mark Goldring
<b>Deputy Chief Executive:</b>	Penny Lawrence <sup>7</sup>
<b>Campaigns, Policy and Influencing:</b>	Francoise Vanni (to August 2016) Matthew Spencer (from September 2016)
<b>Communications:</b>	Jack Lundie <sup>7</sup>
<b>Fundraising:</b>	Tim Hunter
<b>Finance and Information Systems:</b>	Alison Hopkinson
<b>International:</b>	Olga Ghazaryan (to April 2016) Cherian Matthews <sup>7</sup> (from May 2016)
<b>Trading:</b>	Andrew Horton

<sup>7</sup> As at 6 October 2017, Jack Lundie and Cherian Matthews had been replaced by Matthew Sherrington as (interim) Communications Director, and Penny Lawrence as (interim) International Director.

# MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

In the past year, your support has helped millions of people worldwide in their fight to beat poverty. More people are protected from disease with clean, safe, running water. More communities can earn a living, provide for their families and keep them safe from conflict and disaster. More women are benefiting from laws that recognise their rights.

We have seen the number of people living in extreme poverty halved in just 15 years – and with the possibility of ending extreme poverty in sight, we are spurred on to achieve more, more smartly. But a rise in conflict, violence and war threatens this progress. It has led to huge surges in migration, both into Europe and, much more significantly, between and within countries in the developing world.

Together, we must meet the challenge of helping the rising number of men, women and children living in crisis, while working with people in their everyday struggle to improve their lives for the long term.

At Oxfam Great Britain (hereafter in this Report referred to as Oxfam GB), this has meant using your support to focus on the impact of conflict in countries that had previously been more stable, as well as on places that have long been unstable. This has involved far-reaching programmes which are saving lives in countries such as Yemen, Syria, Iraq and South Sudan, as well as, for example, an increased response to the combination of drought and instability in North-East Africa.

It has also meant that we have had to continue to adjust to working in difficult and hazardous circumstances. Our humanitarian staff have worked in a number of very dangerous situations, for example on the outskirts of Mosul in Iraq or under the threat of bombs in Sana'a in Yemen, and this has made their life-saving work even more complex, expensive and stressful. Despite this, our emergency teams and partners reached 8.6 million people hit by the worst conflicts and natural disasters.

## Fighting inequality

On a completely different front, we know we will not eradicate poverty without the global community working together more effectively to reduce inequality. At Oxfam GB, we have been able to set the agenda by combining very loud public advocacy – and harnessing the power of our supporters – with very practical work seeking to influence key people, developing and delivering national inequality campaigns, and securing funding on issues such as workers' rights and taxation.



Photos: Andy Hall/Oxfam

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It has been tough at times, especially as governments in western countries have been less receptive to these ideas than they were just a year ago. But that is one reason why it was so heartening to hear our words echoed back to us by President Obama and other leaders throughout the year. We are also beginning to see signs of progress, for example on tax transparency, at both a state and corporate level.

### **Towards One Global Oxfam**

Over the last few years Oxfam GB has committed to playing a leading role in building the Oxfam global confederation. This will enable us to share resources, save money, be more effective, and ensure countries in the global South feel greater local ownership of our work. Our earlier commitments are now being translated into action, and we have taken huge steps towards bringing our regional and country teams under one management structure.

This internationalisation process has been a challenging journey, as it involves Oxfam GB giving up power. In the past, we managed, spent and accounted for the money we raised from the British public and institutions. Now, we share this responsibility with others, and act as a partner rather than a manager. Despite the challenges, we are making significant progress. In 2016, we transferred half our country offices to a shared Oxfam management structure, and we have ambitious plans to transfer the remainder during 2017/18.

### **Sustaining income and impact**

In the last year, we were able to sustain the previous year's record levels of income, thanks in part to the generosity of Oxfam's supporters across the UK. We also exceeded our targets across trading, institutional fundraising and public fundraising. Our shop teams in particular have worked hard to improve efficiency, move stock and increase online sales, which meant that we could help a total of 11.6 million people living in poverty across the world.

This is a solid achievement in a really tough operating environment. In the UK, the role and behaviour of charities – and the value of international development – have faced serious questions. Another huge challenge was the massive devaluation of the pound following the vote to leave the EU. This put a real strain on programme finances and ultimately meant our money did not go as far as we planned for it to. We have worked hard with partner organisations to minimise the impact of this.

### **Looking forward**

In the year ahead, and with your help, we want to work more forcefully – and in partnership with the private sector – to shape businesses and private investment so that they can better benefit people in poverty. We are also planning a major investment in our shops, so that we are better placed to take advantage of our ever-changing high streets and shopping patterns.

On top of that, we have three clear priorities to consolidate the progress made this year, and enable us to do far more to build a fair and just world without poverty. Firstly, we must complete the Oxfam internationalisation process so that we can focus solely on delivering high-quality programmes. Secondly, we must make a greater impact through our campaigning on the global refugee crisis. Thirdly, we must do more to convert our work on inequality into practical action, country by country.

And we welcome Caroline Thomson who takes over as Chair in October this year.

### **Thank you**

Despite the ongoing challenges, we know that ending poverty is not wishful thinking. It's already happening. Not only have we seen extreme poverty halved in just 15 years, but by 2030, we can end it completely. Oxfam continues to play a vital role in making this happen. We continue to save lives when disaster strikes and help people come back stronger. We continue to help people to help themselves out of poverty – supporting their right to work and provide for their loved ones. And we continue to take on the global issues that keep people poor.

We know we can't do any of this without the continued practical and financial support of our partners, the communities we work with, and you – our more than 800,000 active Oxfam supporters across the UK. Our achievements are built on your generosity and inspiration, and every day you are making change happen worldwide. As always, we want to thank you for your incredible support over the last year – you have saved lives torn apart by conflict and natural disasters, and given people in poverty the hope and support they need to build a better future.



**Karen Brown**  
Chair of  
Oxfam Great Britain



**Mark Goldring**  
Chief Executive of  
Oxfam Great Britain

# THE STRATEGIC REPORT

An overview of who we are and what we do, a review of our achievements and performance in 2016/17, and a summary of our objectives for the coming financial year.

# WHO WE ARE AND WHAT WE DO

Oxfam is a global movement of people who work together to end the injustice of poverty for everyone. Oxfam Great Britain is one of the 19 Oxfam affiliates that make up the confederation of Oxfam International.

## Our vision

We believe it is possible to live together in a fairer world, one in which all people can influence the decisions that affect their lives. Where people are safer and better able to recover from crises and disasters. And where everyone can exercise their rights, knowing we're all treated and valued equally. We won't live with poverty, and we know if everyone plays their part, we don't have to. We can be the generation to end extreme poverty for good.

## Our purpose

Oxfam GB's purpose is to help create lasting solutions to the injustice of poverty. As stated in our 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.

## How we work

In 2016/17, we spent £303.5m on charitable activities in three interconnected ways:

- development: we helped communities and families lift themselves out of poverty
- humanitarian: together with communities, we saved and rebuilt lives after disasters
- campaigning: we used our influence to challenge the things that keep people poor.

Throughout all our efforts, we focused on water, women, work and inequality, because saving lives in disasters, advancing women's rights and building fair livelihoods are the most effective ways to end poverty for good.

## Our network

Oxfam GB is an independent organisation, affiliated to Oxfam International, a global confederation of 19 independent Oxfams that share a single Strategic Plan: 'The Power of People Against Poverty' (see page 9).

All Oxfam affiliates are part of a global movement to build a fairer, safer world. We work together because we believe we will achieve greater impact by working in collaboration.

## How we spent our money in 2016/17

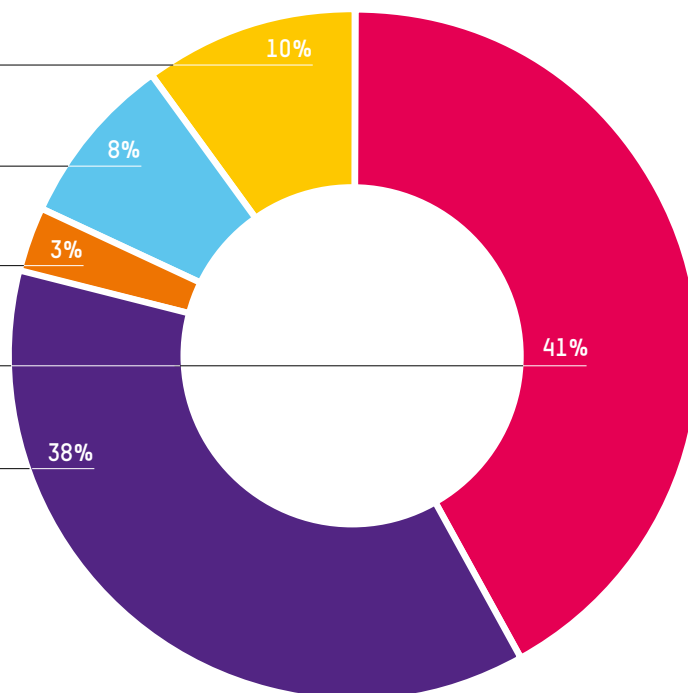
Support costs

Fundraising

Campaigning and advocacy

Humanitarian

Development





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

All Oxfam affiliates share a common strategic plan, covering the period 2013–19<sup>1</sup>. This plan sets out the following goals behind which all affiliates' work is focused:

## EXTERNAL CHANGE GOALS: SIX 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; and 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, 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 of 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: SIX 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 with 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

<sup>1</sup> <http://www.oxfam.org.uk/what-we-do/about-us/plans-reports-and-policies>

# OUR FINANCIAL AND ORGANISATIONAL STRATEGY

Oxfam GB is an independent organisation, affiliated to Oxfam International, a global confederation of 19 independent Oxfams that share a single Strategic Plan: 'The Power of People Against Poverty' (see page 9). As Oxfam GB, our overarching financial strategy is to secure, and effectively manage, the resources necessary to fund the ambitions set out in the Oxfam Strategic Plan. In 2016/17, our organisational strategy involved significant changes to our operating model and the way that we operate with other Oxfam affiliates as part of the Oxfam confederation to move us towards the 'One Oxfam' model.

## How we work as a confederation: the 'One Oxfam' model

Throughout the 2016/17 financial year we significantly reshaped the way that we work as part of the confederation of 19 Oxfam affiliates, to ensure that we make the most of our collective influence and effectiveness through closer collaboration. We call this significant organisational change programme 'Oxfam 2020'. The drivers for the changes that we are making are to ensure that we:

- are more rooted in the countries where we work
- are stronger in the way we influence global, regional and national change to eliminate poverty and injustice
- are simpler in how we work to reduce cost and complexity and increase efficiencies
- have better ability to share knowledge, evidence and expertise to deliver high-quality programmes.

The Oxfam 2020 changes will ensure that, by March 2018 (and much earlier in many countries), we have aligned all Oxfam activities in a country under the leadership and accountability of one Oxfam Country Director. That Country Director will be responsible for delivering a shared One Oxfam Country Strategy using one Oxfam affiliate's systems and processes (the 'Executing Affiliate'<sup>2</sup>) and will be managed by one overarching Oxfam International Programmes Director. This contrasts with the previous arrangements, where, prior to the change programme, there were a number of Oxfam Country Directors in each country who were employed by individual Oxfam affiliates to manage each Oxfam affiliates' programme investments. This resulted in a multiplicity of systems and reporting tools being used by different Oxfams in any one country.

From 2017/18, all Oxfam affiliates will contribute to the core costs of all 68 Oxfam country programmes by providing a significant proportion of their unrestricted programme funds achieved each year into a confederation-wide pot we call 'Collective Resource Allocation'. This means that all affiliates, including Oxfam GB, financially contribute to all Oxfam country programmes. In addition, all Oxfam affiliates raise funds for country programmes from

governmental, corporate and multilateral donors, and provide expertise to Country teams in designing quality programmes with advisory support on themes such as women's rights, economic justice, inequality etc.

In addition to the Collective Resource Allocation, all Oxfam affiliates are also able to make discretionary investments in country programmes as determined by their individual Boards and through restricted income contracts received from home donors. This arrangement is described as the 'Partner Affiliate' function.

Some Oxfam affiliates will provide the underpinning systems and processes to enable our country offices to operate effectively (for example, being the legally registered entity in-country, employing all staff and providing HR, IT, finance, logistics, support systems, policies and procedures). This is described as the 'Executing Affiliate' function.

In the 2016/17 financial year, considerable steps were made in making the One Oxfam model a reality, with new structures to support its delivery becoming operational. As Oxfam GB, we:

- have transferred Oxfam GB staff and assets to management by: Oxfam Novib (Netherlands) in Cambodia, Vietnam, Niger and Nigeria; and Oxfam Intermon (Spain) in Honduras, Bolivia and Guatemala
- began the transition from lower-priority countries to focus our discretionary programme investments in 35 countries where we feel we can achieve the greatest impact on poverty and injustice, reducing our investments in lower priority countries
- completed the closure of three Oxfam GB regional centres in Latin America and the Caribbean, Southern Africa and Asia (Oxfam GB regional centres covering the Middle East and North Africa, the Horn, East and Central Africa and West Africa closed in the first half of 2017/18).
- collaborated with Oxfam's newly established Global Humanitarian Team, which successfully joined up work across Oxfam's affiliates, to enable Oxfam to better respond to these complex emergencies.

<sup>2</sup> Oxfam GB is Executing Affiliate in: 8 countries in Asia (Bangladesh, Indonesia, Myanmar, Nepal, Pakistan, Philippines, Tajikistan and Thailand); 6 countries in the Middle East and North Africa (Iraq, Jordan, Lebanon, Russia, Syria, Yemen); 6 countries in the Horn, East & Central Africa (Democratic Republic of Congo, Ethiopia, Kenya, Rwanda, South Sudan and Tanzania); 3 countries in Southern Africa (Malawi, Zambia and Zimbabwe); and 4 countries in West Africa (Ghana, Liberia, Mali and Sierra Leone).



We have continued to provide resources to the Oxfam International Secretariat to manage the change process that this vision requires (£10.4m in 2016/17, compared to £8.0m in 2015/16). We are confident that this additional investment to change the way that we work as a confederation will make us more effective as a confederation and secure future cost efficiencies.

#### Where our income came from in 2016/17

Oxfam GB has a varied range of income sources, spanning public fundraising, retail operations and grants and contracts from large governmental and multilateral organisations. In 2016/17, our total income from all sources was slightly lower by £6.1m than in 2015/16, at £408.6m. By developing new responsible and innovative ways to attract supporters both in the UK and from international markets (Thailand and South Korea), we were able to secure similar levels of income from public fundraising activities as last year (£114.8m). Our retail operations also delivered similar levels of net contribution/profit, thanks to the extraordinary efforts of

the tens of thousands of volunteers whose tireless support we are indebted to. As predicted, our income from grants and contracts from governmental and multilateral organisations fell by 5%, as a consequence of changed approaches by the UK government for international development funding, the planned end to a number of large programmes, and no equivalent humanitarian disaster to that of the Nepal earthquake, or Ebola outbreak, which caused our income from institutions for humanitarian programmes to be particularly high last year.

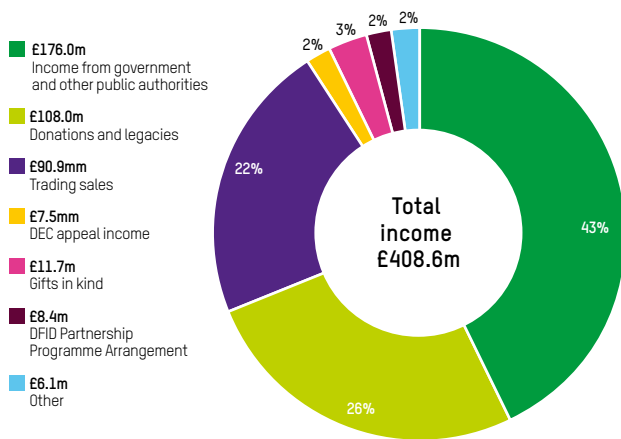
#### How did we invest in programmes in 2016/17?

Oxfam GB's expenditure on charitable activities decreased by 6%, or £18.5m, in 2016/17. 47% of that expenditure was allocated to our development work; 48% to our humanitarian response work and 5% on our campaigns, with notable expenditure in Yemen, Nepal, South Sudan, Ethiopia, Jordan, Democratic Republic of Congo, and Iraq. You can read about the major achievements of those and some other selected programmes throughout this report.

<sup>3</sup> In addition to Collective Resource Allocation, under the new Oxfam 2020 operating model, Oxfam GB also has the opportunity to make discretionary investments and offer support to One Oxfam countries. Oxfam GB has selected 35 countries to support: the 27 countries where Oxfam GB is the Executing Affiliate (listed in Footnote 2), apart from Russia; and Afghanistan, India, Brazil, Colombia, Haiti, Honduras, Mexico, the Occupied Palestinian Territories and South Africa.

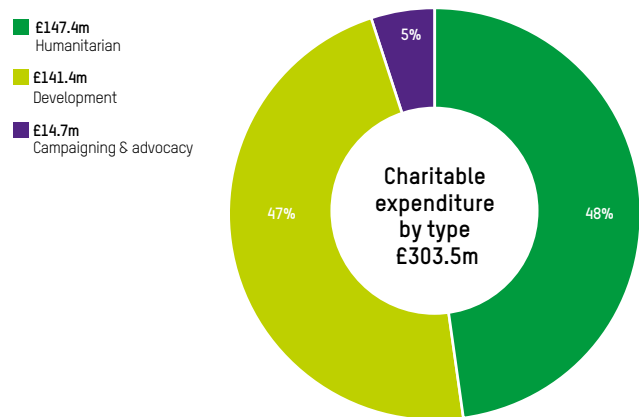
# FINANCIAL REVIEW: INCOME AND EXPENDITURE HIGHLIGHTS

## Where our funds came from in 2016/17

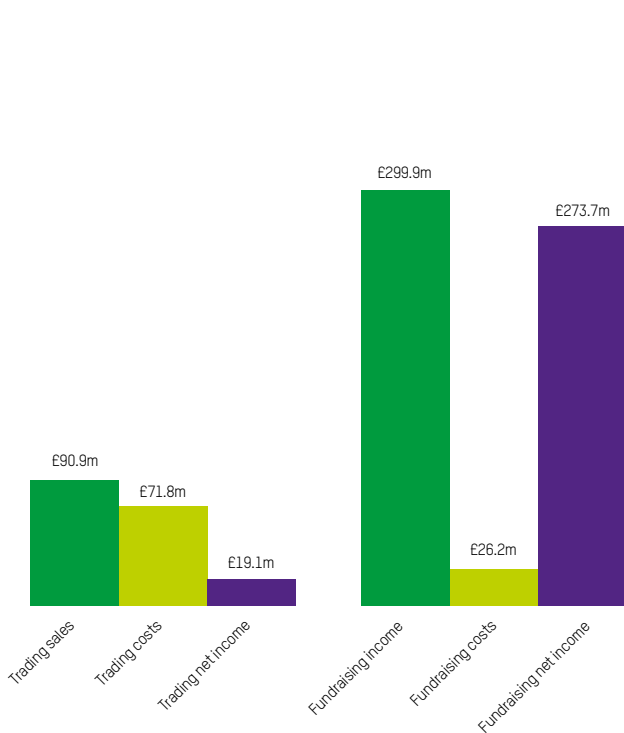


## What we spent our money on in 2016/17

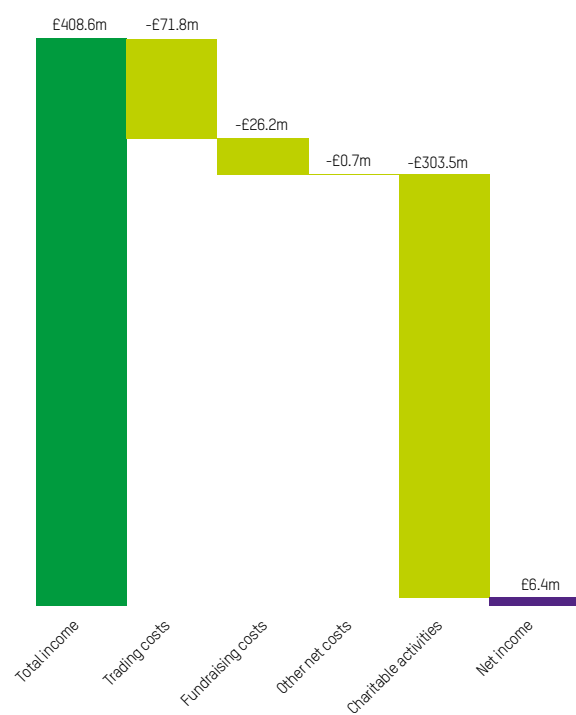
(after allocating support costs to our primary activities)



## Trading, fundraising net income in 2016/17



## Total income less expenditure in 2016/17



# OUR PROGRAMME IMPACT IN 2016/17

To achieve the goals set out in the Oxfam Strategic Plan (see page 9), we work in three interlinked ways:

- **development:** we help people build better lives for themselves
- **humanitarian:** together with communities, we save and rebuild lives after disasters
- **campaigns:** we speak out on the big issues that keep people poor, like discrimination against women and inequality.

All our programmes – whether an emergency response, a longer-term development intervention or a global campaign – are tailored to the specific needs of the contexts in which we work. We take a ‘one programme’ approach, which involves combining an emergency response, long-term development and campaigning interventions to tackle the range of complex interactions that cause poverty and injustice and achieve lasting change in the lives of people living in poverty.

In the 2015/16 Annual Report, we described the following objectives for ensuring that we achieved impact at scale for the people we serve in 2016/17:

- delivering high-quality programmes with a particular focus on Women, Water, Work and Inequality
- providing effective support to the cross-Oxfam humanitarian programme
- improving programme design, and deploying new programme support and risk-management arrangements
- developing plans for innovation in programme design
- improving the quality of our partner relationships
- seeking to influence key actors to champion greater tax transparency and a crackdown on tax havens
- working across the confederation to develop and deliver national ‘Even It Up’ campaigns focusing on issues of inequality”
- delivering a range of activities to support the global ‘Rights in Crisis’ campaign; responding with timely advocacy and popular action to help reduce El Niño’s human impact; and lobbying the UK government to play a global leadership role in resolving crises in Yemen, Syria and on refugees
- securing funds for a UK poverty programme focused on provision of decent work for low-paid women in the UK, in partnership with other organisations.

In the following pages we describe our achievements against these objectives. In general, we are pleased that throughout the significant organisational change programme underway in 2016/17 (described on pages 10 and 11) we have continued

to deliver high-quality development, humanitarian and campaigning programmes, reaching more than 11.6 million people directly, 57% of whom were women. We have worked hard to ensure that those affected by disasters and conflicts can access the essentials they need to survive, reaching nearly 8.6 million people through our humanitarian work. We built further on our diverse relationships with 589 local and global civil society organisations, social movements, coalitions, academic institutions and other partners, to mobilise people and resources and bring about the changes that will help end poverty and injustice. These numbers do not include the millions who benefit indirectly from the changes that we secure through our campaigns, policy and influencing work, nor the ripple effect of our development work, for example where our research findings are applied by governments in revising policies to better target the poorest communities, or those who go on to benefit from the training that we deliver directly.

As we have transferred the line management of Oxfam country teams to the one Oxfam Country Director, managed by Oxfam International, we have used this as an opportunity to strengthen how we work as partners with Oxfam Country Offices and the unified Oxfam Global Humanitarian Team, to ensure that, in designing our programmes, we effectively consolidate learning from our investments in programme quality (how we do things), our thematic prioritisation (what we do), and our organisational effectiveness (the contributions to the impact that we make). We have worked hard to improve the quality, and therefore ultimately the impact, of our programme investments; to improve the ways in which we design, deliver and demonstrate the effectiveness of our programmes; to develop the skills and competencies of our staff and partners, and to ensure we are accountable for delivering value for money with the resources entrusted to us.

Part of this focus on improving the quality of our programme has involved drawing together all that we understand about how to work best in fragile and conflict-affected areas, and to demonstrate how we have impacted on change in such contexts over the last 20 years. This has shown how a focus on resilience, effective governance, gender justice, and strong and diverse partnerships can deliver high programme quality in terms of staffing, monitoring, accountability and learning.

With more than 172 programmes running globally, it is difficult to provide a concise summary of what has been delivered in 2016/17, but in the coming pages we draw attention to a number of programmes that provide an account of our progress in achieving the objectives that we set for progress in 2016/17, and a good indication of the kind of work that we have delivered.

## OUR PROGRAMME IMPACT IN 2016/17

### DEVELOPMENT

In 2016/17, Oxfam spent £141m, almost half of our total spending on charitable activities, on long-term projects to help the poorest communities in more than 45 countries<sup>4</sup>. This work included: advancing women's rights and gender justice, enabling greater access to essential services like health care and schools, ensuring people benefit from a fair share of natural resources, improving agricultural production, ensuring more sustainable sources of food, and improving access to markets to sell their goods. Underpinning all our development work is enabling people living in poverty and inequality to take an active role in improving their own lives.

We helped nearly 2 million people to have access to clean drinking water, better sanitation facilities and provided activities to improve health and reduce the spread of disease. Around 350,000 people were helped to earn a better living by improving their crops, goods and services, and to negotiate better prices for their goods in more markets. Nearly 1 million women and men were supported to advocate for their rights and campaign against gender-based violence, and more than 500,000 women increased their ownership of land and other assets thanks to Oxfam's support.

Some examples of this work include:

In **Bangladesh**, the REE-CALL (Resilience through Economic Empowerment, Climate Adaptation, Leadership and Learning) programme is supporting thousands of women and men to thrive, despite the very real challenges they face in their daily lives from poverty, natural disasters, climate change and gender injustice. The project helps by enhancing women's abilities to earn a living; promoting water, sanitation and better hygiene; and producing sustainable ways to address climate change and disasters.

In **Colombia**, building on Oxfam's successes in defending the rights of rural women over the past decade, the Equality and Territorial Development for Rural Women project aims to influence the government as it negotiates a potential peace agreement. The project focuses on changing public policies and increasing investment to help women in rural areas earn a living, have access to clean water and understand their rights.

In **Ghana**, we are supporting communities to adapt to the challenges of a changing climate. The aim is to increase the quantity and quality of public and private investment in agriculture in order to improve productivity, resilience and well-being of women and other smallholder farmers, their families and communities.

In **Honduras**, the 'Iguales' project promotes positive changes in beliefs, attitudes, public policies and practices in order to safeguard women's rights to life, their right to be heard, security and ability to earn a living.

In **Turkana**, North-West Kenya (the poorest county in the country, with 95% of the population living in absolute poverty), repeated droughts compounded by a lack of investment, have created humanitarian emergencies every few years. We are working with partners to improve water and sanitation by demonstrating the advantages of and advocating for a county-wide approach towards cleaner, cheaper, more reliable, renewable, solar energy to pump water in arid and semi-arid lands. We are also working with County Assemblies to ensure water needs are properly resourced. In Nairobi, in partnership with a social enterprise, we are improving sanitation in schools through a business model based on processing and sale of by-products from human waste.

In **Pakistan**, we are working to decrease waterborne diseases among women and children by involving them in the management of the water and sanitation facilities.

In the **Philippines**, our EMBRACED (Empowering Poor Women and Men in Building Resilient and Adaptive Communities in Mindanao) and WIRED (Women Increased Resilience and Empowered against Disasters) projects are working to increase women's confidence and status by supporting them to lead their communities, and helping to improve their income. We are also working to strengthen their ability to withstand the shocks and stresses brought on by climate change by encouraging the adoption of climate-resilient farming practices, influencing budgeting priorities of local government to support climate change resilience and setting up early warning systems.

In **Tajikistan**, we are working to introduce and support innovative financing models for water supply and sanitation, including sanitation marketing and business opportunities, while also influencing legislation, regulation and coordination at both national and local levels.

In **Zambia**, our 'I Care About Her' campaign aims to mobilise men across the country to increase their role in condemning

<sup>4</sup> In 2016/17 we continued to hold line-management responsibilities in 45 countries but, from 2017/18, our direct programme investments will only be in 35 countries (see pages 10 and 11). We will still support all Oxfam country offices in accessing funding from UK donors (e.g. the UK's Government Department for International Development), and home donors (e.g. the European Union) for the benefit of the confederation, which will involve us holding contracts and channelling restricted funding to programmes implemented in countries that are not one of our 35 priority countries

and stopping violence against women and girls. In 2016/17, we built on our research around the issue of unpaid care, to develop and scale up our work on this important issue. WEE-Care (Women's Economic Empowerment and Care) is an initiative to make care work more visible and address it as a factor influencing gender equality. Our goal is to join with others to build solutions to the centuries-old challenge of providing effective care for people whilst also ensuring women's human rights. This included signing a new partnership with Unilever's Surf laundry brand, where a £4.1m investment in women's and girls' unpaid care aims to reach 5 million people over the next three years (see also page 20).

We continue to be committed to **documenting and sharing learning from our programme experience** with partners and others in the sector. In 2016/17, this included:

- distilling key approaches and sharing guidance on what 'resilient development' means in practice
- further developing our guidance on Vulnerability Risk Assessment and Rapid Care Analysis, in order to capture and share ideas that can be new or complex for others in relatively easy ways
- sharing research on how civil society organisations are affected by conflict
- producing a new web-based version of our toolkit for Oxfam staff on how to support marginalised smallholders to access markets for their produce
- translating our Gender Justice Module into Spanish, French and Arabic and making it available externally (we had over 400 registrations from external learners in the first eight hours)
- Sharing our research papers on El Niño (including 'A Preventable Crisis' and 'El Niño Community Voices') – these were used by development agencies in Southern and East Africa (including government and UK Department for International Development staff), to develop policies and practices that address the immediate impacts and longer-term implications of climate-change intensified El Niño; and informed high-level engagement by the UN's Secretary-General's Special Envoys on El Niño and Climate (Mary Robinson and Ambassador Macharia Kamau), and Oxfam International's Executive Director, Winnie Byanyima.

We have also drawn together all the **work in fragile and conflict-affected regions** to produce a unified approach, which aims to understand how we have affected change in such contexts over 20-year periods. On a programme design level, this focuses on resilience, effective governance, gender justice, and strong and diverse partnerships, while operationally it seeks to match this with high programme quality in terms of staffing, monitoring, accountability and learning. This supports a longer-term vision of coherence between long-term development and emergency relief work.

We have continued to consolidate **efforts to improve programme quality** and, ultimately, impact, working to improve the way in which we design, deliver and demonstrate the effectiveness of our programmes. For more information on this, see pages 23–24.

## HUMANITARIAN

**In response to 31 emergencies across the world in 2016/17, we worked at the most fundamental level to save lives when crises hits, to ensure people got access to the essentials they needed to survive and that the most vulnerable were kept safe from harm, reaching 8.6 million with humanitarian assistance.**

The global community is facing the largest level of displacement since World War 2 and worsening conflicts that are leaving millions on the brink of famine. Conflicts in Iraq, Nigeria South Sudan, Syria and Yemen have worsened and, in response, we reached more people with assistance. But these are not the only emergencies that we responded to in 2016/17; we also provided vital assistance to those affected by Hurricane Matthew in Haiti; droughts in Ethiopia, Malawi and Zimbabwe; ongoing conflict in the Democratic Republic of Congo; and continued recovery support to those affected by the 2015 Nepal earthquake. Oxfam's newly established Global Humanitarian Team successfully joined up work across Oxfam's affiliates to enable us to better respond to these complex emergencies.

In **Yemen**, the ongoing civil war has resulted in 18.8 million people in need of humanitarian assistance, with 6.8 million on the brink of famine and 3 million displaced. Limited essential services and access to markets and incomes has led to increased malnutrition in children and a worsening cholera outbreak. In 2016/17, we responded to these horrors with our largest country programme investment, providing assistance to over 1 million people in eight of the worst-affected governorates across both sides of the conflict. This included water to 690,000 people and cash or vouchers to 135,000 people so families could buy food to survive. Alongside providing emergency assistance, we also looked at more sustainable approaches to the crisis: constructing and maintaining water networks to villages and towns, as well as cash for work to rebuild livelihoods. The current situation is worsening and, until peace is restored, the situation will continue to deteriorate.

Famine was declared for the first time in six years in **South Sudan** in February 2017. The world's newest country has been

## OUR PROGRAMME IMPACT IN 2016/17

beset by war since 2013, but in summer 2016 the situation deteriorated further. Since then 102,000 people have fallen into famine and a further 1 million are on the brink. In response, we provided 600,000 people with life-saving assistance inside South Sudan, including food distributions to 450,000 people and access to safe and clean water. To provide a more sustainable approach, we provided seeds and tools, fishing kits and livelihood training to affected communities. The crisis has also led to 1.6 million South Sudanese fleeing the country, with thousands crossing the borders daily. Through our programmes, we have constructed water networks for large refugee camps in **Uganda** and **Ethiopia** so hundreds of thousands of people there have access to basic services.

During the first half of the year, we prepared for the attempt by the **Iraqi** government to retake Mosul from ISIS. The attempt began in the second half of the year and we responded, alongside others, by supporting those displaced by the conflict. Since the launch to retake Mosul began in October 2016, 200,000 people had been displaced to newly built camps in areas south of the city. Our programmes have provided water to entire camps, alongside hygiene messaging and cash, as well as rehabilitating water treatment units that had been neglected so that surrounding towns and villages had reliable access to water. In total, we provided 269,000 people with assistance in both camp and non-camp settings in response to Mosul displacement, and across the whole of Iraq, Oxfam assisted 365,000 people.

Across the border, the **Syria** crisis continues. In March 2017, it was announced that there are now 5 million refugees as a result of the war in Syria. Inside Syria, there continues to be 14 million people in need of assistance, with over 6 million of these displaced from their homes. In Syria, we continued to provide over a million people with water across front lines through the installation of generators, rehabilitation of wells, water-pumping stations and the installation of emergency water treatment units across multiple governorates. In response to the displacement in Aleppo in December 2016, when fighting increased, we ensured the generator we had installed continued functionality at the water-pumping station, provided 17,000 family hygiene kits to those displaced, installed 490

water tanks and installed water purification units on the Quiq river so that the water supply was maintained when water-pumping stations were not functional. We also continued to meet needs in Lebanon and Jordan, including work in Za'atari camp in Jordan and informal camps in Lebanon where we have assisted over 70,000 people across the two countries.

It was not just war, however, that affected people across the globe. Communities were also affected by **El Niño**, whereby the warming of the Pacific Ocean impacts the climate and weather across the globe. Significantly hit were Ethiopia, Malawi and Zimbabwe, where the droughts left over 20 million people in need of assistance. In Ethiopia, we responded in four of the worst-affected areas, providing cash and water to over 400,000 people, along with seeds so that communities could grow food once the rains started. In southern Africa, our responses in Malawi and Zimbabwe reached over 650,000 people with humanitarian assistance. This included borehole rehabilitation, cash, seeds, tools, training and hygiene promotion.

The **Nepal earthquake** in Spring 2015 had a catastrophic impact on the country. In 2015, we were there saving lives and providing vital assistance to 600,000 people. Over the past year, our work has now moved on to the recovery phase – supporting communities in five districts to rebuild their livelihoods, repair water infrastructure, improve shelter and build communities' resilience to any future natural disasters. These projects included: improving insulation in homes, tools, cash grants, improved access to water, sanitation and health facilities in schools, significant work around menstrual hygiene management and training to create incomes for all communities affected. This year we helped 176,000 people in rebuilding their lives after the earthquake.

As we look ahead, we continue to face a period of unprecedented need for humanitarian support. With the potential of four famines, 65 million displaced people and ever more challenges in gaining access to deliver humanitarian aid, we and the wider humanitarian community must continue to do more to save lives and rebuild livelihoods. In this context, Oxfam continues to build its capacity to provide assistance to people in their time of need.



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## CAMPAIGNS

People living in poverty want justice, not handouts. That is why, alongside development and humanitarian work, we campaign for change. In 2016/17, we have focused our global campaign and advocacy work on:

- seeking to influence key actors to champion greater tax transparency and a crackdown on tax havens
- working across the confederation to develop and deliver national inequality ('Even it up') campaigns
- protecting the rights of people in crisis: delivering a range of activities to support the global 'Rights in Crisis' campaign; responding with timely advocacy and popular action to help reduce El Niño's human impact; and lobbying the UK government to play a global leadership role in resolving crises in Yemen, Syria and on refugees
- securing funding for a UK poverty programme focused on provision of decent work for low-paid women in the UK, in partnership with other organisations.

During the first half of the year, we focused our campaigning for greater **tax transparency** and a **crackdown on tax havens** on the opportunities presented by a range of external developments (for example, the release of the Panama Papers, the European Commission State Aid ruling on the status of Apple in Ireland) to keep the issue on the public and political agenda. We mobilised 350 economists to sign up to a letter calling for an end to the era of tax havens, which gained significant media coverage as well as the attention of key influential thinkers (such as the then President of Ecuador, who advocated for a change to global tax rules alongside us). We were a central player in a coalition that successfully supported the Flint amendment to the UK Finance Bill (which provides the UK government with the authority to implement 'public Country By Country Reporting' – the requirement for companies to disclose, either publically or in confidence to governments, tax figures and, potentially, other financial data on a country-by-country basis). And, in December, we supported the publication of the Tax Battles report (which included a list of tax havens), as well as contributing to an Oxfam-wide report assessing the use of tax havens by the top 20 banks in the EU (which showed the need for 'public Country by Country Reporting' to be extended).

A YouGov poll on tax shows that the UK public believes businesses have a responsibility to reduce inequality and stop tax dodging.

We worked closely with Oxfam country offices to support development of **global and national inequality ('Even it Up') campaigns**, including the publication of research and national reports drawing attention to inequality issues at country level. Our 'Fiscal Accountability for Inequality Reduction' (FAIR) programme now has 30 countries signed up to implement, with 10 already active in fiscal justice programming.

Our work to halt UK arms sales to the government of Saudi Arabia dominated our **campaigning on Yemen** this year; our campaigning exposed how British-made bombs have fuelled the conflict and humanitarian crisis. We supported tens of thousands of people to press for an end to arms sales.

Six years since the start of the Syria crisis, we continued to demand governments contribute their fair share of aid and resettle their fair share of **refugees**. Our summer campaign to 'Stand as One' with refugees attracted public and celebrity support, with media coverage exceeding expectations, but, in the face of a changing political climate, this pressure did not translate into the policy changes that we had hoped for in terms of resettlement.

Our advocacy and **campaigning around El Niño's human impact** cemented our position as a thought leader on slow-onset disasters and the need for reform of the humanitarian system. We have played a prominent role in responding to the four famines in South Sudan, Somalia, Nigeria and Yemen, and shaping the UN's drive towards a 'New Way of Working' to remove unnecessary barriers to collaboration between humanitarian and development actors, governments, non-governmental organizations (NGOs) and private-sector actors in responding to the effects of climate change.

We have continued our ambitious plans to grow our work to **support women and families facing poverty and hardship in the UK**. Our Future Skills pilot in Manchester built skills, confidence and resilience of women from a range of backgrounds to thrive in their communities in partnership with Oxfam's network of shops – this project will now be rolled out in London, Glasgow, Cardiff and Oxford. We continue to advocate for food security and equality in the UK, building Oxfam's presence within the sector and seeking systemic change.

In **Wales**, our partnership with the Department for Work & Pensions has trained job-centre staff in understanding the complex causes of poverty and introduced tools to support a person-centred approach to service delivery. We continue to



## OUR PROGRAMME IMPACT IN 2016/17

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play an important role in making Welsh government policy more supportive towards refugees and asylum seekers. As chair of the Disasters Emergency Committee, we have overseen two significant campaigns for Yemen and East Africa, raising more than £200,000 and £1m respectively from the Welsh public. Oxfam Cymru's pan-Wales Livelihoods programme led to the Welsh government committing to adopt an assets-based approach in all future poverty programming.

We continue to be an influential voice in **Scotland** on both poverty and inequality at home and abroad. Our campaign for a review of a legal mechanism called Scottish Limited Partnerships, amid claims they are being abused to dodge tax, won the backing of the leaders of all the parties represented in the Scottish Parliament and helped secure a review

of partnership law across the UK. In September 2016, we conducted research into what is needed for 'decent work' and we are disseminating the findings across the UK. We have secured funding for a new partnership project called 'A Menu for Change', which aims to evolve the emergency response to food insecurity in Scotland.

We have also worked to secure the Scottish government's new £1 million per year Humanitarian Emergency Fund, to ensure commitments to increase both the International Development and the Climate Justice Funds are also fulfilled, and deliver a fundraising appeal for the Malawi food crisis. Alongside this, the Scottish government's revised International Development Strategy, published in December 2016, features many of our recommendations, including Human Rights and funding for global citizenship education.

# GROWING OUR INCOME

We stabilised our income in 2016/17 at levels similar to previous years (after the unprecedented level of £414.7m of 2015/16), back to £408.6m in 2016/17, a small (1.5%) reduction. We are indebted to the generosity of the thousands of individual donors who have continued to support us during a time of growing public and regulatory scrutiny of fundraising operations. We were delighted with the performance of our shops and believe we have developed a compelling strategy to lead them into an increasingly profitable future. We have also been able to continue strong relations with a range of institutional donors, securing £196.1m from bilateral donor governments, multilateral agencies, and international foundations at a time of significant changes in the UK government positions on funding for international development programmes.

As described in our last Annual Report & Accounts, we set the following objectives to improve how we engage with people in the UK. Over the year, most of these were achieved, with significant progress made towards our ambitions to improve public trust in us, and grow our income from all sources.

Our objectives in this area were to:

- implement a new Public Engagement Strategy to ensure each public interaction with Oxfam achieves maximum impact in terms of potential income, communications and campaigning aims
- work to enhance public trust and affection towards Oxfam, international development and the third sector
- invest in a new content and social media approach to delivering our brand
- improve the experience of our supporters, developing relevant, targeted communications focused on personalising their engagement
- identify moments throughout the year when strategic investment in integrated communications campaigns will help to build our active supporter base
- increase the number of people who volunteer for us
- deliver a range of innovative fundraising activities to increase the income we receive from our regular givers, through digital channels, from our corporate partnerships, through legacies and new models
- target new audiences and create successful, responsible fundraising platforms for the future
- continue to maximise opportunities for emergency fundraising

- continue to invest in our trading operations, ensuring we continue to secure donated stock, develop new product sales, e-commerce and maximise other retail opportunities
- take a range of actions to further secure our relationships with large institutional donors, to see a continuing increase in our institutional income.

## Engaging the UK public to understand and support our work

We successfully delivered a range of approaches to engage the UK public throughout the year, whether that be, for example, during key moments, such as our 'Stand as One' campaign, through our ongoing brand campaign 'We Won't Live With Poverty'; efforts to increase the number of people who volunteer in our shops or encouraging more people to campaign on our behalf. Overall, the total number of our active supporters (a broad measure which incorporates those that provide us with a regular donation, campaign for us, volunteer at events or in a shop, express an interest in receiving further communications and more) fell slightly. This is disappointing, but reflects the significant changes in the UK fundraising environment, and we remain confident that the new approaches that we are starting to put in place to promote better, and deeper, public engagement, and which we describe in more detail in the next few paragraphs, will stand us in good stead for future improvements.

## Growing our income from our fundraising activities

We are hugely grateful for the continued support of the British public and our supporters across our international markets, from whom income grew by 2.4% in 2016/17. This growth is a testament to the passion and commitment that many people across the UK and internationally have for ending poverty around the world. We are indebted to the support from individuals who have given in many different ways, including: legacies, SMS text donations, regular giving, events such as Trailwalker and Oxjam, as well as people buying Unwrapped gifts for friends and family.

We tested new ways to support us and new ways of saying thank you. We launched Dressed by the Kids day; a mobile phone app through which you can control your giving and relationship with Oxfam; received funds from The People's Postcode Lottery and launched our own Oxfam Lottery. As a sector first, we launched a 'direct giving' activity that asked individuals to text a £10 donation. They were subsequently told when this was spent, via a cash card, on vital food by a refugee in our Iraq cash-transfer programme. To further feedback on impact, some of those who have given to us were supported to visit projects in Kenya to 'see for themselves' the impact of Oxfam's work on the ground and to share this in their own

## GROWING OUR INCOME

words. We also launched the Thank-a-thon, handwritten Christmas cards and a special Christmas Day email from Duoi Ampilan, of the Global Humanitarian Team working in Yemen.

Last year saw a number of urgent, emergency appeals including Hurricane Matthew in Haiti, the Yemen food crisis and the East Africa Appeal. We used tactical placement of digital and TV advertising (including, for example, the placement of a 30-second advert immediately after an edition of 'Unreported World' focused on the war in Yemen, which resulted in 10 times the levels of text responses than would normally be expected). Through our partnership with Nectar, 6 million Nectar card holders were asked to donate some Nectar points to our appeal, which provided us with an additional £215,000. Overall, the public gave over £8m to Oxfam in 2016/17 to fund the response to these crises.

At the end of the year, we had received £19.8m from gifts left to us in wills. We are grateful to these individuals and their families, and to another 1,149 people who pledged a future gift in their will. It's humbling and we are grateful for every pound donated and pledged.

We continue to develop fundraising outside the UK where the income and expenditure are consolidated into our accounts under our fundraising division. There are now over 27,000 Oxfam supporters in South Korea who have engaged in giving, and who together gave £4.1m in 2016/17. We began fundraising in September in Thailand with our in-house face-to-face team and are still considering investing in other markets to grow income and spread the Oxfam message.

The public rightly continues to demand high standards of transparency and honesty in our fundraising. Oxfam GB is registered with the Fundraising Regulator and is a member of the Institute of Fundraising to demonstrate our commitment to achieving the highest standards. We comply with both the Fundraising Regulator's Code of Fundraising Practice, and the Fundraising Promise, which set the standards for fundraising activity throughout the UK.

Our approach to fundraising is driven by the three principles of:

- Fairness – we treat all members of the public fairly and respectfully. This means respecting the wishes and preferences of supporters, empowering them to make a difference in the world while being mindful of and sensitive to any particular need of an individual supporter.
- Inclusiveness – we are open to everyone and embrace diversity. We believe everyone has a contribution to make change happen, regardless of visible and invisible differences. In telling the stories of our work, the rights and dignity of our beneficiaries are upheld at all times.

- Accountability – our fundraisers are required to take responsibility and care to ensure that their fundraising is delivered to a high standard.

We take proactive steps to ensure that our fundraising is not overly intrusive or persistent, and does not put members of the public under undue pressure, and that the vulnerable are protected. External fundraising agencies and commercial participators, who are subject to contract and closely monitored by Oxfam fundraising staff, deliver some of our fundraising. For face-to-face and telephone fundraising, monitoring includes regular on-site visits, conference calls, mystery shopping, training observations and call listening, as well as complaint monitoring and quarterly contract review meetings. Our monitoring processes were reviewed and validated by our Internal Audit team.

While we aspire to best practice in the way we engage our supporters, our fundraising activity sometimes generates complaints. Senior managers and Trustees regularly monitor complaint rates. Any increase in overall rates triggers remedial action but, in 2016/17, complaint rates for all types of fundraising were lower than the previous year. We still want to improve, and encourage any supporters with questions about our fundraising to contact us.

To strengthen the relationship with our supporters, we have developed new approaches to supporter engagement. Through supporter insight, we are aware of what matters to supporters and are changing our database, technology and business practices to align with supporter expectations. This is the start of a major change programme – one that will ensure we can be more responsive and relevant to our supporters.

In January 2017, Oxfam received a Notice of Intent from the Information Commissioner's Office as part of their investigation into charity fundraising practices. This resulted in a fine of £4,800, which was paid by two generous Oxfam supporters. The fine resulted from our use, prior to August 2015, of a practice known as tele-matching, whereby we acquired telephone numbers for existing supporters from third-party sources. Our practice was based on guidance from the ICO, and as such we believed it to be compliant with data protection regulations. We were disappointed to be fined and we continue to engage with relevant bodies and groups in this time of change for the fundraising regulatory approach.

### Corporate partnerships, trusts and foundations

Our partnerships with philanthropists, companies and foundations have grown over the last year, raising £17.4m, including a £4m women's economic empowerment partnership with Unilever's Surf brand to address the challenge of Unpaid

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Care and existing social norms around this issue. We started new partnerships with Annie Sloan Paint to see the launch of a new Oxfam paint inspired by the colours in Ethiopia, and with John Lewis Foundation supporting work in urban Bangladesh. Individual philanthropists increased their incredibly generous support to our emergency responses and development projects and Medicor Foundation, Oak Foundation, and the Humanitarian Innovation Fund, amongst others, also made significant commitments.

To bring our work closer to our partners, we created two new events: 'Flavours of Change' (a dinner with foods sourced from our Enterprise Projects) and 'one night in Za'atari', which recreated the Za'atari refugee camp in London.

We use a robust ethical checking policy and process to ensure proposed partnerships with companies and foundations are appropriate in terms of our values, and have been assessed for risks prior to any partnership being agreed.

### Growing our income from our retail operations

Our shop network and other trading activities performed well in 2016/17, generating £90m (an increase of £3m on 2015/16). Throughout the year, sales of new, ethically sourced goods was strong, achieving 11.9% growth on the previous year to £8.9m, as were e-commerce sales, which grew at 21.6% above last year to £3.85m. Oxfam Unwrapped (virtual gifts) also saw growth after declines in previous years, growing by 9% in the shop network to £1.23m.

In the second half of the year, sales of donated goods also began to grow following a slight decline in the first half, leading to 1.4% growth overall on the previous year. During the Christmas period of November to December, total sales were 10% ahead of the previous year. This growth came about through the implementation of a coordinated product strategy, a well-executed public donation drive, better merchandising, and cross-selling opportunities. Our thanks go to all of our staff and our volunteers for their excellent work in processing and displaying stock to great effect, and to our stock donors, whether individual members of the public, or our corporate partners such as Marks & Spencer through Shwopping, or Sainsbury's hosting our clothing donation banks. Without this help, we simply couldn't raise such great amounts to help fund our charitable work.

Our volunteers are crucial to the success of our shop network and we believe our volunteer 'offer' is amongst the best, allowing individuals to develop and grow their talents and ideas for our mutual benefit and the wider community. 94% of our volunteers would recommend Oxfam as a great place to volunteer and we are looking to continue to invest in and grow our volunteer numbers and adapt to their needs.

During the course of the year, the senior management team consulted widely on the development of a new strategy for 2017–2020 which will focus on four key areas to keep our shop network relevant and exciting to today's consumer.

Firstly, we will invest in our people, recruiting over 200 deputy shop managers to help manage the increasing demands placed upon our shop managers, and we will increase the frequency and quality of the training that our staff and volunteers receive. Secondly, we have developed a network strategy that will ensure our shops continue to be located in the right places and we will develop new shop formats to help grow our sales and profitability. Thirdly, we want to further develop our successful e-commerce business, investing in new technology to help our shops list items and improving the look, feel and marketing of our Oxfam Online shop. The fourth area of investment is to increase the revenue collected from gift aid on donated sales, an area where other large charity shop chains have performed better.

### Income from institutional donors

We secured more than £203m from a range of institutional donors – bilateral governments, multilateral agencies and international foundations around the world – including £31.7m from the UK Department for International Development (DFID); £29.3m from the European Commission; and more than £30m from key UN humanitarian agencies, including the World Food Programme, the United Nations Children's Fund (UNICEF), the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) and the United Nations High Commissioner for Refugees (UNHCR).

We continued to grow, diversify and deliver a wide range of funding for our development programmes, global campaigns and humanitarian commitments worldwide. During a year where many protracted crises worsened in South Sudan, Iraq, Syria, and Yemen, and where the humanitarian community has had to respond in the Lake Chad Basin and Horn of Africa, approximately two thirds (67%) of our institutional donor income was for humanitarian response, 30% for longer-term development, and 3% for advocacy and campaigns.

We successfully: extended our Humanitarian Partnership Agreement with the Swedish International Development Cooperation Agency (SIDA); secured more than £6m from the Office of US Foreign Disaster Assistance (OFDA) for humanitarian responses including Iraq, Ethiopia, Zimbabwe and Malawi; gained more than £17m in European Civil Protection and Humanitarian Aid Operations (DG-ECHO) contracts in countries including the Democratic Republic of Congo, Tajikistan, and Mali; and won a new £10m DFID contract for humanitarian and resilience work in South Sudan. We also secured a further £6m from DFID for humanitarian actions in Yemen, together with

## GROWING OUR INCOME

£3.5m from the UK-based Disasters Emergency Committee (DEC) Yemen appeal. A further £6.6m was also secured from the UK DEC East Africa appeal for the food insecurity crisis in South Sudan, Somalia, Ethiopia, and Kenya.

In parallel, we finalised our Institutional Funding Strategy for 2017–2020 and continued to engage extensively with the UK government on its aid policy and its funding partnership with UK civil society. We were the first UK international NGO to participate in DFID’s Commercial Expertise Review and have been working closely with DFID to pilot their Key Relationship Management initiative. Our collaboration on development programming with the EC has also continued to grow, including: new contracts on resilience and food security in northern Nigeria; resilience work in Ethiopia; work with young entrepreneurs in Lebanon; and food security in Mali – all funded by the Directorate-General for International Cooperation and Development (DG-DEVCO). We also hosted a high-level panel on inequality during the EC sponsored European Development Days 2016, engaging new trust funds

for the Syria Crisis and for root causes of migration in the Horn of Africa, North Africa and Sahel region.

Our continued proactive investment in and collaboration with Oxfam Affiliates and their back-donor governments delivered approximately 31% of our total FY16/17 institutional donor income, including Irish Aid, the Australian Department of Foreign Affairs and Trade, Global Affairs Canada, and the Dutch Ministry of Foreign Affairs.

We started the 2017/18 financial year with more than £125m of institutional donor income already secured. This includes an extension to our DFID funded ‘SWIFT’ programme delivering water, sanitation and hygiene activities in the Democratic Republic of Congo, a new two-year DFID contract for post-Ebola recovery in Sierra Leone, a four-year European Union contract for food security and resilience in Nigeria and an 18-month UNICEF contract for water, sanitation and hygiene assistance to the displaced Syrian population in Jordan.

# ROBUST AND EFFECTIVE SUPPORT FOR OUR PROGRAMMES

None of the achievements set out in this Report would have been possible without the hard work, determination and professionalism of our high-performing teams across the globe – programme staff who design new interventions appropriate to local conditions; finance officers who ensure project budgets deliver the best value for money; internal auditors who help ensure we manage our funds appropriately; legal staff who help ensure regulatory compliance; and communications staff who tell the stories and take the pictures that inspire people to give so generously.

As described in our 2015/16 Annual Report and Accounts, we set the following objectives to significantly reshape our operating model in 2016/17, in order to become more efficient and dynamic, to evolve our role in the One Oxfam network and respond to our changing role in the world:

- **Undertaking a significant organisational change process we call ‘Oxfam 2020’ to:** simplify and build efficiency improvements into our core business processes, close Oxfam GB regional centres and manage an effective transition to new business and systems support for ‘One Oxfam’ country offices.
- **Continue to build our assurance mechanisms to ensure we are accountable for all funds entrusted to us:** taking all necessary steps to improve our understanding of the impact of our work, to minimise fraud, fund diversion, and eliminate unnecessary expenditure; ensuring robust financial management controls are in place; delivering major information systems improvements to ensure high performance of our web and internal networks; and taking steps to build a stronger culture of risk management and compliance.
- **Inspiring our staff by:** providing an environment where people feel valued, motivated and engaged; supporting staff through the tensions associated with transition to the new Oxfam 2020 organisational models; building a stronger culture where staff are encouraged to innovate, collaborate and work in more flexible and agile ways; and ensuring that diversity considerations are factored into all that we do.

The major focus of our underpinning operational support functions in 2016/17 has been on effectively managing the transition to the new One Oxfam operating arrangements set out in our Oxfam 2020 Change programme. In general, the milestones that we set ourselves for these changes have been met, albeit with some delays and the need for us to continue to

build improvements over the coming year to embed simplicity and efficiency improvements. The changes made are described in detail on pages 10 and 11 (‘Our Financial and Organisational Strategy’) and so are not repeated here.

Highlights of our progress in 2016/17 towards the other business support objectives include:

## Strengthening our accountability

### Being transparent and judging the impact of our work

We achieved our objectives to build transparency and accountability in our work, which we report in more detail on our dedicated Oxfam Policy and Practice website, in our Accountability Report submitted to ‘Accountable Now’ (formerly the International NGO Accountability Charter) for review, and the International Aid Transparency Initiative. We continued to use several tools to monitor, evaluate and learn from our stakeholders about our impact, including, for example, collecting data on the numbers of people and communities reached by our programmes; completing review exercises to understand our outcome achievements as well as our challenges; undertaking evaluations to assess our overall strategies and test our core assumptions; and consulting with key stakeholders to gather their insights.

We completed 10 Effectiveness Reviews (rigorous impact evaluations of a random sample of closing and mature projects) which showed that the programmes which were reviewed had an overall positive impact, including: evidence that we had a significant impact on women’s empowerment<sup>5</sup> in Honduras, Indonesia, and Lebanon, and on resilience<sup>6</sup> in Kenya and Burkina Faso. In Ethiopia, the evaluation found evidence that we have made a crucial and significant contribution to efforts influencing the development of the Wereda Disaster Risk Mitigation/ Adaptation Planning Guidelines, thereby shaping and helping to mainstream a broader systemic and more participatory approach. The Effectiveness Reviews also found evidence that Oxfam programmes had helped to increase income (measured using asset and consumption indices) in Niger, and increased consumption for programme participant households in Tanzania.

In 2016/17, we undertook an overarching analysis of over 95 impact evaluations undertaken since 2011. This analysis confirmed the positive impact overall of Oxfam’s programmes, and helped consolidate knowledge about which programme strategies are most effective at contributing to transformative change, driving greater conceptual clarity within Oxfam and supporting the development and consolidation of the Women,

<sup>5</sup> We use a multidimensional framework to measure women’s empowerment, with an index based on the views of those being measured, combined with a thorough reading of the literature on ways to understand empowerment.

<sup>6</sup> We also use multidimensional indices to consider different, interrelated aspects of resilience.

## ROBUST AND EFFECTIVE SUPPORT FOR OUR PROGRAMMES

Water, Work and Inequality programme frameworks. They have also helped to highlight the structural barriers facing women and men, and civil society more broadly, in Oxfam's challenging programme contexts.

We began the process of publishing the data sets from these Reviews. Making this data publicly available provides a shared resource for researchers from across Oxfam and the sector and reduces the burden on the communities with whom we work for information. These data sets are already being used by other actors in the sector to inform their research (for example, the Rockefeller Foundation has used Oxfam's data sets in an effort to define a Resilience Dividend Valuation Model).

### Fraud prevention

We invested substantially to meet our robust organisational counter-fraud objectives, tackling every level of risk (deterrence, prevention, detection and response) across all our programmes to continue to keep incidents of fraud and corruption to an absolute minimum. We received 296 reported cases of frauds or corruption (compared to 293 in 2015/16); and identified £496k of confirmed losses to fraud and corruption (compared to £537k detected in 2015/16). Of the loss detected in 2016/17, so far we have recovered £34k (6% of the detected loss), though as some cases are still ongoing these figures may be revised. Our dedicated anti-corruption team worked to build awareness and capacity amongst country staff, and developed a range of tools, techniques and systems for staff to access. They also engaged with other organisations to share best practice and develop sectoral approaches.

### Safeguarding

We remain committed to transparency on allegations of sexual exploitation and abuse perpetrated by Oxfam staff and partners. In 2016/17, we saw a small increase in the number of reported incidents from 76 to 87. We investigated 33 allegations, one allegation is pending, and the remaining 53 incidents required referral to statutory services (including the Police, Social Services and the Disclosure and Barring Service), related to vetting or reference requests or required other forms of signposting to other specialist support services.

Thirty-four of the incidents raised to the Safeguarding Team were complaints which required internal investigation: 74% of these complaints were fully upheld and resulted in disciplinary action being taken at the time of reporting. One of these cases is currently pending investigation. In 7% of reported allegations we found insufficient evidence to uphold any part of the allegation, and in these instances other actions were taken to reflect the learning of the organisation. All other incidents raised either required investigation by external agencies; had already been upheld by the evidence provided at the point of reporting; or

required some other form of response (including providing support to staff and volunteers who disclosed being the victim of violence in the home). Of the 87 reported incidents in 2016/17, 52 were received from our Trading Division, 10 were received from other UK divisions and 25 from the International Division.

Under-reporting is recognised within the sector as the major barrier to tackling sexual exploitation and abuse in delivering humanitarian and development programmes. By establishing a dedicated Safeguarding team we have raised the visibility of our Protection from Sexual Exploitation and Abuse policy and reporting procedures. We believe that the overall 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 victims more confidence to report incidents.

### Accidents and incidents

A total of 60 road accidents were recorded by staff working across our international programmes and UK-based operations in 2016/17. Fortunately, during the year, we experienced no fatalities, although we were sadly involved in one accident that caused a serious injury (in Ethiopia). We have seen a continuation of a trend seen in previous years where a high proportion of accidents involve people not employed by Oxfam as drivers. Only 30% of accidents involved professional drivers; 22% involved rental car drivers, whereas 37% involved Oxfam staff other than drivers. Clearly it remains important that we continue to target these non-professional drivers with our road safety messages, especially as the trend is likely to continue. In previous years we have seen that a significant proportion of our accidents involved vehicle roll-over. We produced various materials and tools in an attempt to tackle this, and the percentage has significantly reduced during the current year (only two accidents involved roll-over).

Over past years we had noted a consistent improvement in the number of accident reports completed and returned by country offices. In 2016/17 this declined to 51% of monthly accident returns received, with the standard review format being completed for only 10% of accidents. Although it is reasonable to assume that the vast majority of missing reports would have been 'nil returns', we are nonetheless disappointed by these figures. The main reason appears to be staff turnover and we will continue to monitor accident management to ensure that it is treated as a priority by country offices as we move to the new One Oxfam operating arrangements.

### Upholding our ethical and environmental standards

Last year we brought our ethical standards, policies and processes under one cross-functional Corporate Responsibility programme overseen by a Steering Group with representation from six directors. Each director has appointed a senior





manager who is accountable for ensuring the Corporate Responsibility programme is implemented, for example through our supply chains (including non-retail), operations and partnerships.

A major highlight of the work of that Corporate Responsibility programme was publishing our Modern Slavery statement in September 2016. Our aim was to be an example of openness and transparency about how we work and what we are doing to address our gaps, and we sought inputs in preparing the statement from the International Trade Union Council, Anti-Slavery International and Oxford University. We also continued to be an accredited Living Wage Foundation employer.

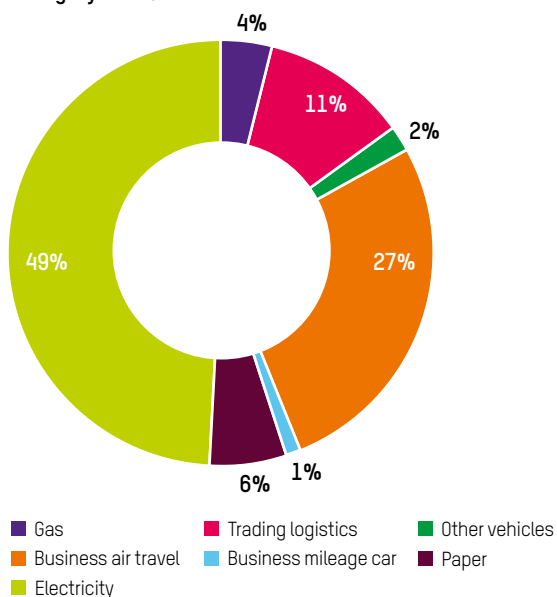
We remain committed to reduce our environmental impact and in 2016–17, the carbon emissions from our UK-based activities decreased by 4% and were 3% below our 2011 baseline. Three key reporting categories – electricity, trading transport logistics and air travel – make up the majority of our emissions<sup>7</sup>. Our total electricity consumption remained stable and was 5% below our 2011 baseline with associated emissions down 10% and 12% respectively<sup>8</sup>. Capital expenditure reductions in 2016 resulted in a scaling back of our shop refit programme. Nevertheless, as an integral part of trading’s strategic plan,

ongoing maintenance work saw lighting and heating efficiency improvements in more than 100 shops with around 100 more scheduled for 2017–18. We are tendering for our energy provision and key aspects of this process will be to improve energy usage data and more accurately assess the cost of smart meters and the savings they may enable.

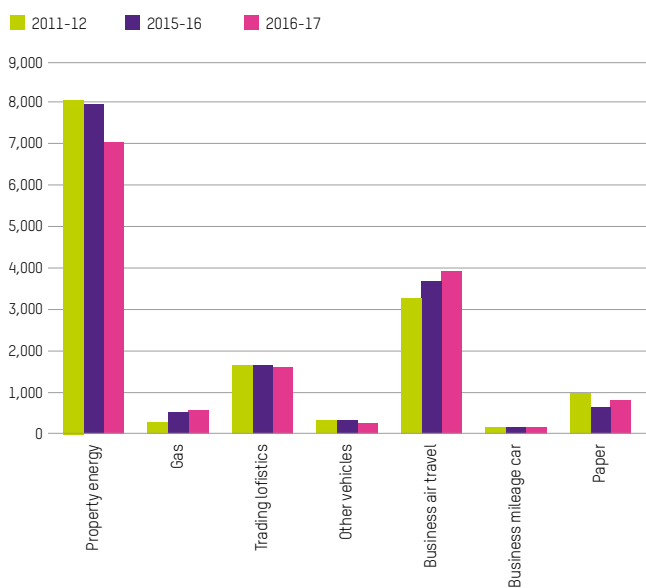
Our transport mileage in trading increased by 1% as a result of further implementation of our Rags to Riches programme, which involved the redistribution of more excess stock from our Batley warehouse to Oxfam shops. However, mileage remains 10% (176,000 miles) below our 2011 baseline with associated emissions down 4%. To further accelerate our carbon reduction plans to help us meet our 2020 reduction targets we are currently undertaking a tender process with the aim of achieving full integration of the retail and recycling centre logistics and an upgrade of our fleet to more efficient models.

Total distances travelled by air and associated emissions both increased by 5% on previous year. Due to unforeseen data system challenges, we were unable to disaggregate data, quantify emergency travel, and provide an analysis of our air travel compared to previous and baseline years. We are committed to review this in 2017–18 and provide an update in our next report.

**Figure 1. Distribution of carbon emissions by reporting category 2016/17**



**Figure 2. Carbon emissions (tonnes CO2e) by year, by reporting category**



<sup>7</sup>Due to annual variations in carbon conversion factors, we provide an analysis of our consumption to better reflect the impact of initiatives taken to improve our environmental performance.

<sup>8</sup>Carbon emissions have decreased at a greater rate than our electricity consumption as a result of changes in the UK’s carbon conversion factors. These have decreased by 10.8% compared to 2015 as a result of a significant decrease in coal generation, and an increase in gas and renewables generation in the UK.

## ROBUST AND EFFECTIVE SUPPORT FOR OUR PROGRAMMES

### Supporting our staff and volunteers

As at 31 March 2017, we employed 5,083 staff (see detailed breakdown below<sup>9</sup>) a decrease of 3.3% on the number of people we employed at 31 March 2016. A major focus of the recent organisational change programme has been to support our workforce to adapt to the changes in the ways that we work. We surveyed all staff working across the confederation in November to help us to understand staff concerns, and undertook a number of exercises to ensure that staff are involved in shaping what the Oxfam of the future looks like. We have a strong commitment to developing the diversity of our staff and volunteers through equal opportunity policies,

training 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 us. As at 31 March 2017, the representation of women in our total workforce was 50%, the same as the level reported at 31 March 2016. The percentage of women represented at different grades is set out in the table below and overleaf. We are working towards gender pay-gap reporting and propose to publish our report in early 2018. The percentage of staff from an ethnic minority remained at approximately 12% of the total workforce for whom their ethnic origin is known.

Employees by grade in UK operations (includes UK-based staff supporting international programmes)				
	2016/17		2015/16	
Director	8	0.4%	8	0.4%
A	32	1.6%	33	1.6%
B	260	13.0%	267	12.9%
C	482	24.0%	516	25.0%
D	212	10.6%	231	11.2%
E	274	13.7%	276	13.4%
F	76	3.8%	73	3.5%
Shop managers	657	32.8%	660	31.9%
Other	1	0.1%	3	0.1%
<b>Total</b>	<b>2002</b>	<b>100%</b>	<b>2067</b>	<b>100%</b>

Employees by grade in international programmes				
	2016/17		2015/16	
Oxfam International Country/Regional Directors	31	1.0%	30	0.9%
A (incl. Regional Directors)	10	0.3%	5	0.2%
B (incl. Country Directors)	101	3.2%	58	1.8%
C (incl. Country Directors)	796	25.9%	815	25.5%
D	1089	35.4%	1091	34.2%
E	582	18.9%	705	22.1%
F	470	15.3%	477	14.9%
Other	2	0.1%	12	0.4%
<b>Total</b>	<b>3081</b>	<b>100%</b>	<b>3193</b>	<b>100%</b>

<sup>9</sup>The result of the Oxfam 2020 change programme (which is described in more detail on pages 10 and 11) is that a number of staff employed by Oxfam GB have been transferred between different affiliates and teams. The figures are therefore not directly comparable with those presented in the 2015/16 Annual Report & Accounts. The 2015/16 baseline set out in the tables on page 27 represent a recalculation to show what the figures would have been last year if calculated on the same basis as this year. The differences include: a) Staff employed by Oxfam GB but supporting the Oxfam-wide Global Humanitarian Team are now considered as International Programmes (as opposed to UK operations) staff, even if those employees are based in the UK. b) Staff that are employed by Oxfam GB in a capacity supporting our UK operations, but are based overseas, are considered as UK operations staff.

Employees by Gender & Grade in UK operations (incl. UK-based staff supporting international programmes)					
	Female	%	Male	%	Total
Director	2	25.0%	6	75.0%	8
A	19	59.4%	13	40.6%	32
B	158	60.9%	102	39.1%	260
C	303	62.9%	179	37.1%	482
D	147	69.3%	65	30.7%	212
E	179	65.3%	95	34.7%	274
F	47	61.8%	29	38.2%	76
Shop Manager	475	72.3%	182	27.7%	657
Other	1	100%	0	0%	1
<b>Total</b>	<b>1331</b>	<b>66.4%</b>	<b>671</b>	<b>33.6%</b>	<b>2002</b>

Employees by Gender & Grade in international programmes					
	Female	%	Male	%	Total
Oxfam International Country / Regional Directors	12	38.7%	19	61.3%	31
A (incl. Regional Directors)	4	40%	6	60%	10
B (incl. Country Directors)	53	52.5%	48	47.5%	101
C (incl. Country Directors)	334	42.0%	462	58.0%	796
D	430	39.5%	659	60.5%	1089
E	227	39.0%	355	61.0%	582
F	128	27.2%	342	72.8%	470
Other	1	50.0%	1	50.0%	2
<b>Total</b>	<b>1189</b>	<b>38.6%</b>	<b>1892</b>	<b>61.4%</b>	<b>3081</b>

Employees by ethnicity <sup>10</sup> (data available for staff in UK operations only incl. UK based staff supporting international programmes)						
	2016/17			2015/16		
	Total headcount	% of total headcount	% known headcount	Total headcount	% of total headcount	% known headcount
Ethnic Minority	191	9.5%	12%	173	9.1%	11%
White	1400	69.9%	88%	1395	73.3%	89%
Unknown	411	20.5%	0%	334	17.6%	0%
<b>Total</b>	<b>2002</b>	<b>100%</b>	<b>100%</b>	<b>1902</b>	<b>100%</b>	<b>100%</b>

Employees by Nationality (OECD/Non-OECD) (data available for senior international programmes and UK-based staff supporting international programmes only)						
	2016/17			2015/16		
	Total	Non- OECD	Non-OECD as % total	Total	Non- OECD	Non-OECD as % total
Ol paid (paid in US\$)	33	18	54.5%	30	19	63.3%
Director-level	1	1	100%	1	0	0.0%
A (incl. some Regional Directors)	13	1	7.7%	16	4	25.0%
B (incl. some Country Directors)	169	50	29.6%	160	43	26.9%
C (incl. some Country Directors)	847	669	79%	948	725	76.5%
<b>Total</b>	<b>1063</b>	<b>739</b>	<b>69.5%</b>	<b>1155</b>	<b>791</b>	<b>68.5%</b>

<sup>10</sup> When employees join Oxfam in the UK they are asked to complete an equal opportunities form. It is not compulsory and many employees complete part or none of the information. Figures for ethnicity are given as a percentage of all UK employees (total headcount) and as a percentage of employees who have completed the information on ethnicity (known headcount). Ethnicity data for employees recruited by our regional and country office network is not available.

# PRINCIPAL RISKS AND UNCERTAINTIES

We operate in inherently unstable environments across the world, often in the face of difficult security, communications, logistics and financial challenges. In delivering all of our objectives, we face significant risks every day (to the safety of our staff, to our financial health, to those who attend our fundraising events or visit our shops etc). 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 Management Framework

On a twice-yearly basis, 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 Trustees Audit and Finance Group on audits conducted, risks identified and management’s response to their findings, as well as his independent annual opinion on internal control.
- The Trustees Audit and Finance Group provides an annual report to Council on its view of the control environment within Oxfam.

In addition, we have 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 are addressed.

## Major risks

The following major risks were identified at an organisational level in 2016/17. For each risk, specific actions and performance indicators relating to them were monitored by the Trustees Audit and Finance Group:

Risk	Management actions in 2016/17
<p>Our international programmes are exposed to and stretched by:</p> <ul style="list-style-type: none"> <li>• new and emerging crises increasing external volatility</li> <li>• political and civil society challenges</li> <li>• heightened security risks inconsistent compliance leading to poor delivery, fraud, losses and donor disallowances.</li> <li>• future income streams threatened by changes in external donor environments</li> <li>• increasing need for remote programming, which exposes us to a higher risk of aid diversion</li> </ul>	<ul style="list-style-type: none"> <li>• Continue a crisis intervention approach that balances capacity and risk management against action</li> <li>• Continuous monitoring of political context on a country-by-country basis</li> <li>• A suite of policies and procedures designed to manage operational risks in country programmes which are monitored, audited and reported on</li> <li>• Organisational focus on improving operational and regulatory compliance</li> <li>• Enhanced due diligence and adapted operating procedures for working in remote contexts that are subject to continuous monitoring and review</li> <li>• Organisational strategy to address changes in external donor environments</li> </ul>
<ul style="list-style-type: none"> <li>• Growing regulatory scrutiny around fundraising operations leading to increased need to demonstrate compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Fundraising strategy that explores new markets and further focus on legacy promotions</li> <li>• Programme to ensure regulatory compliance</li> </ul>
<ul style="list-style-type: none"> <li>• Focus on transition into working more closely with other members of the Oxfam confederation leads to slowdown in programme pipeline and missed opportunities in funding</li> <li>• Recruitment and retention challenges from a lengthy transition change process</li> <li>• inability to afford competitive remuneration packages</li> </ul>	<ul style="list-style-type: none"> <li>• Established a vision ('2020') and revised the transition arrangements to improve and harmonise cross-affiliate operating models, policies and procedures.</li> <li>• Revised confederation governance arrangements</li> <li>• Planning the transition to the new One Oxfam '2020' operating model in a way that builds staff engagement</li> <li>• Talent management strategy</li> </ul>
<ul style="list-style-type: none"> <li>• Safeguarding – failure to protect staff, beneficiaries in the countries where we operate and children and vulnerable adults who volunteer in our shops</li> </ul>	<ul style="list-style-type: none"> <li>• Adequately resourced safeguarding team to continually review risks and work towards bridging any gaps identified</li> </ul>

# OUR PLANS FOR 2017/18

The Oxfam Strategic Plan (see page 9) sets out our plans for making progress towards six External and six Enabling Change Goals. In addition, every year we set more detailed objectives for specific areas that we will focus our resources on. In 2017/18 these are:

## PROGRAMME IMPACT

### 1. Maintain programme focus at a time of significant organisational change, to increase our impact at scale

- a) Through our new 'Partner Affiliate' role, co-design and support the delivery of high-quality programmes with Oxfam country and regional offices, including: 3–5 high-impact programmes on Women's Rights; 3–5 high-impact programmes on Economic Justice; 2 high-impact programmes on Water and 1 high-impact programme on Inequality.
- b) Through our support to the Oxfam-wide Global Humanitarian Team, ensure that our expenditure on humanitarian programmes delivers high-quality outcomes for people affected by humanitarian disasters.
- c) Shape the UK debate on Inequality through programmes, thought leadership, campaigns and advocacy.
- d) Help secure a strong global impact on supply chains by delivering a campaign calling for changes in UK supermarket policies.
- e) Continue to advocate for refugees through public engagement and communications activities.
- f) Ensure that the lived experience of marginalised women is reflected in the UK poverty debate.
- g) Have clear mechanisms and strategies for responding to new threats to social justice values globally and in the UK, working with other organisations and our supporters to protect good aid.

### 2. Take advantage of the opportunities presented by the changes underway towards the more coherent 'One Oxfam' model to secure improvements in programme quality, and the efficiency and effectiveness of our programme support arrangements

- a) Successfully deliver our new Executing Affiliate support function to Oxfam country and regional programme teams.
- b) Finalise and implement the Partner Affiliate programme investment framework in order to ensure robust arrangements for tracking our programme investments under the new Oxfam 2020 operating model, and ensure effective decision-making, budgeting, delivery, tracking and accountability of Oxfam GB's programme investments.

- c) Contribute to the development and delivery of Oxfam as a Worldwide Influencing Network with influencing support to 20 countries and Southern Affiliates; collaborative delivery of new materials, communications and thinking on issues of power and influencing; supporting personal development of more than 50 Oxfam leaders.

## PUBLIC ENGAGEMENT

### 3. Increase the number of people engaging with Oxfam in the UK and deepen the engagement with those who have joined our movement to end poverty

- a) Improve our ability to demonstrate impact through storytelling, to build understanding amongst the UK public of our core message about poverty ('We Won't Live with Poverty') and our work on Water, Women, Work and Inequality, improving the clarity of our messages to the UK public.
- b) Increase the number of people supporting Oxfam with whom we can engage and build a relationship.
- c) Deliver key public engagement activities, such as Dressed by the Kids, Stand as One, International Women's Day, donation drive etc, and ensure that these contribute to improving the health of the Oxfam brand and build levels of trust in Oxfam.
- d) Deliver improved integrated working between the Oxfam GB UK public-facing teams, making sure that all key public engagement moments have clear, shared objectives and reflect our vision to be an audience-centred organisation.

### 4. Achieve stretching targets for income from a range of sources, including through investments in the development of new fundraising ideas to secure our future financial sustainability

- a) Deliver a range of supporter engagement and fundraising activities to reach new audiences and create successful fundraising platforms for the future.
- b) Deliver planned trading activity, invest in supporting shop staff and volunteers and develop opportunities during the financial year to grow donated sales, online shop income, gift aid sales and continue to invest in our property to ensure appropriate environments for our customers, volunteers and donors.
- c) Implement an Institutional Funding Strategy focusing predominantly on Home Donors (eg the UK Government: the Department for International Development), and Shared Home Donors (eg the European Union) to ensure a healthy programme funding pipeline.
- d) Contribute to unrestricted income through growth in the recovery of direct and indirect costs from institutional donors, and identify sources of lightly restricted income to displace unrestricted expenditure.

## OUR PLANS FOR 2017/18

### ROBUST AND EFFECTIVE BUSINESS OPERATIONS

#### 5. Support our staff to feel that Oxfam is a really great place to work

- a) Deliver an organisational change programme that builds new capabilities and ways of working and ensures that Oxfam GB is more agile, better able to act on learning, demonstrates accountability with simplicity through the transition to the one Oxfam 2020 operating arrangements.
- b) Ensure that all staff employed by Oxfam GB feel valued, informed and supported through the changes required by Oxfam 2020.

#### 6. Be efficient with effective use of resources ensuring we are accountable for funds entrusted to us and talking all the necessary steps to minimise fraud, fund diversion, and eliminating unnecessary expenditure

- a) Facilitate effective risk management throughout Oxfam by: building an aligned Oxfam-wide risk-management and reporting framework; and taking forward activities to improve our performance and meet changing external requirements for key compliance areas (eg aid diversion and data protection)
- b) Successfully deliver high-priority information services investments (eg new Customer Relationship Marketing software, Applications Hosting etc) within agreed budget and time constraints.
- c) Review Oxfam GB's core business processes to improve clarity, simplicity, agility and leanness; and ensure that

staff are engaged to encourage innovation and continual improvement, investing within teams and understanding the potential for leveraging our key assets and alternative financing models.

We will measure achievement of these objectives through a range of output and outcome-based indicators of progress including, for example:

- the number of people who we provide with appropriate humanitarian assistance
- the change in the average household income of those communities where our interventions are focused
- the extent to which our programmes meet their milestones
- the degree to which our programmes meet our programme quality standards
- changes in public opinion, measured through audience polling
- targets for the numbers of people who we hope to engage to sign our petitions, donate through a regular gift or intend to leave a legacy etc
- targets for profits from our shops, e-commerce operations or for generating gift aid etc
- the number of donor contracts that are secured; or donor reports submitted on time
- whether we have met the milestones that we set ourselves for effective transition to the Oxfam 2020 change programme
- financial health ratios
- data on the availability of our information systems
- improvements in staff satisfaction metrics taken from our regular surveys of staff, etc.

# FINANCIAL REVIEW

## INCOME

### Two-Year Analysis of Trading and Fundraising Net Income

	2015/16	2016/17
	£m	£m
Trading sales	86.3	90.9
Trading costs	(68.5)	(71.8)
Trading net income	17.8	19.1
Trading profit margin	21%	21%
Fundraising income	304.6	299.9
Fundraising costs	(29.1)	(26.2)
Fundraising net income	275.5	273.7
Fundraising net margin	90%	91%
Net income from Trading and Fundraising	293.3	292.8
Gifts-in-kind	18.1	11.7
Net miscellaneous income	5.6	6.0
<b>Net Incoming resources available for charitable application</b>	<b>317.0</b>	<b>310.5</b>

Oxfam's total income reduced by £6.1m to £408.6m in 2016/17. This income derives principally from the activities of trading and fundraising.

Trading income increased by 5% on last year, representing 22% of total income. Fundraising income (which includes both income from supporters and the public, and institutional donor income) reduced by 2% on last year. A detailed analysis of income is shown in the consolidated Statement of Financial Activities (SOFA) and Note 2 to the accounts.

Trading sales at £90.9m are £4.6m higher than last year. Retail conditions on the High Street remained challenging this the year but, despite this, income from both donated and fair-traded goods outperformed last year. In addition, income was bolstered by £1.3m of funds received from The People's Postcode Lottery. The income from our Wastesaver operation was in line with last year, although contribution fell due to higher waste disposal and distribution costs. Trading contribution is £1.3m higher than last year, resulting in a profit margin of 21%. Our shop network also contributed a further £2.6m from Oxfam Unwrapped and donations received in shops.

Fundraising income has reduced marginally this year to £299.9m, being £4.7m lower than last year, largely as a result of reduced restricted income from the British government. Overall income from the public has remained fairly stable, with

a decrease in single giving offset by additional regular giving in South Korea. Income from the British government reduced by £17.7m from last year, partly as a result of the ending of the Partnership Programme Arrangement. Income from the EU, including ECHO, increased £2.9m this year, and from the UN by £13.6m, although donated goods from the UN World Food Programme reduced by £6.4m. Income from other Oxfam Affiliates fell by £4.6m. The cost of raising voluntary income has reduced by 10% this year, due to reduced direct and TV advertising. Overall our fundraising margin has increased slightly to 91%.

Net miscellaneous income includes 'Primary purpose trading' which predominantly relates to the income 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 £303.5m, is 6% lower than last year, due to lower restricted expenditure, mainly in our development work, whilst expenditure on humanitarian responses increased, with notable expenditure in Yemen, Nepal, South Sudan, Ethiopia, Jordan, Democratic Republic of Congo, and Iraq.

## FINANCIAL REVIEW

Unrestricted charitable spend increased by 12%, partly as a result of reduced offset against restricted funding due to the end of the Department for International Development's Programme Partnership Arrangement funding and partly as a result of increased funding to Oxfam International as we transition our operations globally to align with the wider Oxfam affiliation.

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 3b to the accounts. The table below shows the proportion of charitable expenditure spent on each charitable activity.

	2015/16	2016/17
Development	52%	47%
Humanitarian	43%	48%
Campaigning and Advocacy	5%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Total charitable expenditure</b>	<b>£322.0m</b>	<b>£303.5m</b>

### 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
- the fact that 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 provides 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 decreased by £0.8m during 2016/17, with the balance being £28.3m at the end of March 2017. This is consistent with recent years and slightly above our target base level of £25m.

Given the ongoing uncertainties in world economies, and particularly in the UK as we transition through Brexit, 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 2016/17 levels.

### PENSION SCHEME DEFICIT

The valuation of Oxfam's pension scheme at 31 March 2017, for the purposes of FRS102, showed a funding deficit of £27.3m (2015/16: £19.6m – 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 £27.3m deficit relates to future pension contributions. The valuation of the pension scheme's assets under FRS102 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. FRS102 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 funds held at 31 March 2017 represent funds held as fixed assets and on revaluation (£10.6m), retained profits held in our overseas subsidiaries (£0.1m), and other funds designated for specific reasons (£5.4m). 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 2017, unspent restricted funds were £56.7m (2015/16: £46.7m). The restricted fund balance includes total deficit balances of £17.9m (2015/16: £17.2m). These deficit balances 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 £3.5m (2015/16: £3.5m) 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 banks. During the year, the average return on these investments was 0.62% compared with a base rate of 0.33% throughout the period.

### REMUNERATION POLICY

Oxfam believes that the opportunity to lift people out of poverty 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's and our donors' expectations that the money they entrust us with will be used wisely to overcome poverty and suffering.

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. They also take account of affordability for Oxfam. The general aim is to pay salaries of up to the median level for similar UK charities. These would typically be less than 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. 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 whose values match those of the organisation.

### 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 2016/17, we spent £63.1m (2015/16: £78.0m) in grants to international, national and local partner organisations. We made 965 grants to 589 organisations (2015/16: 1,168 grants to 737 organisations). The average grant per project was £65,000 (2015/16: £67,000) and per partner was £107,000 (2015/16: £106,000).

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:

1. Complementary purpose and added value
2. Mutual respect for values and beliefs
3. Clarity on roles, responsibilities and decision making
4. Transparency and accountability
5. Commitment and flexibility.

## FINANCIAL REVIEW

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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, page 23). 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 (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; these subsidiaries are 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 SEIF 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 £0.9m (2015/16: £0.8m) and interest on working capital of less than £0.1m (2015/16: less than £0.1m).

Finance for Development Limited is a limited liability company in the Azerbaijan Republic, which provides financial services (mainly credit) on a sustainable basis to people with relatively low incomes who do not have access to other financial sources. Due to the difficulties encountered from the weakening of the local currency last year, provision for impairment of loan debtors has resulted in a loss for the year of £1.2m, reflected in the consolidated accounts (2015/16: £3.2m loss). The net assets of the company have been reduced to nil in the consolidated accounts.

SEIF Limited provides advisory services to a Small Enterprise Impact Investing Fund to support Oxfam GB'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. Profit and net assets for this company were less than £0.1m for both 2016/17 and 2015/16.

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 broke even in the year (2015/16: loss of £0.1m).

Oxfam Activities Limited has a 10.8% (2015/16: 10.8%) interest in Cafédirect plc (a company registered in Scotland, with

registration number 141496), 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 19 other affiliated international agencies, each separately constituted under the appropriate national regulations. Oxfam International has an Executive Board and a Board of Supervisors. Mark Goldring is ex officio a member of the Executive Board, and Karen Brown is an ex officio member of the Board of Supervisors. Mark Goldring also serves on the Operational Committee, which provides leadership and support to the Oxfam International Chief Executive, the Long-Term Development and Knowledge Committee and Gender Justice Committee, as well as chairing the Humanitarian Committee of the Executive Board. Karen Brown is a member of the Board of Supervisor's Finance, Risk & Audit Committee. Joss Saunders, the Oxfam Company Secretary, serves on the Oxfam International Governance Committee. See Note 2biii and 3bii 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, comprises a minimum of ten and a maximum of 14 Trustees.

Trustees serve an initial term of three years that can be extended up to a maximum of nine years (although in practice only a maximum of six). The 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' and consist only of those people who are also members of Oxfam's Council. New Trustees are appointed by the Association on Council's recommendation. Members of the Association have guaranteed the liabilities of the company up to £1 each.

The Council has created five specialist committees to assist it with its work:

1. the Recruitment and Development Group
2. the Trustee Audit and Finance Group (TAF6)
3. the Remuneration Committee
4. the Programme Committee
5. the Fundraising Committee.

Each committee includes members of Council and may include additional members appointed for their specialist knowledge.

The Recruitment and Development Group is responsible for ensuring that members of Council have the appropriate balance of skills to discharge their duties as Trustees. Trustees

## STRUCTURE, GOVERNANCE AND MANAGEMENT

are appointed following open advertising including, where appropriate, specialist publications or on specialist websites and following a rigorous interview process. All new Trustees are provided with a structured induction programme. As part of its ongoing training, Council conducts seminars as part of each Council meeting on key areas, such as risk and accountability. The annual review of Council 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. The Group agrees the internal and external audit plans, reviews the external auditor's management letter, and monitors implementation of actions required as a result. The TAFG also has responsibility to advise Council on whether the audit, risk management and control processes within Oxfam are effective (for details of the Risk Management Policy and Procedures see p. 28).

The Remuneration Committee is chaired by the Chair of Oxfam. This committee monitors Oxfam's policy on remuneration and benefits for its staff, and reports annually to Oxfam's Council. It also specifically determines the remuneration and benefits of the Chief Executive and members of the Leadership Team (for details of the Remuneration Policy, see p. 33).

The main purposes of the Programme Committee are to enhance scrutiny of the programme, ensure programme quality, and analyse programme risks and opportunities.

The Fundraising Committee, established in 2016, supports the Fundraising Team to develop an evolving fundraising strategy and provides governance oversight of Oxfam's fundraising plans and activities.

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. These 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 chosen for their mix of skills and abilities. Trustees must have sufficient collective skills to ensure that the governance of Oxfam is sound and meets its legal and moral obligations. Individual Trustees must have relevant business or organisational experience to contribute to the collective role of Council and must also have a strong degree of personal commitment, and the personal qualities to work collectively to deliver a common mission.

Each Trustee must have a good proportion of the following skills: leadership, management of/within a large organisation, strategic thinking in the area of development, experience of

volunteering in the UK or internationally, board experience, experience of the core skills of relief and development work, and experience of financial management in a large organisation.

The 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 that the Leadership Team operates within the scope of the powers delegated to it. The delegation policy is updated on an ongoing basis and is formally reviewed and approved by Trustees. The last review was in March 2016.

The names of the members of the Leadership Team, Council and the Association, and the committees they have served on, are available in the Corporate Directory (see page 4). The members of the Leadership Team are not directors for the purposes of company law.

### Annual trustee activity

A typical year for a Council member includes the following:

- attendance at four Council meetings (1.5 days, including a seminar on a specialist topic and a board meeting)
- attendance at the annual Association meeting and AGM in October
- attendance at committee meetings, and at ad hoc groups convened for specific purposes
- attendance at staff or senior management meetings on an occasional basis
- visits to Oxfam shops in the UK
- attendance at events, eg public meetings, meetings with Oxfam volunteers/supporters/donors
- once in every three-year term, travel to Oxfam's programme as part of induction or with other Trustees
- typically, each Trustee has a lead responsibility for a certain area and works with a senior manager, both to provide advice and support, and to enhance board understanding and scrutiny.

During 2016/17, Council debates were informed by Oxfam's strategic priorities (ie how to make a real difference to people living in poverty, both as Oxfam GB and as part of Oxfam International). As per its annual programme of priorities, Council also discharged its duties of financial stewardship and the management/reduction of risk. In 2016/17 in particular, Trustees addressed the wider issues facing the governance of all charities in the UK, including, for example, those relating to advocacy activities, the conduct of fundraising, and effective scrutiny of charities' overall activities.

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Overall there was 87% attendance at Council meetings (90% in July 2016, 70% in September 2016, 100% in October 2016, 83% in December 2016, and 92% in March 2017). The specified quorum for Council is 50%.

### Statement of Trustees' responsibilities

The Trustees (who are also directors of Oxfam GB 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 regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements
- 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 are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 aware
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of 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:

- 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.
- 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 objects, 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'.
- 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, to 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 they confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit where applicable.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Oxfam has well-established arrangements for consulting and involving staff in its work. Management and staff bodies negotiate terms and conditions of employment through the Staff Associations in countries outside the UK, and 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 their staff, to provide an opportunity for communication of information and discussion of events as they develop. To keep staff and volunteers informed, Oxfam produces a monthly letter from the Chief Executive, a monthly International Division bulletin, and a bi-monthly magazine for shop volunteers. We maintain an intranet site that provides staff with information, including details about Oxfam's finances and its key performance indicators.

In 2016/17 more than 27,000 volunteers supported our work in a variety of ways, including for example in our shops and at festivals in a variety of ways. Most make a regular commitment, ranging from a few hours to a full working week. Some use their professional expertise, while others give their time and energy in work that is not related to their everyday jobs. Some volunteers may be retired or not in paid employment. Oxfam tries to apply the principles of involvement and equality to its many volunteers.

The Trustees' Annual Report and Strategic Report were adopted by the Council of Trustees (in their capacity as company directors) on 6 October 2017 and signed on its behalf by



Karen Brown  
Chair of Oxfam  
6 October 2017

# ACCOUNTS

For the year ended 31 March 2017

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF OXFAM

### Report on the financial statements

#### Our opinion

In our opinion, Oxfam's group financial statements and parent charitable company financial statements (the "financial statements"):

- 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 2017 and of the group's incoming resources and application of resources, including its income and expenditure and of 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 (as amended).

#### What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- the group and parent charitable company balance sheets as at 31 March 2017;
- the consolidated statement of financial activities (including income and expenditure account) for the year then ended;
- the consolidated cash flow statement for the year then ended; 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

#### 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 Trustee's Responsibilities, 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 International Standards on Auditing (UK and Ireland) ("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.

##### What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Strategic Report and Trustees' Annual Report, we consider whether those reports include the disclosures required by applicable legal requirements.



**John Maitland** (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
16 October 2017



## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

	Year to 31 March 2017				Year to 31 March 2016			
	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	Total Funds £m	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	Total Funds £m
<b>Notes</b>								
	<b>Income and endowments from:</b>							
2a	81.7	53.9	-	135.6	80.7	63.8	1.0	145.5
2b	3.9	175.9	-	179.8	3.6	177.2	-	180.8
2c	90.9	-	-	90.9	86.3	-	-	86.3
2d	0.4	-	-	0.4	0.5	-	-	0.5
2e	1.6	0.3	-	1.9	1.6	-	-	1.6
	<b>178.5</b>	<b>230.1</b>	<b>-</b>	<b>408.6</b>	<b>172.7</b>	<b>241.0</b>	<b>1.0</b>	<b>414.7</b>
	<b>Expenditure on:</b>							
3a	Raising funds							
	22.9	3.3	-	26.2	26.6	2.5	-	29.1
	71.8	-	-	71.8	68.5	-	-	68.5
	0.1	-	-	0.1	0.1	-	-	0.1
	<b>94.8</b>	<b>3.3</b>	<b>-</b>	<b>98.1</b>	<b>95.2</b>	<b>2.5</b>	<b>-</b>	<b>97.7</b>
3b	Charitable activities							
	49.5	91.9	-	141.4	48.3	119.1	-	167.4
	23.9	123.5	-	147.4	17.2	122.6	-	139.8
	13.3	1.4	-	14.7	11.7	3.1	-	14.8
	<b>86.7</b>	<b>216.8</b>	<b>-</b>	<b>303.5</b>	<b>77.2</b>	<b>244.8</b>	<b>-</b>	<b>322.0</b>
3c	1.0	-	-	1.0	1.0	-	-	1.0
	<b>182.5</b>	<b>220.1</b>	<b>-</b>	<b>402.6</b>	<b>173.4</b>	<b>247.3</b>	<b>-</b>	<b>420.7</b>
10	0.4	-	-	0.4	0.6	-	-	0.6
	<b>(3.6)</b>	<b>10.0</b>	<b>-</b>	<b>6.4</b>	<b>(0.1)</b>	<b>(6.3)</b>	<b>1.0</b>	<b>(5.4)</b>
	-	-	-	-	-	0.1	(0.1)	-
	<b>Other recognised gains/(losses):</b>							
21d	(12.6)	-	-	(12.6)	11.0	-	-	11.0
	<b>(16.2)</b>	<b>10.0</b>	<b>-</b>	<b>(6.2)</b>	<b>10.9</b>	<b>(6.2)</b>	<b>0.9</b>	<b>5.6</b>
	<b>Reconciliation of funds:</b>							
	32.6	46.7	3.5	82.8	21.7	52.9	2.6	77.2
	<b>16.4</b>	<b>56.7</b>	<b>3.5</b>	<b>76.6</b>	<b>32.6</b>	<b>46.7</b>	<b>3.5</b>	<b>82.8</b>

There is no material difference between the net income/(expenditure) 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 2017 was £7.6m (2015/16: net expenditure £2.0m).

The notes on pages 44 to 65 form part of these financial statements.

## BALANCE SHEETS AT 31 MARCH

Notes	Oxfam		Oxfam Group		
	At 31 March 2017 £m	At 31 March 2016 £m	At 31 March 2017 £m	At 31 March 2016 £m	
	<b>Fixed assets</b>				
9	Tangible assets	9.6	11.7	9.6	11.8
10	Investments:				
10a	Investments	5.1	5.3	3.5	3.7
10b	Social investments	-	2.6	0.1	2.7
	<b>Total fixed assets</b>	<b>14.7</b>	<b>19.6</b>	<b>13.2</b>	<b>18.2</b>
	<b>Current assets</b>				
11	Stocks	1.9	1.5	3.5	3.1
12	Debtors	53.4	47.1	56.5	53.3
10	Investments	22.6	12.0	22.6	12.0
13	Cash at bank and in hand	31.6	37.5	32.3	40.1
13	Cash equivalents	19.0	26.0	19.0	26.0
	<b>Total current assets</b>	<b>128.5</b>	<b>124.1</b>	<b>133.9</b>	<b>134.5</b>
	<b>Liabilities</b>				
14	Creditors: amounts falling due within one year	(28.4)	(32.5)	(30.9)	(36.7)
	<b>Net current assets</b>	<b>100.1</b>	<b>91.6</b>	<b>103.0</b>	<b>97.8</b>
	<b>Total assets less current liabilities</b>	<b>114.8</b>	<b>111.2</b>	<b>116.2</b>	<b>116.0</b>
15	Creditors: amounts falling due after more than one year	(0.6)	(0.7)	(1.8)	(4.1)
16	Provisions for liabilities	(10.4)	(9.4)	(10.5)	(9.5)
	<b>Net assets excluding pension liability</b>	<b>103.8</b>	<b>101.1</b>	<b>103.9</b>	<b>102.4</b>
21d	Defined benefit pension scheme liability	(27.3)	(19.6)	(27.3)	(19.6)
	<b>Total net assets</b>	<b>76.5</b>	<b>81.5</b>	<b>76.6</b>	<b>82.8</b>
	<b>The funds of the charity:</b>				
18	Endowment funds	3.5	3.5	3.5	3.5
19	Restricted funds	56.7	46.7	56.7	46.7
	<b>Unrestricted</b>				
20	General reserves	28.3	29.1	28.3	29.1
20	Designated fund - fixed assets	9.6	11.9	9.6	11.9
20	Designated fund - other	5.4	10.0	5.5	11.3
20	Revaluation reserve	1.0	0.6	1.0	0.6
20	Pension reserves	(28.0)	(20.3)	(28.0)	(20.3)
	<b>Total unrestricted funds</b>	<b>16.3</b>	<b>31.3</b>	<b>16.4</b>	<b>32.6</b>
	<b>Total charity funds</b>	<b>76.5</b>	<b>81.5</b>	<b>76.6</b>	<b>82.8</b>

The notes on pages 44 to 65 form part of these financial statements.

The financial statements on pages 41 to 65 were approved by the Council of Trustees on 6 October 2017 and signed on its behalf by:



Karen Brown  
Chair of Oxfam  
Company Number 612172  
6 October 2017

## CONSOLIDATED CASH FLOW STATEMENT

	Year to 31 March 2017		Year to 31 March 2016	
	£m	£m	£m	£m
<b>Cash flows from operating activities:</b>				
<b>Net cash used in operating activities</b>		(3.6)		(0.4)
<b>Cash flows from investing activities:</b>				
Deposit interest received	0.4		0.5	
Proceeds from the sale of tangible fixed assets	1.7		1.4	
Purchase of tangible fixed assets	(1.9)		(4.7)	
Proceeds from the sale of investments*	45.2		57.1	
Purchase of investments*	(52.6)		(47.0)	
<b>Net cash (used in)/provided by investing activities</b>		(7.2)		7.3
<b>Cash flows from financing activities:</b>				
Repayment of borrowings	(4.0)		(4.7)	
Receipt of endowment	-		1.0	
<b>Net cash provided used in financing activities</b>		(4.0)		(3.7)
<b>Change in cash and cash equivalents in the year</b>		(14.8)		3.2
<b>Cash and cash equivalents at the beginning of the year</b>		66.1		62.9
<b>Cash and cash equivalents at the end of the year</b>		51.3		66.1

### Notes

<b>a</b>	<b>Reconciliation of net income/(expenditure) to net cash used in operating activities</b>	<b>Year to 31 March 2017 £m</b>	<b>Year to 31 March 2016 £m</b>
	Net income/(expenditure) before revaluations	6.4	(5.4)
	Endowment income	-	(1.0)
	Depreciation charge	3.6	3.7
	Gains on investments	(0.4)	(0.6)
	Deposit interest and investment income receivable	(0.4)	(0.5)
	Profit on disposal of fixed assets	(1.2)	(1.1)
	(Increase) in stocks	(0.4)	(0.4)
	(Increase)/decrease in debtors	(3.2)	3.1
	(Decrease)/increase in creditors and provisions	(3.1)	6.2
	Difference between defined benefit pension contributions and FRS 102 charge	(4.9)	(4.4)
	<b>Net cash used in operating activities</b>	<b>(3.6)</b>	<b>(0.4)</b>
<b>b</b>	<b>Analysis of cash and cash equivalents</b>	<b>At 31 March 2017 £m</b>	<b>At 31 March 2016 £m</b>
	Cash at bank and in hand	32.3	40.1
	Cash equivalents	19.0	26.0
	<b>Total cash and cash equivalents</b>	<b>51.3</b>	<b>66.1</b>

\*Proceeds from the sale of investments and purchase of investments predominantly relates to transactions through our current asset investments. Oxfam uses the exemption conferred by section 1.12 of FRS102 in not preparing a separate cash flow statement for Oxfam as a separate entity.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 ACCOUNTING POLICIES

### a. Accounting conventions

Oxfam is a public benefit entity. The financial statements are prepared in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), the Charities Accounts (Scotland) Regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets. The financial statements are prepared 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 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.

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 2016, and updated for material movements to 31 March 2017. 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 Frip 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 2016, with any movement to 31 March 2017 not considered material. Frip 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 33 1/3% shareholding (one £1 ordinary share) in the Guardian Share Company Limited. This company has a right to nominate a director to the Cafédirect Board. The consent of the Guardian Share Company Limited 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 2017 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 (see Note 10(a)).

### 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 FRS102 - Retirement Benefits, a pension reserve is included within unrestricted funds representing the defined benefit pension scheme and growth plan liabilities.

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. Income and endowments

Income is recognised in the period in which entitlement is established, when economic benefit is probable and the value can be measured reliably.

Donations of cash, which include regular giving, public donations and appeals, are recognised as income once Oxfam has the right to receive the donation, it is probable that the economic benefits will be received, and the amount of the donation can be measured reliably.

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

Grants from governments and other agencies have been included as 'Income 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 'Income from donations and legacies'. Grant funding invariably includes terms and conditions that must be met before Oxfam can claim entitlement to the income. Oxfam raises income (payment) requests once the trigger points under the terms and conditions of the agreement are reached and recognises the income at this point in time. Prefinancing under a grant agreement is recognised on the signing of the grant agreement.

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. Pecuniary legacies are recognised when notification is received. Residuary legacies are recognised when entitlement is established and the value can be measured reliably, which is typically on grant of probate (see Note 1f(iii)). Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will.

Lottery income: Oxfam receives proceeds of lotteries held by the People's Postcode Lottery (PPL). Oxfam has no ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as principal. Net proceeds due to Oxfam are recognised under lottery income in the statement of financial activities and analysed in Note 2c. Oxfam also runs its own lottery, with proceeds reported gross of prize monies or other expenditure. Income is recognised in the same period as the lottery draw is conducted.

Donated goods for distribution to beneficiaries, for which Oxfam accepts full responsibility for distribution, are included in 'Income from donations and legacies' at their market value when received, and under 'Expenditure on charitable activities' at the same value when distributed. Donated goods for distribution which remain undistributed at year-end are included in stock at the value when received, less impairment.

Donated goods capitalised as tangible fixed assets are included as 'Income from donations and legacies' at their market value at the time of receipt.

Donated services and facilities are included as 'Income from donations and legacies' 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. Expenditure on raising funds

Expenditure on raising funds comprise the costs incurred in commercial trading activities, fundraising and managing investments. Expenditure on other trading activities cover all the costs of the shops and other trading activities, including the costs of goods sold. Expenditure on raising donations and legacies 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. Expenditure on charitable activities

Expenditure on charitable activities 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.

Expenditure on charitable activities performed directly by the charity 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. These costs are included within support 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.
- Governance costs are allocated in the same proportions as the underlying cost centre giving rise to the governance charge.

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. Termination benefits

Termination payments are payable when employment is terminated by the group before the normal retirement date or end of employment contract. Termination costs are recognised at the earlier of when the group can no longer withdraw the offer of the benefits or when the group recognises any related restructuring costs.

#### j. 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 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.

#### k. Fixed and current 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.

Social investments are investments made directly in pursuit of Oxfam's charitable purposes (programme related investments) or with a mixed purpose to also generate a financial return (mixed motive investments). Oxfam's investment in The Small Enterprise Impact Investing Fund is treated as a mixed motive investment and is stated at fair value. 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.

#### l. 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.

Donated goods for distribution to beneficiaries are included in stocks where these are undistributed at year-end.

#### m. Cash and cash equivalents

Cash at bank and in hand includes interest and non-interest bearing accounts held at call with banks, and cash in hand. Cash equivalents include monies deposited for less than 90 days or available within a 90 day notice period, without interest penalty.

#### n. Provisions

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.

#### **o. Foreign currencies**

The consolidated financial statements are presented in pound sterling (£), which is the charity's functional and presentation currency.

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 expenditure on charitable activities for the period in which they are incurred.

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.

#### **p. Pension scheme**

Oxfam operates defined benefit and defined contribution pension schemes.

##### **Defined benefit scheme**

The pension liabilities and assets are recorded in line with FRS102, with a valuation undertaken by an independent actuary. FRS102 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 and the net interest cost is used to determine the pension charge in the SOFA and 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.

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.

#### **q. Micro-credit schemes (through Finance for Development Limited)**

Oxfam provides funds under a micro-credit scheme either direct to individual members of local communities or via local community groups. Oxfam retains a responsibility for managing this scheme until such time as it is possible to transfer the management responsibility to the local community. Under the SORP, this micro-credit scheme is treated as a programme-related investment within Oxfam's individual company accounts. Within the group accounts, the micro-credit scheme is 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, Finance for Development Limited, which is a locally registered organisation in Azerbaijan, are given in Note 10 to the accounts.

#### **r. Operating leases**

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

#### **s. Financial instruments**

Oxfam has chosen to adopt the Sections 11 and 12 of FRS102 in respect of financial instruments.

##### **(i) Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price. Such assets are subsequently carried at the amortised cost using the effective interest method, less impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, with subsequent changes in fair value recognised in the SOFA, except that investments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the established cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### **(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, and loans from third parties are initially recognised at transaction price. Such liabilities are subsequently measured at amortised cost using the effective interest method.

Debt instruments include loans received by Finance for Development Limited from banks and other financial institutions. These are subsequently carried at amortised cost using the effective interest rate method.

#### **t. Accounting estimates and key judgements**

Critical accounting estimates and judgements – Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Retirement benefit liabilities – as disclosed in note 21, the Group's principal retirement benefit schemes are of the defined benefit type. Year end recognition of the liabilities under these schemes and the valuation of assets held to fund these liabilities require a number of significant assumptions to be made, relating to levels of scheme membership, key financial market indicators such as inflation and expectations on future salary growth and asset returns. These assumptions are made by the Group in conjunction with the schemes' actuaries. For each 0.1% change in the discount rate net of inflation, the carrying amount of pension obligations would change by an estimated £2m.

(ii) Provisions – The Group has made significant provision for potential irrecoverability of loans issued by Finance for Development Limited. The rationale behind this is disclosed in note 10. Management believe that these provisions are appropriate based on information currently available.

(iii) Income recognition of legacies – Residuary legacies have been recognised using a portfolio basis, based on past experience. Management have accrued for a percentage of the legacy pipeline which is consistent with experience over the last 4 years.

## 2 INCOME AND ENDOWMENTS

a. Donations and legacies	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Regular giving*	51.8	2.3	54.1	50.4	2.5	52.9
Legacies	19.2	0.6	19.8	16.8	0.5	17.3
Public donations, appeals, and fundraising events*	10.0	23.4	33.4	12.8	23.6	36.4
Disasters Emergency Committee (DEC) appeals	-	7.5	7.5	-	7.9	7.9
UK government: Department for International Development - Partnership Programme Arrangement	-	8.4	8.4	-	11.2	11.2
Donated goods for distribution to beneficiaries	-	11.7	11.7	-	18.1	18.1
Donated services and facilities	0.7	-	0.7	0.7	-	0.7
	<u>81.7</u>	<u>53.9</u>	<u>135.6</u>	<u>80.7</u>	<u>63.8</u>	<u>144.5</u>
Endowment income			-			1.0
			<u>135.6</u>			<u>145.5</u>

\* Includes related gift aid.

At 31 March 2017, 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 £6.1m (2015/16: £8.3m). Accrued legacy income included within the accounts amounts to £4.5m (2015/16: £1.1m).

Donated goods for distribution to beneficiaries represent food provided by the World Food Programme. The value of donated goods not distributed and included in stock at 31 March 2017 is £0.5m (2015/16: £0.1m). Donated services and facilities represent training, legal and audit services provided at a reduced fee or free of charge.

b. Charitable activities	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
<b>Income from government, institutional donors, and other public authorities</b>						
Governments (i)	-	48.1	48.1	-	63.6	63.6
Multilateral organisations (ii)	-	65.7	65.7	-	49.6	49.6
Oxfam Affiliates (iii)	-	41.6	41.6	-	46.2	46.2
International foundations, grant makers, and other donors	0.1	20.5	20.6	-	17.8	17.8
	<u>0.1</u>	<u>175.9</u>	<u>176.0</u>	<u>-</u>	<u>177.2</u>	<u>177.2</u>
<b>Primary purpose trading (iv)</b>	<u>3.8</u>	<u>-</u>	<u>3.8</u>	<u>3.6</u>	<u>-</u>	<u>3.6</u>
<b>Total income from charitable activities</b>	<u>3.9</u>	<u>175.9</u>	<u>179.8</u>	<u>3.6</u>	<u>177.2</u>	<u>180.8</u>

i. Governments	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Austria	-	256	256	-	-	-
Canada	-	219	219	-	1,386	1,386
Denmark	-	608	608	-	1,003	1,003
Finland	-	1,350	1,350	-	1,408	1,408
Germany	-	863	863	-	432	432
Ireland	-	999	999	-	869	869
Netherlands	-	-	-	-	953	953
New Zealand	-	-	-	-	532	532
Norway	-	-	-	-	462	462
Sweden	-	7,861	7,861	-	7,576	7,576
Switzerland	-	4,255	4,255	-	2,585	2,585
United Kingdom	-	32,453	32,453	-	50,161	50,161
United States	-	7,627	7,627	-	6,921	6,921
Other	-	52	52	-	515	515
	<u>-</u>	<u>56,543</u>	<u>56,543</u>	<u>-</u>	<u>74,803</u>	<u>74,803</u>

£8.4m (2015/16: £11.2m) of income from governments is reflected as voluntary income (Note 2a), in respect of the DFID PPA, and £48.1m (2015/16: £63.6m) as income from charitable activities (Note 2b).



	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
<b>ii. Multilateral organisations</b>						
Asian Development Bank	-	19	19	-	-	-
CABI	-	104	104	-	235	235
European Commission Directorate General for Humanitarian Aid and Civil Protection (ECHO)	-	17,958	17,958	-	18,635	18,635
European Commission Directorate General for Development and Cooperation (EuropeAid)	-	11,375	11,375	-	7,750	7,750
International Organization for Migration (IOM)	-	138	138	-	47	47
Tilitonse Fund	-	104	104	-	109	109
United Nations Childrens Fund (UNICEF)	-	10,928	10,928	-	7,123	7,123
United Nations Development Programme	-	3,551	3,551	-	2,466	2,466
United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)	-	-	-	-	134	134
United Nations Empowerment of Women	-	1,082	1,082	-	-	-
United Nations Food and Agricultural Organization (FAO)	-	522	522	-	146	146
United Nations High Commissioner for Refugees (UNHCR)	-	3,397	3,397	-	1,940	1,940
United Nations International Fund for Agricultural Development (IFAD)	-	26	26	-	10	10
United Nations Office for Coordination of Humanitarian Affairs (OCHA)	-	10,636	10,636	-	5,660	5,660
United Nations Office for Project Services	-	84	84	-	628	628
United Nations World Food Programme (WFP)	-	5,158	5,158	-	3,590	3,590
United Nations World Health Organization (WHO)	-	-	-	-	119	119
World Bank	-	602	602	-	1,048	1,048
	-	65,684	65,684	-	49,640	49,640

	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
<b>iii. Oxfam affiliates</b>						
Oxfam America	-	2,638	2,638	-	6,401	6,401
Oxfam Australia	-	5,153	5,153	-	9,212	9,212
Oxfam Belgium	-	1,545	1,545	-	769	769
Oxfam Canada	-	2,926	2,926	-	3,481	3,481
Oxfam Denmark	-	410	410	-	-	-
Oxfam France	-	-	-	-	56	56
Oxfam Germany	-	3,252	3,252	-	1,095	1,095
Oxfam Hong Kong	-	3,822	3,822	-	3,675	3,675
Oxfam Intermón	-	3,356	3,356	-	3,420	3,420
Oxfam International	-	606	606	-	314	314
Oxfam Ireland	-	1,458	1,458	-	1,948	1,948
Oxfam Italy	-	860	860	-	-	-
Oxfam Japan	-	-	-	-	3	3
Oxfam Mexico	-	(31)	(31)	-	63	63
Oxfam New Zealand	-	38	38	-	155	155
Oxfam Novib	-	7,921	7,921	-	10,740	10,740
Oxfam Quebec	-	7,648	7,648	-	4,893	4,893
	-	41,602	41,602	-	46,225	46,225

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.



Analysis by contract/project for certain specific institutions is provided below:

		Year to 31 March 2017 £'000	Year to 31 March 2016 £'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	10,846	6,544
Freetown WASH Consortium	Sierra Leone	1,790	3,229
Consortium for Sustainable WASH in Fragile ConTexts (SWIFT)	Global	1,725	9,137
Humanitarian Response for Burundian Refugees in Tanzania	Tanzania	1,500	-
Gender Empowered Markets	Global	1,297	1,563
Emergency Relief to Burundian Refugees in Tanzania	Tanzania	949	1,188
Increasing resilience and adaptability in South Kivu - DFID Aid Match	DRC	800	184
Water Supply Project for Earthquake Affected Population	Nepal	789	-
Sanitation Marketing Programme	DRC	506	747
Strengthening African Citizen's Participation in Policy Development	Africa	479	662
Humanitarian Assistance to Burundian Refugees in Rwanda and Host community	Rwanda	450	-
Improving Access to Humanitarian Evidence	Global	373	309
Strengthening Community Resilience in Wajir	Kenya	259	482
Citizen Monitoring of the Justice Sector in Rwanda	Rwanda	250	127
Humanitarian Assistance and Resilience in South Sudan	South Sudan	246	-
Support to Civic Participation in Constitutional Review Process, Phase II	Tanzania	210	2,025
Ensuring Food and Nutrition Security in a Time of Volatility	UK	203	88
Protecting Our Lands, Resources and Rights	Global	168	227
Supporting Durable Solutions: Internally Displaced Persons (IDP) programme	Nepal	164	-
Freetown WASH Consortium - Post Ebola Recovery programme	Sierra Leone	136	-
Enhancement of the role of the INGO Forum	DRC	98	-
Other contracts		101	11,522
		<b>23,339</b>	<b>38,034</b>
<b>DFID - Partnership Programme Arrangement (see Note 2a)</b>			
Partnership Programme Arrangement (PPA)	Global	8,378	11,171
<b>DFID back donor funding for the Disasters and Emergencies Preparedness Programme (DEPP) (received from Save the Children on behalf of the Start Network)</b>			
Protection in Practice	Global	341	127
Talent Development	Global	748	825
Financial Enablers	Philippines	702	70
Improving Early Warning Early Action in Ethiopia	Ethiopia	153	237
		<b>1,944</b>	<b>1,259</b>

In 2014/15 we recognised £96,052 for Protection in Practice and £350,193 for Talent Development.

		Year to 31 March 2017 £'000	Year to 31 March 2016 £'000
<b>Income from EuropeAid by contract title</b>	<b>Country</b>		
Pro-Act: Building food security and resilience in Northern Nigeria	Nigeria	2,082	-
Building Resilience Capacity - Food and Nutrition	Mali	1,600	-
Resilience building and creation of economic opportunities	Ethiopia	1,460	-
From air drops to resilience: linking humanitarian response to recovery and development	South Sudan	1,004	725
Bridging the gap of inequality: Investing in People and their institutions	Kenya	869	-
Improving Availability of Reproductive Health Services in the Autonomous Region	Philippines	730	-
Enhancing capacity in SUN (Scaling Up Nutrition) implementation	Malawi	641	-
Towards a new direction: supporting agricultural cooperation	Georgia	436	-
Reuse of treated wastewater for agriculture irrigation in southern Gaza strip	OPTI	426	-
Deepening social accountability	Myanmar	389	265
Overcoming barriers to access to justice for women at risk	Honduras	363	-
Sustainable use of natural resource to improve resilience	South Africa	319	230
Improving Secondary Education Completion Rates among Girls and Other Vulnerable Groups	Malawi	294	-
Strengthening capacities of civil society	Indonesia	286	-
Supporting local authorities to improve coverage of sanitation needs	Mali	210	359
Promoting Accountable Business: Advancement of UN Guiding Principles	Indonesia	132	-
Rural Sustainable Energy Development	Zimbabwe	118	-
Human Rights defenders in land and natural resource conflicts	Guatemala, Honduras	109	352
Other contracts		(93)	5,819
		<b>11,375</b>	<b>7,750</b>
<b>Income from the Big Lottery Fund by project</b>		<b>£'000</b>	<b>£'000</b>
Forest Fruits - Markets for Women		136	194
Link farmers to markets to feed the city, Guatemala		109	141
Building Livelihoods and Strengthening Communities in Wales		-	194
		<b>245</b>	<b>529</b>

Expenditure on these projects was: Building Livelihoods and Strengthening Communities in Wales £7,000 (2015/16: £192,000), Forest Fruits - Markets for Women £197,000 (2015/16: £159,000), and Linking Farmers to Markets in Guatemala £188,000 (2015/16: £150,000).

iv Primary purpose trading - Unrestricted income

	Year to 31 March 2017 £m	Year to 31 March 2016 £m
Micro-credit schemes	2.8	3.0
Sale of humanitarian equipment	1.0	0.5
Other	-	0.1
	3.8	3.6
<b>Costs included within charitable activities:</b>		
Micro-credit schemes	(4.0)	(6.2)
Humanitarian equipment	(0.9)	(0.5)
	(4.9)	(6.7)
<b>Net expenditure from primary purpose trading</b>	<b>(1.1)</b>	<b>(3.1)</b>

c. Other trading activities

	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Turnover from donated goods	79.5	-	79.5	77.0	-	77.0
Turnover from purchased goods	9.0	-	9.0	8.1	-	8.1
Lottery income	1.3	-	1.3	-	-	-
Other trading income	1.1	-	1.1	1.2	-	1.2
<b>Total trading sales</b>	<b>90.9</b>	<b>-</b>	<b>90.9</b>	<b>86.3</b>	<b>-</b>	<b>86.3</b>
Direct trading expenses - donated goods	60.3	-	60.3	57.8	-	57.8
Direct trading expenses - purchased goods	9.0	-	9.0	8.3	-	8.3
Lottery costs	0.2	-	0.2	-	-	-
Support costs	2.3	-	2.3	2.4	-	2.4
<b>Total trading costs</b>	<b>71.8</b>	<b>-</b>	<b>71.8</b>	<b>68.5</b>	<b>-</b>	<b>68.5</b>
<b>Net trading income</b>	<b>19.1</b>	<b>-</b>	<b>19.1</b>	<b>17.8</b>	<b>-</b>	<b>17.8</b>
<i>In addition, the following other amounts were collected through the shops and are included in donations and legacies:</i>						
Oxfam Unwrapped net income	-	1.1	1.1	-	1.0	1.0
Donations	0.4	1.1	1.5	0.4	1.7	2.1
<b>Total net trading income</b>	<b>19.5</b>	<b>2.2</b>	<b>21.7</b>	<b>18.2</b>	<b>2.7</b>	<b>20.9</b>

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

People's Postcode Lottery (PPL)

During the year Oxfam received net proceeds of lotteries held by PPL. As noted in Note 1d, Oxfam recognises the net proceeds as income, which are determined as follows:

	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Ticket value	4.5	-	4.5	-	-	-
Prize fund	(1.8)	-	(1.8)	-	-	-
Management fee	(1.4)	-	(1.4)	-	-	-
Net proceeds	1.3	-	1.3	-	-	-

d. Investments

	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Deposit interest	0.4	-	0.4	0.5	-	0.5
	0.4	-	0.4	0.5	-	0.5

e. Other income

	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Gain on disposal of fixed assets	1.2	-	1.2	1.1	-	1.1
Nursery fees	0.2	-	0.2	0.3	-	0.3
Miscellaneous overseas income	0.1	0.3	0.4	0.1	-	0.1
Other	0.1	-	0.1	0.1	-	0.1
	1.6	0.3	1.9	1.6	-	1.6

### 3 EXPENDITURE

a. Raising funds	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
<b>Expenditure on raising donations and legacies:</b>						
Regular giving	9.0	0.2	9.2	11.5	-	11.5
Legacies	0.7	-	0.7	0.5	-	0.5
Public donations, appeals, and fundraising events and Disasters Emergency Committee (DEC) appeals	5.2	3.1	8.3	5.6	2.5	8.1
Income from government, institutional donors, and other public authorities	1.4	-	1.4	1.5	-	1.5
Support costs	2.6	-	2.6	2.7	-	2.7
Other *	4.0	-	4.0	4.8	-	4.8
	<u>22.9</u>	<u>3.3</u>	<u>26.2</u>	<u>26.6</u>	<u>2.5</u>	<u>29.1</u>
<b>Expenditure on other trading activities</b>	71.8	-	71.8	68.5	-	68.5
<b>Investment management costs</b>	0.1	-	0.1	0.1	-	0.1
	<u>94.8</u>	<u>3.3</u>	<u>98.1</u>	<u>95.2</u>	<u>2.5</u>	<u>97.7</u>

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

#### b. Charitable activities

##### Functional analysis

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

	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Development	49.5	91.9	141.4	48.3	119.1	167.4
Humanitarian*	23.9	123.5	147.4	17.2	122.6	139.8
Campaigning and advocacy	13.3	1.4	14.7	11.7	3.1	14.8
	<u>86.7</u>	<u>216.8</u>	<u>303.5</u>	<u>77.2</u>	<u>244.8</u>	<u>322.0</u>
Activities undertaken directly	50.4	157.6	208.0	41.5	169.4	210.9
Grant funding of activities	12.5	50.6	63.1	12.3	65.7	78.0
Support costs **	23.8	8.6	32.4	23.4	9.7	33.1
	<u>86.7</u>	<u>216.8</u>	<u>303.5</u>	<u>77.2</u>	<u>244.8</u>	<u>322.0</u>

\* Humanitarian includes £10.9m (2015/16: £18.0m) in respect of donated goods distributed to beneficiaries.

\*\* 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.

	Activities undertaken directly (i)	Grant funding of activities (ii)	Support costs (iii)	Year to 31 March 2017 Total
	£m	£m	£m	£m
Development	87.9	38.0	15.5	141.4
Humanitarian	111.6	22.9	12.9	147.4
Campaigning and advocacy	8.5	2.2	4.0	14.7
	<u>208.0</u>	<u>63.1</u>	<u>32.4</u>	<u>303.5</u>

	Activities undertaken directly (i)	Grant funding of activities (ii)	Support costs (iii)	Year to 31 March 2016 Total
	£m	£m	£m	£m
Development	92.2	57.2	18.0	167.4
Humanitarian	110.4	18.5	10.9	139.8
Campaigning and advocacy	8.3	2.3	4.2	14.8
	<u>210.9</u>	<u>78.0</u>	<u>33.1</u>	<u>322.0</u>

#### i. Activities undertaken directly

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.

ii. Grant funding of activities

	Year to 31 March 2017 £'000	Year to 31 March 2016 £'000
Total value of 50 largest grants	20,824	28,795
Total value of grants to other Oxfam Affiliates	18,414	17,761
Other grants	23,828	31,485
Total grants payable to institutions in furtherance of the charity's objects	63,066	78,041
Total number of grants made to institutions	965	1,168

The top 50 financial grant recipients in the year to 31 March 2017 are listed below.

Name of institution	Geographic region	No of grants	Year to 31 March 2017 £'000
1) Kachin Baptist Convention	Asia	3	952
2) Concern Worldwide UK	Global	8	901
3) MA'AN Development Center - Gaza	MECIS	4	849
4) Janahit Gramin Sewa Samittee	Asia	2	689
5) Community Rural Development Society - Nepal	Global	4	599
6) Gramin Mahila Shrijansil Pariwar	Asia	1	580
7) Tearfund	Global	2	574
8) Ogaden Welfare and Development Association	HECA	3	536
9) Caritas Germany	HECA	2	536
10) Tulashi Mehar UNESCO Club	Asia	3	521
11) Sahayata Samajik Sanstha	Asia	3	514
12) Association Nigerienne pour la dynamisation des initiatives locales	West Africa	2	508
13) Save the Children UK	Global	6	500
14) The Kakani Center for Development of Community	Asia	3	495
15) Southern Alliance for Indigenous Resources	Southern Africa	1	457
16) Mahila Atma Nirvarta Kendra	Asia	1	450
17) Rehabilitation, Education, And Community Health	MECIS	2	448
18) Forum for Community Upliftment System	Asia	2	447
19) Development Project Service Center	Asia	1	443
20) OxyGen Foundation for protection of Youth and Women's Rights	MECIS	5	442
21) Goreto Gorkha	Asia	3	431
22) Prayatnasil Community Development Society	Asia	2	423
23) Social-Life and Agriculture Development Organization	HECA	1	420
24) Metta Development Foundation	Asia	3	409
25) Action Nepal	Asia	3	403
26) Environment and Public Health Organization	Asia	2	373
27) Fundación Acción Contra el Hambre	MECIS	1	357
28) Unification Nepal	Asia	2	352
29) Union paysanne pour le Développement Intégral	HECA	1	349
30) Iraqi Al-Amal Association	MECIS	2	336
31) Centre for Development Initiatives	HECA	2	326
32) Fundación Machaqa Amawta	LAC	4	320
33) Rural Communities Development Agency	MECIS	2	314
34) Heifer Project International	Southern Africa	1	307
35) Lumanti Support Group for Shelter	Asia	3	305
36) Horn of Africa Voluntary Youth Committee	HECA	4	302
37) BRIDGE - Innovation and Development	MECIS	3	302
38) A Single Drop for Safe Water, Inc.	Global	2	291
39) Associazione Internazionale Volontari Laici	West Africa	1	276
40) Associazione Cooperazione Internazionale	LAC	2	272
41) Rift Valley Children and Women Development Organization	HECA	2	267
42) Village Water Zambia	Southern Africa	5	265
43) Syndicat d'Initiative de Kasha	HECA	2	261
44) Utopia	MECIS	2	257
45) Palestinian Agricultural Relief Committees	MECIS	4	256
46) Comunità Impegno Servizio Volontariato Onlus	West Africa	1	253
47) Overseas Development Institute	Global	2	248
48) Polli Sree	Asia	8	241
49) Fundación para el Desarrollo Participativo Comunitario	LAC	2	235
50) International Rescue Committee	Global	1	232
			<b>20,824</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 are listed below.

Name of other Oxfam	Geographic region	No of grants	Year to	Year to
			31 March 2017	31 March 2016
			£'000	£'000
Oxfam America	Global, Asia, LAC	5	317	506
Oxfam Australia	Global	2	125	1,518
Oxfam Belgium	Global	1	294	4
Oxfam Brazil	LAC, Global	3	518	818
Oxfam Canada	Global	1	23	88
Oxfam France	Global	1	91	-
Oxfam India	Global	5	878	1,316
Oxfam Intermón	Global, LAC, West Africa	25	2,840	1,355
Oxfam International	Global	4	7,910	6,135
Oxfam Ireland	HECA	3	122	343
Oxfam Italy	Global, LAC, MECIS	8	1,066	1,258
Oxfam Mexico	LAC	1	150	245
Oxfam Novib	Global, HECA, Asia, West Africa, MECIS	25	4,061	4,085
Oxfam Quebec	HECA, Global	2	19	90
			18,414	17,761

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.

### iii. 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 £m	Fundraising £m	Development £m	Humanitarian £m	Campaigning & advocacy £m	Year to	Year to
						31 March 2017 Total £m	31 March 2016 Total £m
Regional programme support	-	-	3.9	4.3	0.3	8.5	9.1
Central programme support	-	-	9.8	6.7	1.4	17.9	18.3
Exchange rate differences	-	-	(0.4)	(0.5)	-	(0.9)	(0.6)
Central finance	0.6	0.3	0.5	0.5	-	1.9	1.7
Central human resources	0.4	0.4	1.0	1.2	0.3	3.3	2.9
Corporate communications	0.9	1.7	0.3	0.3	1.9	5.1	5.4
Governance	0.4	0.2	0.4	0.4	0.1	1.5	1.4
Total support costs for 2016/17	2.3	2.6	15.5	12.9	4.0	37.3	-
Total support costs for 2015/16	2.4	2.7	18.0	10.9	4.2	-	38.2
Unrestricted	2.3	2.6	11.4	8.4	4.0	28.7	28.5
Restricted	-	-	4.1	4.5	-	8.6	9.7
	2.3	2.6	15.5	12.9	4.0	37.3	38.2

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

c. Other expenditure	Year to 31 March 2017			Year to 31 March 2016		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Nursery costs	0.2	-	0.2	0.3	-	0.3
Defined benefit pension scheme costs	0.7	-	0.7	0.5	-	0.5
Growth Plan pension deficit contributions	-	-	-	0.2	-	0.2
Other	0.1	-	0.1	-	-	-
	1.0	-	1.0	1.0	-	1.0

## 4 EMPLOYEES

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

### Oxfam Group

	Year to 31 March 2017 Headcount	Year to 31 March 2017 FTE	Year to 31 March 2016 Headcount	Year to 31 March 2016 FTE
<b>GB payroll</b>				
Trading	1,097	894	1,078	878
Fundraising	164	156	150	142
Corporate functions	327	292	304	271
Campaigns and policy	145	131	139	124
Communications	78	74	62	59
Programme headquarters	224	209	226	209
Programme overseas	348	344	392	389
	2,383	2,100	2,351	2,072
<b>Overseas payroll</b>	2,893	2,886	3,171	3,166
	5,276	4,986	5,522	5,238

The staff numbers for Oxfam only are the same as above except that Trading includes 106 (2015/16: 105) OAL staff and Overseas payroll includes 100 (2015/16: 170) staff for Finance for Development Ltd and 38 (2015/16: 39) staff for Frip Ethique SARL.

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

## 5 STAFF COSTS

	Year to 31 March 2017 £m	Year to 31 March 2016 £m
<b>GB Payroll</b>		
Wages and salaries	63.8	61.2
Social security costs	4.4	4.1
Defined contribution pension scheme contributions	3.3	3.0
Defined benefit pension scheme operating costs	0.6	0.6
<b>GB payroll staff costs</b>	72.1	68.9
<b>Overseas payroll staff costs</b>	49.8	46.8
<b>Total staff costs</b>	121.9	115.7

Termination costs, included above, amounted to £2.6m (2015/16: £1.4m), of which £1.1m (2015/16: £0.3m) was provided for at year-end.

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 around 27,000 volunteers throughout Great Britain. Volunteers play a vital role in our shop network operations, community fundraising activities, and back office operations. More details of the crucial role volunteers contribute to Oxfam is provided in the Trustees' Report.

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 and additional tax in other countries. Five out of the ten employees with earnings over £100,000 are in receipt of payments which include accommodation and/or education benefits and/or additional tax payments. Reimbursement for overseas pension expenses has been included for 11 employees. Overseas numbers have also been impacted by the weakening of the GB Pound against other currencies, and in particular the US Dollar.

	UK Year to 31 March 2017 Number	Overseas Year to 31 March 2017 Number	Total Year to 31 March 2017 Number	Total Year to 31 March 2016 Number
£60,000 to £69,999	19	18	37	30
£70,000 to £79,999	9	15	24	20
£80,000 to £89,999	1	9	10	9
£90,000 to £99,999	5	6	11	9
£100,000 to £109,999	1	4	5	4
£110,000 to £119,999	2	1	3	2
£120,000 to £129,999	1	1	2	1
£130,000 to £139,999	-	1	1	-

Retirement benefits are accruing under a defined benefit scheme for 2 (2015/16: 4) higher paid employees. In addition, Oxfam paid £282,879 (2015/16: £211,920) into a defined contribution pension scheme for 44 (2015/16: 34) higher-paid employees.

Earnings, excluding Employer's National Insurance, for the Leadership Team are included in the table above, where applicable.

The cost of earnings for the group and charitable company of key management personnel, which are considered to be the Leadership Team, for 2016/17 were £916,019 including Employer's National Insurance, with pension contributions of £73,024, relating to 8 roles (2015/16: £922,707, with pension contributions of £59,909, relating to 8 roles).

The earnings, excluding Employer's NI, of the Leadership Team are detailed below:

Job Title	Number	Annual Pay		Pension Entitlement Defined contribution schemes	
		Year to	Year to	Year to	Year to
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
Chief Executive Officer	1	£127,753	£125,248	£12,818	£12,525
Deputy Chief Executive Officer (Dep.CEO)	1	£99,082	£97,139	£9,941	£9,714
Chief Financial Officer (CFO)	1	£93,580	£90,000	£9,358	£1,846
Other Executive Directors	5	£512,828	£501,520	£40,907	£35,824
<b>Total</b>		<b>£833,243</b>	<b>£813,907</b>	<b>£73,024</b>	<b>£59,909</b>

Where a director has joined part way through a year, annual pay figures have been annualised.

Other Executive Directors annual pay for the year to 31 March 2017 - The 5 directors are paid within a scale of £100,000 > £119,999 including pension contributions.

## 6 TRUSTEES' AND CHIEF EXECUTIVE'S EXPENSES

Members of Oxfam's Council of Trustees receive no remuneration for their services. Trustees' expenses, which include costs directly incurred by Trustees and amounts paid on their behalf by Oxfam, in 2016/17, paid to 13 Trustees (2015/16: 14), were £16,253 (2015/16: £28,378). A Council meeting is usually held overseas once every three years, with the most recent in July 2015.

Directly incurred expenses of the Chief Executive in 2016/17 were £12,006 (2015/16: £18,657). The most significant element of the Trustees' and Chief Executive's expenses is the cost of visits to overseas programmes, in respect of flights and accommodation.

Donations received by the charity from the Trustees during 2016/17 amounted to £65,566 (2015/16: £68,849), of which £61,210 (2015/16: £55,860) was given for restricted purposes, in the normal course of business.

## 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 FINANCIAL YEAR

IS STATED AFTER CHARGING/(CREDITING):

	Year to 31 March 2017 £m	Year to 31 March 2016 £m
Depreciation of tangible fixed assets	3.6	3.7
Gain on disposal of fixed assets	(1.2)	(1.1)
Hire of vehicles and equipment	6.3	7.8
Property rental	22.8	23.3
Auditors' remuneration – statutory audit (GB)*	0.3	0.3
Rental income	(0.4)	(0.5)
Exchange rate differences	(2.5)	(1.6)
Irrecoverable VAT	1.7	1.8

\*Auditors' remuneration includes £0.2m (2015/16: £0.2m) for which no fee is charged and is included within donated services and facilities in Note 2a.

The reported exchange rate gain was £2.5m (2015/16: gain £1.6m). This reported gain/loss consists of three elements:

- 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 £1.4m; 2015/16 net gain of £0.4m).
- 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 gain £1.0m; 2015/16 net gain £2.6m).
- Translation gains/losses arising on consolidation of subsidiary accounts into Sterling (net gain £0.1m; 2015/16 net loss £1.4m).

## 9 TANGIBLE ASSETS

Oxfam	Freehold property £m	Short leasehold property £m	Furniture, fixtures, equipment £m	Motor vehicles £m	Total £m
<b>Cost</b>					
At 1 April 2016	4.0	9.9	36.0	5.6	55.5
Additions	0.5	0.7	0.3	0.4	1.9
Disposals	(0.5)	(0.2)	(1.1)	(0.5)	(2.3)
At 31 March 2017	4.0	10.4	35.2	5.5	55.1
<b>Accumulated depreciation</b>					
At 1 April 2016	1.9	5.8	31.6	4.5	43.8
Charge for the year	0.1	1.2	1.8	0.4	3.5
Disposals	(0.2)	(0.2)	(1.0)	(0.4)	(1.8)
At 31 March 2017	1.8	6.8	32.4	4.5	45.5
<b>Net book value</b>					
At 31 March 2017	2.2	3.6	2.8	1.0	9.6
At 31 March 2016	2.1	4.1	4.4	1.1	11.7

## Oxfam Group

	Freehold property £m	Short leasehold property £m	Furniture, fixtures, equipment £m	Motor vehicles £m	Total £m
<b>Cost</b>					
At 1 April 2016	4.0	9.9	36.2	5.6	55.7
Additions	0.5	0.7	0.3	0.4	1.9
Disposals	(0.5)	(0.2)	(1.1)	(0.5)	(2.3)
At 31 March 2017	4.0	10.4	35.4	5.5	55.3
<b>Accumulated depreciation</b>					
At 1 April 2016	1.9	5.8	31.7	4.5	43.9
Charge for the year	0.1	1.2	1.9	0.4	3.6
Disposals	(0.2)	(0.2)	(1.0)	(0.4)	(1.8)
At 31 March 2017	1.8	6.8	32.6	4.5	45.7
<b>Net book value</b>					
At 31 March 2017	2.2	3.6	2.8	1.0	9.6
At 31 March 2016	2.1	4.1	4.5	1.1	11.8

The book value of land (which is not depreciated) included in freehold properties is £0.7m (2015/16: £0.8m). The value of freehold property held at 31 March 2017 is £7.0m (2015/16: £7.5m).

All tangible fixed assets are held for charitable use.

## 10 INVESTMENTS

### Fixed Asset Investments

#### Oxfam

	Freehold Property £m	Unquoted* £m	Cash £m	Investments Total £m	Social Investments Unquoted £m	Fixed asset investments Total £m
Market value:						
At 1 April 2016	0.3	1.6	3.4	5.3	2.6	7.9
Additions	-	-	-	-	-	-
Disposals	(0.2)	-	-	(0.2)	-	(0.2)
Transfers	-	-	-	-	(2.6)	(2.6)
Revaluation	-	-	-	-	-	-
At 31 March 2017	0.1	1.6	3.4	5.1	-	5.1

#### Oxfam Group

	Freehold Property £m	Unquoted £m	Cash £m	Investments Total £m	Social Investments Unquoted £m	Fixed asset investments Total £m
Market value:						
At 1 April 2016	0.3	-	3.4	3.7	2.7	6.4
Additions	-	-	-	-	-	-
Disposals	(0.2)	-	-	(0.2)	-	(0.2)
Transfers	-	-	-	-	(2.6)	(2.6)
Revaluation	-	-	-	-	-	-
At 31 March 2017	0.1	-	3.4	3.5	0.1	3.6

### Current Asset Investments

#### Oxfam and Group

	Cash £m	Investments Total £m	Social Investments Unquoted £m	Fixed asset investments Total £m
Market value:				
At 1 April 2016	12.0	12.0	-	12.0
Additions	52.6	52.6	-	52.6
Disposals	(45.0)	(45.0)	-	(45.0)
Transfers	-	-	2.6	2.6
Revaluation	-	-	0.4	0.4
At 31 March 2017	19.6	19.6	3.0	22.6

#### 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 £0.0m (2015/16: £0.1m) are included in the Balance Sheet at market value of £0.1m (2015/16: £0.3m). 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 2017, Oxfam had an interest in the following subsidiary undertakings:

Organisation name	Company number	Country of registration	Nature of business	Class of share capital held	Parent company interest	Consolidation	Year End Date
Oxfam Activities Limited	0830341	United Kingdom	Raises funds through trading activities	Ordinary	100%	Yes	31 March
Finance for Development Ltd	N/A	Azerbaijan	Micro-credit scheme	Ordinary	100%	Yes	31 December
Frip Ethique SARL	2629105202	Senegal	Second-hand clothing	Ordinary	100%	Yes	31 December
SEIF Ltd	07990519	United Kingdom	Small Enterprise Investments	Ordinary	100%	Yes	31 March
Just Energy Ltd	06904458	United Kingdom	Renewable energy projects	N/A	100%	No (dormant)	31 March

The aggregate total amount invested in all Oxfam's subsidiaries is £1.6m (2015/16: £1.6m).

The financial results of the subsidiaries for the year were:

	Oxfam Activities Limited		Finance for Development Ltd		Frip Ethique SARL	
	Year to 31 March 2017 £m	Year to 31 March 2016 £m	Year to 31 December 2016 £m	Year to 31 December 2015 £m	Year to 31 December 2016 £m	Year to 31 December 2015 £m
Income	15.9	14.7	2.8	3.0	2.4	1.9
Expenditure	(15.0)	(13.9)	(4.0)	(6.2)	(2.4)	(2.0)
Trading profit/(loss)	0.9	0.8	(1.2)	(3.2)	-	(0.1)
Profit Gift Aided to Oxfam	(0.9)	(0.8)	-	-	-	-
Profit/(loss) for the year	-	-	(1.2)	(3.2)	-	(0.1)
	At 31 March 2017 £m	At 31 March 2016 £m	At 31 December 2016 £m	At 31 December 2015 £m	At 31 December 2016 £m	At 31 December 2015 £m
Net assets	-	-	-	1.2	0.1	0.1

Finance for Development Ltd - Due to the devaluation of the Azerbaijani currency (Manat) during 2015/16, a provision of £2.6m was made at 31 March 2016 for the potential irrecoverability of loan balances due. At 31 March 2017 a further provision of £2.6m has been made.

SEIF Ltd - Income and expenditure for 2016/17 were both £0.1m, resulting in Enil net assets at 31 March 2017.

Just Energy Ltd was dormant for both 2016 and 2017 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
Oxfam (in Korea)	South Korea	As per Oxfam
Oxfam Thailand Foundation	Thailand	As per Oxfam

## b Social investments

### 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% (2015/16: 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 33 1/3% (2015/16: 33 1/3%) shareholding (one £1 ordinary share) in the Guardian Share Company Limited, a company registered in the UK. This company 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 1k.

#### Mixed motive investments

##### Small Enterprise Impact Investing Fund

Oxfam invested £2.1m in The Small Enterprise Impact Investing Fund, an innovative financial product based in Luxembourg. On 20 January 2017, the fund was placed into liquidation with a view to transferring the value of investments to a similar fund. As a result, the fair value of Oxfam's interest at 31 March 2017 of £3.0m has been reflected within Current Asset Investments (31 March 2016: £2.6m reflected in Fixed Asset Investments).

## 11 STOCKS

	Oxfam		Oxfam Group	
	2017 £m	2016 £m	2017 £m	2016 £m
Oxfam trading stocks	-	-	1.6	1.6
Humanitarian supplies	1.9	1.4	1.9	1.4
Consumable stores	-	0.1	-	0.1
	1.9	1.5	3.5	3.1

Trading and other stocks relate to goods for resale. Humanitarian supplies represent equipment to be used in emergency response and include £0.5m (2015/16: £0.1m) in respect of donated stock for distribution to beneficiaries.

Stocks are stated after provision for impairment of £0.1m (2015/16: £0.2m).

The cost of stocks recognised as an expense for Oxfam is £12.9m (2015/16: £20.4m) and for Oxfam Group is £17.1m (2015/16: £24.3m), which includes £11.3m (2015/16: £18.0m) of donated goods distributed to beneficiaries.

## 12 DEBTORS

	Oxfam		Oxfam Group	
	2017 £m	2016 £m	2017 £m	2016 £m
<b>Amounts falling due within one year</b>				
Loans by micro-credit schemes	-	-	2.4	5.8
Amounts due from subsidiaries	0.3	0.3	-	-
Other debtors	6.7	5.8	7.4	6.4
Prepayments	6.8	6.6	7.0	6.7
Accrued income	5.0	2.9	5.0	2.9
Tax recoverable	7.8	4.5	7.8	4.5
Amounts due from institutional donors	26.3	26.5	26.3	26.5
	52.9	46.6	55.9	52.8
<b>Amounts falling due outside one year</b>				
Loans by micro-credit schemes	-	-	-	-
Other loans	0.5	0.5	0.6	0.5
	0.5	0.5	0.6	0.5
	53.4	47.1	56.5	53.3

## 13 CASH AT BANK AND IN HAND, AND CASH EQUIVALENTS

	Oxfam		Oxfam Group	
	2017 £m	2016 £m	2017 £m	2016 £m
Cash at bank and in hand	31.6	37.5	32.3	40.1
Cash equivalents: Notice and term deposits (less than 90 days)	19.0	26.0	19.0	26.0
	50.6	63.5	51.3	66.1

## 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Oxfam		Oxfam Group	
	2017 £m	2016 £m	2017 £m	2016 £m
Loans to micro-credit schemes*	-	-	1.8	3.6
Trade creditors	5.4	3.8	5.8	4.2
Other tax and social security	0.5	0.5	0.5	0.5
Other creditors	6.0	6.3	6.1	6.3
Accruals - grants payable	2.8	7.4	2.8	7.4
Accruals - other	13.6	12.2	13.8	12.4
Deferred income**	0.1	2.3	0.1	2.3
	28.4	32.5	30.9	36.7

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

\*\* Deferred income relates to income received from donors which is subject to restrictions which prevent their use until a later date. Deferred income of £0.1m (2015/16: £2.3m) arose in the year and £2.3m (2015/16: £0.8m) brought forward from last year was released.

## 15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Oxfam		Oxfam Group	
	2017 £m	2016 £m	2017 £m	2016 £m
Loans to micro-credit schemes*	-	-	1.2	3.4
Other creditors	0.6	0.7	0.6	0.7
	0.6	0.7	1.8	4.1

\* See Note 14

## 16 PROVISIONS FOR LIABILITIES

	End of Contract £m	Dilapidations £m	Other £m	Oxfam Total £m	OAL Dilapidations £m	Oxfam Group Total £m
At 1 April 2016	6.5	2.1	0.8	9.4	0.1	9.5
Arising in the year	2.9	0.3	1.1	4.3	-	4.3
Released in the year	(2.6)	(0.1)	(0.6)	(3.3)	-	(3.3)
At 31 March 2017	6.8	2.3	1.3	10.4	0.1	10.5

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. Payment is due once an employee's contract comes to an end.

The provision for dilapidations is to cover the probable future costs of restoring properties to their required condition at the end of their lease. Payment is potentially due at the end of the lease, based on dilapidation costs required, provided the lease is not renewed.

## 17 CONTINGENT LIABILITIES

The following contingent liabilities existed at 31 March 2017: Ongoing legal cases in Chad (£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 2016 has been calculated as £1.3m (2015/16: £1.1m). 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 1 April 2016 £m	Received in year £m	Released in year £m	At 31 March 2017 £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
The Joyce Gregory Trust	1.0	-	-	1.0
Other permanent endowment funds	0.1	-	-	0.1
	3.5	-	-	3.5

During the year, permanent endowments of £0.0m (2015/16: £0.1m) were released in the year under Section 75 of the Charities Act 1993.

Income generated by The Mary & Henry Makinson Spink Memorial Fund and The Joyce Gregory Trust are 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 1 April 2016 Reclassified*	Income	Expenditure	At 31 March 2017
	£m	£m	£m	£m
<b>Regional funds</b>				
Asia	14.1	27.1	(30.3)	10.9
LAC	1.7	5.6	(6.4)	0.9
HECA	1.6	50.9	(47.3)	5.2
West Africa	(0.2)	17.6	(14.8)	2.6
Humanitarian	6.1	15.8	(15.3)	6.6
MECIS	7.6	59.1	(57.4)	9.3
Southern Africa	0.8	12.6	(11.9)	1.5
Campaigns and Policy	1.2	1.9	(2.1)	1.0
Donated goods for distribution to beneficiaries	0.1	11.7	(11.3)	0.5
Oxfam Unwrapped	-	2.2	(0.7)	1.5
Other funds	3.5	8.9	(5.3)	7.1
DFID - Partnership Programme Arrangement	0.4	8.4	(8.8)	-
<b>Appeals</b>				
Syria crisis	3.2	1.7	(2.2)	2.7
Philippines typhoon	0.2	-	(0.2)	-
South Sudan crisis	0.4	0.3	(0.6)	0.1
Gaza response	0.3	-	(0.3)	-
Nepal earthquake	5.1	-	(2.6)	2.5
Ethiopia refugee crisis	0.2	0.5	(0.3)	0.4
Ethiopia food crisis	0.4	0.2	(0.6)	-
East Africa food crisis	-	2.4	(0.5)	1.9
Haiti hurricane	-	0.8	(0.8)	-
Yemen crisis	-	2.4	(0.4)	2.0
	46.7	230.1	(220.1)	56.7

\*Individual funds bought forward have been recategorised, within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves bought forward.

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 year, 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 2017 amounted to £17.9m (31 March 2016: £17.2m). 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 reserves	Designated fund fixed assets	Designated fund other	Revaluation reserve	Pension reserves	Total
	£m	£m	£m	£m	£m	£m
At 1 April 2016	29.1	11.9	10.0	0.6	(20.3)	31.3
Surplus/(deficit) for the year	7.8	(2.4)	(6.5)	0.4	(1.7)	(2.4)
Gains and losses	-	-	-	-	(12.6)	(12.6)
Transfers between funds	(8.6)	0.1	1.9	-	6.6	-
At 31 March 2017	28.3	9.6	5.4	1.0	(28.0)	16.3
<b>Oxfam Group</b>						
	General reserves	Designated fund fixed assets	Designated fund other	Revaluation reserve	Pension reserves	Total
	£m	£m	£m	£m	£m	£m
At 1 April 2016	29.1	11.9	11.3	0.6	(20.3)	32.6
Surplus/(deficit) for the year	7.8	(2.4)	(7.7)	0.4	(1.7)	(3.6)
Gains and losses	-	-	-	-	(12.6)	(12.6)
Transfers between funds	(8.6)	0.1	1.9	-	6.6	-
At 31 March 2017	28.3	9.6	5.5	1.0	(28.0)	16.4

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

	At 1 April 2016 £m	Net expenditure in the year £m	Transfers between funds £m	At 31 March 2017 £m
IS Infrastructure investment	4.0	(0.7)	-	3.3
Strategic Investment Fund	1.7	(1.7)	-	-
Major Donor Fund	1.5	(1.5)	-	-
Inter-affiliate funding	0.3	(0.3)	-	-
Deferred Expenditure Fund	1.2	(1.2)	-	-
Investment initiatives	1.3	(1.1)	1.9	2.1
<b>Oxfam</b>	10.0	(6.5)	1.9	5.4
Micro-credit scheme retained reserves	1.2	(1.2)	-	-
Frip Ethique SARL retained reserves	0.1	-	-	0.1
<b>Oxfam Group</b>	11.3	(7.7)	1.9	5.5

IS infrastructure investment represents funds required over 2016/17 and 2017/18 to keep our IS systems fit for purpose, with particular focus on our applications hosting and the move to a cloud based solution.

The Strategic Investment Fund represents funds set aside for specific investment proposals which aim to develop new fundraising opportunities. Further investment in ventures undertaken in South Korea and Thailand were made in 2016/17.

The Major Donor Fund represents income from a major donor which has been released over a few years, in line with the donor's wishes.

The Inter-affiliate funding reserve represents an agreement with an affiliate organisation, to match their contribution to specific projects with our own funds. The balance brought forward was fully matched in 2016/17.

The Deferred Expenditure Fund represents specific project expenditure which was set aside in the 2015/16 budget, which remained committed but unspent at 31 March 2016, and was spent in 2016/17.

Investment initiatives have been set aside for 2017/18 in respect of fundraising opportunities and resourcing within our shop network.

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 1 April 2016 £m	Cost for the year £m	Gains and losses £m	Transfers between funds £m	At 31 March 2017 £m
Defined benefit pension scheme liability	(19.6)	(1.7)	(12.6)	6.6	(27.3)
Growth plan liability	(0.7)	-	-	-	(0.7)
<b>Oxfam and Oxfam Group</b>	(20.3)	(1.7)	(12.6)	6.6	(28.0)

## 21 COMMITMENTS

Oxfam had the following commitments at 31 March 2017. Commitments will be funded from income generated from ongoing activities and from reserves, where necessary, as they fall due.

### a. Capital

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

	Oxfam		Oxfam Group	
	At 31 March 2017 £m	At 31 March 2016 £m	At 31 March 2017 £m	At 31 March 2016 £m
Within one year	0.1	0.4	0.1	0.4
	0.1	0.4	0.1	0.4

### b. Financial

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

	Oxfam		Oxfam Group	
	At 31 March 2017 £m	At 31 March 2016 £m	At 31 March 2017 £m	At 31 March 2016 £m
Within one year	14.0	13.4	14.0	13.4
Between two and five years	11.0	8.3	11.0	8.3
	25.0	21.7	25.0	21.7

Grants for international projects contain certain performance related conditions, which determine when expenditure is recognised in the SOFA. Performance conditions under commitments noted above had not been fulfilled at 31 March 2017.

c. **Operating leases**

At 31 March there were the following future minimum lease payments under non-cancellable operating leases:

	Oxfam		Oxfam Group	
	At 31 March 2017 £m	At 31 March 2016 £m	At 31 March 2017 £m	At 31 March 2016 £m
<b>i) Land and buildings</b>				
Operating leases due:				
Within one year	13.7	14.7	13.7	14.7
In the second to fifth years inclusive	26.0	25.1	26.0	25.1
After five years	11.3	15.2	11.3	15.2
	<u>51.0</u>	<u>55.0</u>	<u>51.0</u>	<u>55.0</u>
<b>ii) Vehicles</b>				
Operating leases due:				
Within one year	0.2	0.2	0.3	0.3
In the second to fifth year inclusive	0.3	0.4	0.3	0.4
	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>0.7</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 TPT Retirement Solutions. The pension cost is determined on the advice of independent qualified actuaries, with the last triennial valuation being carried out as at 30 September 2016. An actuarial valuation was carried out at 31 March 2017 by a qualified independent actuary, based on the provisions of FRS102.

Oxfam, Oxfam Ireland and Oxfam International participate in a joint scheme, whereby the assets and liabilities of the scheme are not readily identifiable by each individual employer. As a result and given that Oxfam employees represent over 98% of the scheme participants, the full pension liability, SOFA charge and disclosures of the scheme are reflected in the Oxfam accounts.

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 11.4% of pensionable pay (2015/16: 10.9%). The employees' contribution is 5.0% or 7.0% of pensionable pay depending on the individual's level of total pensionable pay (2015/16: 5.0% or 7.0%). The current service cost for this scheme for the year was £0.8m (2015/16: £1.0m). Contributions paid by Oxfam GB during the year were £6.4m (2015/16: £6.0m). In addition, Oxfam Ireland and Oxfam International paid £0.1m (2015/16: £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 2018 is £6.5m.

As required by FRS102, the defined benefit liabilities have been measured using the projected unit method. The tables below state the FRS102 actuarial assumptions upon which the valuation of the scheme was based.

**Financial assumptions**

	31 March 2017 %	31 March 2016 %
Rate of increase in salaries	1.90	1.90
Rate of increase of pensions (deferred and in payment)	3.30	3.20
Rate of inflation (RPI)	3.30	3.20
Rate used to discount scheme liabilities*	2.60	3.70

\* Under FRS102 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 2017 Years	At 31 March 2016 Years
<b>Non-pensioners:</b>		
Males	24.9	24.8
Females	26.4	26.3
<b>Pensioners:</b>		
Males	23.2	23.1
Females	24.9	24.8

	At 31 March 2017 £m	At 31 March 2016 £m
<b>Scheme assets</b>		
Equities	105.4	85.0
Government bonds	63.1	52.6
Property	9.5	8.8
Cash	0.7	0.6
Total fair value of assets	<u>178.7</u>	<u>147.0</u>

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 31 March 2017	Year to 31 March 2016
	£m	£m
Current service cost	0.8	1.0
Expenses	0.3	0.2
Net interest cost	0.6	1.2
Gains due to benefit changes	-	(0.7)
Net finance charge	1.7	1.7
Return on pension scheme assets excluding interest income	25.7	(3.2)
Experience gains arising on the plan liabilities	1.2	0.4
Changes in assumptions underlying the present value of scheme liabilities	(39.5)	13.8
Total actuarial (loss)/gain recognised	(12.6)	11.0

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since 1 May 2004 is a loss of £48.3m (2015/16: £35.7m loss).

#### Reconciliation of opening and closing balances of the scheme assets and liabilities

	Fair value of scheme assets	Present value of scheme liabilities	Scheme assets less scheme liabilities
	£m	£m	£m
Scheme assets/(liabilities) at the start of the year	147.0	(166.6)	(19.6)
Current service cost and expenses	-	(1.1)	(1.1)
Interest income/(cost)	5.5	(6.1)	(0.6)
Actuarial (loss)/gain	25.7	(38.3)	(12.6)
Contributions by employer	6.5	-	6.5
Contributions by scheme participants	0.1	-	0.1
Benefits paid	(6.1)	6.1	-
Scheme assets/(liabilities) at the end of the year	178.7	(206.0)	(27.3)

The total return on scheme assets for the year was £31.1m (2015/16: £1.4m).

#### 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 2014, the scheme assets amounted to £793.4m, whilst liabilities were £969.9m, resulting in a deficit of £176.5m. A deficit recovery plan to 31 August 2025 has been put in place which will require Oxfam to make annual payments of £82,034. The full liability to Oxfam has been reflected through the SOFA and pension reserve, with the annual contribution reflected as a transfer between the pension reserve and general reserve.

In the event of other scheme members defaulting on their deficit commitments, the liabilities arising would be spread across the remaining members of the scheme.

#### iii) Defined contribution pension scheme

For employees not in the defined benefit scheme Oxfam operates a Stakeholder Pension Scheme. This is a defined contribution scheme from Aviva. From 1 January 2003 Oxfam contributed double the employee contributions up to a maximum of 10% of pensionable pay. Oxfam contributed £3.3m (2015/16: £3.0m) to this pension scheme in the year to 31 March 2017. Contributions are reflected in expenditure on the same basis as an individual's salary allocation.

#### 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 FINANCIAL INSTRUMENTS

Oxfam had the following financial instruments:

	Note	Oxfam		Oxfam Group	
		2017 £m	2016 £m	2017 £m	2016 £m
Financial assets that are debt instruments measured at fair value:					
Investments in commercial paper	10	3.0	2.6	3.1	2.7
		3.0	2.6	3.1	2.7
Financial assets that are debt instruments measured at amortised cost:					
Loans by micro-credit schemes	12	-	-	2.4	5.8
Other loans	10,12	2.1	2.1	0.6	0.5
Amounts due from subsidiaries	12	0.3	0.3	-	-
Other receivables	12	45.8	39.7	46.5	40.3
Fixed asset investments in cash	10	3.4	3.4	3.4	3.4
Current asset investments in cash	10	19.6	12.0	19.6	12.0
Cash at bank and in hand	13	31.6	37.5	32.3	40.1
Cash equivalents	13	19.0	26.0	19.0	26.0
		121.8	121.0	123.8	128.1
Financial liabilities measured at amortised cost:					
Unsecured loan stock	14,15	-	-	3.0	7.0
Trade creditors	14	5.4	3.8	5.8	4.2
Other creditors	14,15	23.5	27.1	23.8	27.3
		28.9	30.9	32.6	38.5
Income, expense, gains or losses, including changes in fair value, recognised on:					
Financial assets measured at fair value		(0.4)	(0.5)	(0.4)	(0.5)
Interest income		(0.4)	(0.5)	(0.4)	(0.5)
Impairment loss		-	-	2.6	2.6
Provision for bad debts		0.5	0.5	0.5	0.5
		(0.3)	(0.5)	2.3	2.1

## 23 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Oxfam	2017	2017	2017	2016	2016	2016
	Unrestricted funds £m	Restricted funds £m	Endowment funds £m	Unrestricted funds £m	Restricted funds £m	Endowment funds £m
Fund balances at 31 March are represented by:						
Tangible fixed assets	9.6	-	-	11.7	-	-
Investment assets	1.6	-	3.5	4.4	-	3.5
Current assets	70.9	57.6	-	73.3	50.8	-
Current and long-term liabilities and provisions	(38.5)	(0.9)	-	(38.5)	(4.1)	-
Pension liability	(27.3)	-	-	(19.6)	-	-
Total net assets at 31 March	16.3	56.7	3.5	31.3	46.7	3.5
Oxfam Group						
	2017	2017	2017	2016	2016	2016
	Unrestricted funds £m	Restricted funds £m	Endowment funds £m	Unrestricted funds £m	Restricted funds £m	Endowment funds £m
Fund balances at 31 March are represented by:						
Tangible fixed assets	9.6	-	-	11.8	-	-
Investment assets	0.1	-	3.5	2.9	-	3.5
Current assets	76.3	57.6	-	83.7	50.8	-
Current and long-term liabilities and provisions	(42.3)	(0.9)	-	(46.2)	(4.1)	-
Pension liability	(27.3)	-	-	(19.6)	-	-
Total net assets at 31 March	16.4	56.7	3.5	32.6	46.7	3.5



## 24 RELATED PARTY TRANSACTIONS

Amounts of £10,966,000 (2015/16: £9,081,000) were paid to and £606,000 (2015/16: £314,000) received from Oxfam International, an organisation in which the Chair and Chief Executive of Oxfam are members of the board. Of the amounts paid, £10,366,000 (2015/16: £7,958,000) relates to our contribution to the Oxfam International Secretariat to provide leadership of global campaign work on behalf of the confederation, coordinate work that benefits all affiliates, and in respect of Oxfam 2020, £541,000 (2015/16: £1,062,000) relates to inter-affiliate matched funding, and £59,000 (2015/16: £61,000) relates to other grant funding. Income relates to funding of operational grants received (see note 2biii). At 31 March 2017, £239,000 was owed by Oxfam International to Oxfam (31 March 2016: £1,374,000), on normal terms.

On 26 October 2015 the Oxfam International Secretariat moved into Oxfam House. In 2016/17, Oxfam International paid Oxfam £19,736 for service charges.

Whilst Oxfam affiliates are not under common control and neither Oxfam nor the other affiliates have direct or indirect control over each other, they do work closely together. For this reason, the balances owed from and due to other affiliates at 31 March 2017 are provided below. Income received from and expenditure made to other affiliates are detailed in Notes 2 & 3 respectively.

	At 31 March 2017		Net £'000
	Debtors £'000	Creditors £'000	
Oxfam America	162	(16)	146
Oxfam Australia	17	(54)	(37)
Oxfam Belgium	347	-	347
Oxfam Canada	8	-	8
Oxfam Denmark	346	(91)	255
Oxfam France	16	-	16
Oxfam Germany	1,626	-	1,626
Oxfam Hong Kong	63	-	63
Oxfam India	1	16	17
Oxfam Intermón	664	(311)	353
Oxfam Ireland	65	(70)	(5)
Oxfam Italy	94	-	94
Oxfam Novib	2,628	(808)	1,820
Oxfam Quebec	1,305	-	1,305
Oxfam South Africa	-	(201)	(201)
	<u>7,342</u>	<u>(1,535)</u>	<u>5,807</u>

# THANK YOU

Without the support of many individuals and donor partners, a small number of whom are recognised here, our work this year would not have been possible.



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