Oxfam Australia

ABN 18 055 208 636

Financial Report

for the year ended 31 March 2019

Contents

Corporate Information

This financial report covers the consolidated entity comprising Oxfam Australia and its subsidiary, Oxfam Australia Trading Pty Ltd ("the Group"). The Group's functional and presentation currency is AUD ($).

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000).

A description of the Group's objectives and of its principal activities is included in the review of operations and activities in the Directors' report on page 4.

Directors (non-executive)

Dennis Goldner	Chair
Ann Byrne	Deputy Chair
Selwyn Button	Director (resigned August 2018)
Peter Croft	Director (resigned August 2018)
Janine Dureau	Director (appointed August 2018, resigned May 2019)
Melissa Houghton	Director
Fiona Kotvojs	Director (leave of absence January – May 2019)
Geoff McClellan	Director
Sally McCutchan	Director (appointed August 2018)
Timothy McMinn	Director (appointed August 2018)
Judi Moylan	Director
Gregory Ridder	Director
Barbara Rugendyke	Director (resigned May 2018)
Belinda Tallis	Director
Jasmine-Kim Westendorf	Director (appointed August 2018)
Alan Wu	Director

Staff Participants

James Riturban	Commenced September 2018
John Siddham	Term completed August 2018

Registered office and Principal place of business

130-138 Leicester Street
Carlton, Victoria, 3053
Phone: +61 3 9289 9444
www.oxfam.org.au

Solicitors

Corrs Chambers Westgarth
600 Bourke Street
Melbourne, Victoria 3000

Corporate Information (cont.)

Bankers

Westpac Banking Corporation
GPO Box 3433
Sydney, NSW 2001

Crestone Holdings Limited
Level 18, 120 Collins Street
Melbourne, Victoria 3000

Auditors

Ernst & Young
8 Exhibition Street
Melbourne, Victoria 3000

Directors' Report

The Directors submit their report for the year ended 31 March 2019.

Directors

The names and details of the Directors in office during the financial year ended 31 March 2019 and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience, and special responsibilities

Dennis Goldner AM **Chair** BEc (Hons), FAICD	Dennis was a partner at Deloitte for 20 years, retiring in 2009. His earlier career was spent in the Australian and Victorian public sector, having worked in industry policy, trade and competition policy agencies reaching senior levels. He led Deloitte's Responsible Business agenda nationally and chaired The Deloitte Foundation for 10 years ending in 2019. Dennis also serves Treasurer on the board of the Melbourne Chamber Orchestra and chairs the Castlemaine State Festival. He has completed terms on the board of The Royal Children's Hospital Melbourne, Library Board of Victoria, Deloitte Australia, Regional Arts Australia and Regional Arts Victoria (both as chair). Dennis has an honours degree in Economics from the University of Sydney and is a Fellow of the Australian Institute of Company Directors.
Ann Byrne **Deputy Chair** HDTS, GradDip (HRC), GradDip (Superannuation), FAICD, FAIST	Until November 2013 Ann worked in the finance sector particularly in the management of superannuation funds (UniSuper and Superannuation Trust of Australia) and with the Australian Council of Superannuation Investors advocating for the effective management of environmental, social and governance investment risk to achieve long term sustainable performance. Ann is a Board member of LUCRF Super and a Board member of ECPAT International. Ann is a fellow of the Australian Institute of Company Directors and the Australian Institute of Superannuation Trustees.
Selwyn Button B. Teaching **Resigned:** August 2018	Selwyn is an Aboriginal man with extensive professional experience in various social service fields supporting Indigenous communities. He is currently Assistant Director-General, State Schools - Indigenous Education in the Queensland Department of Education and Training. Immediately prior to joining the Oxfam Australia Board, he was CEO of the Queensland Aboriginal and Islander Health Council for four years. Selwyn is also a Director on a number of other Boards: The Lowitja Institute; Queensland South Native Title Service Ltd and previously sat on the Queensland Council of Social Services Board.
Peter Croft BSc, BEc, MAICD **Resigned**: August 2018	Peter is a long-time supporter of Community Aid Abroad and a Director of Oxfam Australia Trading since September 2011. Peter was formerly a Director of South Australia's Department for Environment and Heritage.
Janine Dureau DipMgt, DipPM **Appointed:** August 2018 **Resigned:** May 2019	Janine is a proud Nyginka woman who was born and raised in Derby, Western Australia. Her professional experience includes almost 30 years working in Aboriginal Business Affairs (State and Commonwealth governments and Aboriginal organisations). Janine has a strong track record in working with Aboriginal people in the Kimberley and around Australia and is passionate about building the capacity of Aboriginal communities, Organisations and people. Working at the strategic level, Janine facilitates collaborative engagement and focuses on planning, leadership and governance development. Janine has and continues to invest into emerging Aboriginal leaders of the Kimberley Region which has been demonstrated through a number of leadership programs and activities throughout the past 12 years.
Melissa Houghton MBA, BA	Based in NSW, Melissa is an experienced marketing and communications executive and owner of Eighty20 Communications. In her 20 plus years, Mel has worked with for corporates, government and not-for-profits, successfully developing and delivering communications and marketing strategies to drive the commercial outcomes for the organisation. The breadth of industry experience ranges from publishing, property, recruitment, telecommunications and food manufacturing having held senior positions in a number of large organisations including News Digital Media, Telstra, Defence Force Recruiting and the Green Building Council of Australia. She has a record of active community involvement and is a keen Oxfam Trailwalker participant.

Directors' Report (cont.)

Dr Fiona Kotvojs
D. Ed, MEval., MBA, Grad Dip Bus Mgt, Grad Dip. Ed, Grad Dip Asses & Eval., BSc [Hon], GAICD
Leave of Absence: January – May 2019

Dr Fiona Kotvojs brings 30 years' experience in the international development sector, encompassing design, management and evaluation of programs. She has a commitment to sustainability and capacity development, and is a recognised expert in these areas. Fiona has worked across a range of sectors including education, agriculture, fisheries, infrastructure, economic governance, community development and law and justice. This is supported by postgraduate qualifications in education, business and evaluation. Fiona is also a graduate of the Australian Institute of Company Directors. Community is a strong focus for Fiona. Consequently she maintains an active involvement in her community, including a number of leadership roles.

Geoff McClellan
LLB, BEc

Geoff is an experienced senior executive, director and chairman. He is one of Australia's leading corporate litigators dealing with major strategic corporate disputes and regulatory matters for a significant cross section of ASX100 listed companies. He combines this with many years of experience in senior leadership, governance and global management positions at leading global law firm Herbert Smith Freehills (HSF). He is currently a partner of HSF, a Director of Lifeline Australia Ltd, a past Chairman and Senior partner of Freehills and Managing Partner of HSF.

Sally MCCutchan
GradDipAccFin, BEc
Appointed: August 2018

Sally is the CEO and Executive Director of Impact Investing Australia. She has extensive experience in finance, funds management and strategy, and has spent many years working in and understanding Asia Pacific markets. She has held senior roles with Accenture, Legg Mason Asset Management and SBC Warburg [now UBS]. Sally is a non-executive director of Indigenous Business Australia Asset Management and a National Australia Bank securitisation company. She is currently a member of: the Australian Advisory Board on Impact Investing and the QBE Classification of Social Impact Committee. She was previously a member of Working Groups of the Global Steering Group for Impact Investing and the AHURI inquiry panel into social impact investment for housing and homelessness outcomes. Sally is a Certified Practising Accountant and a Graduate of the Australian Institute of Company Directors. She holds a Graduate Diploma in Accounting and Finance and a Bachelor of Economics from Monash University.

Timothy McMinn
MPP (Oxon), BEng, BCom, MIEAust
Appointed: August 2018

Tim is a Senior Manager in PwC's Consulting practice where he concentrates on policy and economic advisory services for public sector clients. Prior to his current role, Tim spent three years working as an international development consultant with PwC in the UK, where he focused on cities, urbanisation, and economic development. Tim is a long-time supporter of Oxfam Australia and served as the Western Australian State Committee Chair between 2009 and 2012. He remains active in the Oxfam supporter community. Tim has a Bachelor of Civil Engineering with Honours and a Bachelor of Commerce from the University of Western Australia, and also holds a Masters of Public Policy with Distinction from the University of Oxford.

The Hon Judi Moylan AO
Dip REMgmt, GAICD
Resigning: August 2019

The Hon Judi Moylan was elected to the federal Seat of Pearce in 1993 and served as Minister for Family Services and Minister for the Status of Women. Mrs Moylan was a Permanent Delegate to the International Parliamentary Union, Chair of the Australia/China Friendship Parliamentary Group, an Observer in the Indonesian elections in 1999 and the Cambodian elections in 2013 and has led many high-level delegations abroad. Mrs Moylan retired from parliament in 2013 and was appointed Independent President and Chair of the Board of Diabetes Australia, Co-chair National Diabetes Strategy Advisory Group 2013-2015, Global Coordinator of the International Diabetes Federation's Parliamentarians for Diabetes Global Network 2013-2015 and to the Diabetes Forum of the World Innovation Summit for Health 2015. She has been the recipient of the Sir Kempson Maddox award, Diabetes Australia Outstanding Services award, the Alan Missen Medal, and lifetime achievement awards from Juvenile Diabetes Research Foundation and Novo Nordisk.

Directors' Report (cont.)

Greg Ridder
BBus(Acc) GradDip(Mktg) CPA GAICD

Greg has an extensive career as an executive in the packaging industry, where he was formerly President of Asia Pacific Operations at NYSE listed Owens Illinois. He is a past President of the Packaging Council of Australia and has been a member of the Business Council of Australia. In the not-for-profit sector Greg has held interim leadership roles as CEO at the Australian Institute of Architects; CEO at Phoenix Australia - Centre for Posttraumatic Mental Health and at World Vision Australia where he has been CFO.
Greg's board roles include Kogan.com and Tibaldi Smallgoods, both of which he chairs, and also at Phoenix Australia - Centre for Posttraumatic Mental Health and Ethical Property Australia. Greg has completed an Accounting degree at RMIT, a Graduate Diploma in Marketing at Monash University and the Advanced Management Programme at INSEAD in France. He is a CPA and graduated member of the Australian Institute of Company Directors.

Belinda Tallis
LLB, BEc, GDLP, GAICD, TFASFA

Belinda is an experienced company director with expertise in financial services, not-for-profit organisations, strategy, legal, compliance, risk and governance. Until 2014, Belinda worked as a senior executive in the finance sector primarily in the funds management industry. Formerly a lawyer with 30 years commercial legal experience, Belinda spent 17 years as the head of legal & compliance and company secretariat for several large global financial services firms with Asia Pacific operations and off shore head offices including UBS Global Asset Management (Australia) Limited, Lazard Asset Management Pacific Co, Nikko Asset Management Australia Limited and BankSA. Belinda has been serving as a member on the compliance committees of investment fund managers since 2010 and has been acting as an executive and non-executive director since 2002 in both the commercial and not for profit space. Belinda has a Law/Economics degree from the University of Adelaide and is a Graduate of the Australian Institute of Company Directors and a Trustee Fellow of the Association of Superannuation Funds of Australia.

Dr Jasmine-Kim Westendorf
PhD, Ba(Hons)
Appointed: August 2018

Jasmine is a Senior Lecturer in International Relations at La Trobe University, and Research Associate at the Developmental Leadership Program. Her research revolves around peace processes and peacebuilding in contexts of civil war, the roles of women in war and peace, and the long-term impacts of sexual exploitation and abuse in peace and humanitarian operations and she has published extensively on these issues. She has undertaken field research in Timor-Leste, Bosnia-Herzegovina, Nepal, Cyprus, Palestine, Cambodia, at UN Headquarters in New York and with the humanitarian sector in Geneva. Jasmine has conducted policy and research work with a range of NGOs including the Humanitarian Advisory Group, International Women's Development Agency, World Vision, ActionAid and others. Jasmine has been extensively involved in designing, delivering and facilitating training for peacebuilders and humanitarians globally, including with the International Peace and Security Institute and for NGOs in Palestine. She is also a convenor of the Melbourne Free University.

Alan Wu
BA, LLB, GDLP, LLM

Alan is the Asia-Pacific Regional Coordinator at the Open Government Partnership, a multilateral project to make governments more inclusive, responsive and accountable. Previously, Alan served as Chair of Australia's peak body for young people, where he led the successful campaign to re-establish a federal Minister for Youth position. He also helped secure new, annual government funding to ensure, for the first time in over a decade that young Australians had a seat at the table, wherever the national agenda was being shaped. He then served as an executive and lawyer with the Australian Government, and worked across the Departments of Foreign Affairs and Trade, Attorney-General, and Prime Minister and Cabinet.
Internationally, Alan has served as Special Envoy for Young People to the Executed Director of the UN Environment Programme, and on the Australian National Commission for UNESCO. After attending the World Economic Forum meeting in Davos, Alan was also recently commissioned to help grow the Forum's Global Shapers Community, which supports young change makers across the world.

Directors' Report (cont.)

Board Staff Participant

James Riturban
MS, BA
Commenced: September 2018

James is a Portfolio Manager for Oxfam Australia, overseeing its work in the Middle East, Afghanistan and Pakistan. With over 15 years of international development and humanitarian experience, he brings a strong technical background as the Staff Participant to the Oxfam Australia Board. Throughout his career, James has worked on humanitarian response, agriculture, economic development and gender-based programs in South and South East Asia, East Africa and the Middle East. James has a Bachelor's Degree in Rhetorical Studies and Master's Degree in International Development from DePaul University in Chicago, US.

Company Secretary

Anthony Alexander
BBus, CPA, MAICD

Anthony joined Oxfam as the Chief Financial Officer in 2011. Anthony has had 20 years of experience in both the not-for-profit and commercial sectors. Anthony's last role was the National Finance Manager and Company Secretary for the Royal Flying Doctor Service, based in Sydney. Previously, Anthony worked as the Commercial Manager for Mission Australia (Victoria, South Australia and Tasmania) providing financial leadership across the organisation's community, employment and training services.

Board Observer

Kate Gilkison
MID, BA, DipML(Spanish)
Commenced: February 2019

Kate is an Intercultural Facilitator at International Consultants Centre, where she develops and delivers training to build cultural intelligence and enhance intercultural communication skills. With a Master of International Development, Kate has a background in education and training, international development, and project support. In recent years she completed two Australian Volunteer for International Development (AVID) assignments in rural Philippines, where she worked with the Philippine Department of Education on the roll-out of a basic literacy program. Kate also spends her time volunteering with the non-profit Climates, engaging volunteers across Australia and the Pacific in the fight against climate change.

Corporate structure

Oxfam Australia
Oxfam Australia is an income tax exempt charitable organisation, incorporated as a company limited by guarantee and domiciled in Australia. Oxfam Australia has prepared a consolidated financial report incorporating the entity that it controlled during the financial year ended 31 March 2019. Today the organisation is a secular, independent, non-government, not-for-profit organisation working in 26 countries around the world, including Australia.

Oxfam Australia Trading Pty Ltd
Oxfam Australia Trading Pty Ltd is a fully owned subsidiary of Oxfam Australia and is an income tax exempt charitable organisation. It is a Fair Trade Organisation providing better trading conditions and capacity building support for marginalised producers. Oxfam Australia Trading Pty Ltd operates a commodities wholesale business, an online shop, a mail order catalogue and 9 stores around the country. In February 2019, the Board approved the full closure of trading activities through an orderly wind-down of operations during the course of 2019/2020.

Principal activities and objectives

Oxfam Australia is one of 19 Oxfam affiliates around the world that form the Oxfam confederation. We work together to achieve Oxfam's ultimate goal of a just world without poverty where people influence decisions that affect their lives, enjoy their rights, and assume their responsibilities — a world in which everyone is valued and everyone is treated equally.

Oxfam Australia works with people and communities in our region. Our programs make a genuine and significant difference to people's lives, as we draw on our more than 60 years of experience in tackling poverty and inequality in the Asia, Africa, and the Pacific regions.

Directors' Report (cont.)

We also work with Australia's Aboriginal and Torres Strait Islander peoples to strengthen their self-determination.

Operating at all levels — from individual households to global forums — Oxfam Australia:

- Saves lives before, during, and after humanitarian crises
- Works locally with people and communities to support their development and influence policies and practices that will reduce poverty
- Influences governments, institutions and businesses to develop and implement laws, policies and practices that help people rise out of poverty

Operating and financial review

We are reporting a consolidated operating deficit of $5.6 million. Our deficit was primarily impacted by:

- community support income performing below expectations contributing to a $2.0 million deficit relating to operations of the parent entity of the Group, which included $0.2 million of costs recognised by the parent in relation to the closure of Oxfam Australia Trading; and
- retail sector decline which contributing to poor operational performance of Oxfam Australia Trading in combination with costs of $1.5 million recognised relating to the impending closure of those operations ($3.6 million deficit)

Our consolidated income of $86.9 million was a decrease of $10.9 million from the prior year. Our most significant income stream was from community support income contributing $48.5 million. We also received $28.0 million of grant funding during the year which was impacted by the DFAT suspension of funding to Oxfam Great Britain offices. We spent $50.3 million on our long-term program development, advocacy and emergency responses during the year, a $7.0 million decrease on prior year. This decrease was the result of lower than expected community support and grant funding income and therefore lower funding being available to expend on those activities. Expenditure on fundraising activity to increase our community support income, both now and for the future, continues to be a high priority for the organisation.

Whilst our overall net asset position is strong, we had a deterioration in our working capital position. As noted above, this was due mainly to the underperformance of our retail operations and not achieving our fundraising targets for the year. Due to the ongoing losses we have incurred in our Trading operations, the Board has made the difficult decision to close our shops during 2019/20.

Oxfam Australia has been disappointed at the continued reduction in the Australian Government aid program and will continue to advocate to both government and opposition parties on the importance of an increased and sustainable Official Development Assistance budget (Australian Government overseas aid budget).

Looking forward, the organisation continues to promote social justice and fight poverty while maintaining a sound financial position. We need to ensure we continue to focus on building an efficient, effective and resilient organisation into the future.

Key Performance Indicators

The Board, together with management monitor our effectiveness by reporting performance against identified key financial performance indicators (KPIs). Management monitor these KPIs on a regular basis. Directors receive the KPIs for review prior to each Board meeting allowing all of the Directors to actively monitor the Group's performance.

The three principal KPIs for Oxfam Australia are:

- Program Investment Ratio: Program expenditure as a percentage of total expenditure
- Fundraising Cost Ratio: Fundraising expenditure as a percentage of total expenditure
- Administration Ratio:Administration costs as a percentage of total expenditure

	2018/19*	2017/18*	2016/17*
Program Investment Ratio:	63.7%	67.3%	67.2%
Fundraising Cost Ratio	24.9%	23.1%	22.1%
Administration Ratio:	11.4%	10.4%	10.7%

**Please note: Oxfam Australia Trading Pty Ltd is excluded from the ratio calculations above. For Oxfam Australia standalone figures please refer to note 19 to the Financial Statements.*

Directors' Report (cont.)

Our ratios were impacted by the underperformance of our fundraising targets with increases in both our Fundraising Cost and Administration ratio. There was a corresponding reduction in the Program Investment ratio which was impacted by the DFAT suspension of funding to Oxfam Great Britain offices. In future years, we aim to increase the amount of program funding provided as a percentage of our total expenditure, and continue to strive for the most efficient and effective administration and fundraising operations.

In addition there are other accountability measures that the Board monitors, including reserves levels, levels of grant income in comparison to community support income and the breakdown of program costs between direct program costs, program support and program management.

Attendance at meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director is shown in the table below. All Directors serve on at least one of the Board's committees, which may also comprise Board-appointed external advisers (co-opted members).

	Directors' Meetings	Finance, Risk & Audit Committee	Governance Committee	Public Engagement Committee	Nominations Committee	Remuneration Committee
	Attended	Attended	Attended	Attended	Attended	Attended
Selwyn Button	1 (2)	2 (3)	N/A	N/A	N/A	N/A
Ann Byrne	6 (6)	5 (5)	N/A	N/A	N/A	1 (1)
Peter Croft	1 (2)	3 (3)	N/A	N/A	N/A	N/A
Dennis Goldner	6 (6)	5 (5)	5 (5)	N/A	2 (2)	1 (1)
Janine Dureau	2 (4)	N/A	N/A	N/A	N/A	N/A
Melissa Houghton	5 (6)	N/A	N/A	3 (3)	N/A	N/A
Fiona Kotvojs	3 (4)	N/A	3 (3)	N/A	N/A	N/A
Geoff McClellan	4 (6)	N/A	5(5)	N/A	N/A	1 (1)
Sally McCutchan	4 (4)	1 (2)	N/A	N/A	N/A	N/A
Timothy McMinn	4 (4)	N/A	5 (5)	2 (2)	N/A	N/A
Judi Moylan	6 (6)	N/A	N/A	3 (3)	N/A	1 (1)
Greg Ridder	6 (6)	5 (5)	N/A	N/A	N/A	N/A
Belinda Tallis	5 (6)	4 (5)	N/A	N/A	N/A	N/A
Jasmine-Kim Westendorf	4 (4)	N/A	1 (1)	2 (2)	N/A	N/A
Alan Wu	4 (6)	N/A	3 (3)	N/A	3 (3)	1 (1)
Staff Participant	Attended	Attended	Attended	Attended	Attended	Attended
James Riturban	4 (4)	N/A	N/A	0 (1)	N/A	N/A
John Siddham	2 (2)	N/A	N/A	4 (4)	N/A	N/A

* Meetings eligible to attend are in brackets – meetings can be either face to face or via teleconference.

Committee Membership

The Board's work is supported by the presence and operations of five standing committees, the Finance, Risk and Audit Committee, Public Engagement Committee, Governance Committee, Nominations Committee and Remuneration Committee. Members acting on the committees of the Board during the year were:

Directors' Report (cont.)

Finance Risk & Audit	Public Engagement	Governance	Nominations	Remuneration
A Byrne (2)	J Moylan (1)	A Wu (1 until Oct 2018))	D Goldner (1)	D Goldner (1)
M Pryn (2, 3)	L Healy (3)	G McClellan (1 from Nov 2018))	G McClellan	A Byrne
S Button (resigned Aug 2018)	M Houghton	D Goldner	D Altman (3)	G McClellan
P Croft (resigned Aug 2018	T McMinn (3, until Aug 2018))	F Kotvojs	J Mitchell (3)	J Moylan
D Goldner	J Riturban (4, from Feb 2018))	T McMinn (from Aug 2018)	Ai Leen Quah (3)	
S McCutchan (3 until Aug 2018))	JK Westendorf (from Aug 2018)	JK Westendorf (from Mar 2019)	G Romanes (3)	
B Tallis		I Anderson (3)		
G Ridder				
B Watson (3)				

(1): designates the chair of the committee
(2): designates multiple committee chairs
(3): honorary independent members of the committee and non-director during the reporting period
(4): staff participant

Liability of Members

Oxfam Australia is a company limited by guarantee. In the event of the company being wound up, the liability of members is limited to $100.

Indemnification and insurance of directors and officers

The company has paid premiums in respect of a contract insuring all the Directors and officers of the economic entity against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their respective capacities, other than conduct involving wilful breach of duty in relation to the company. Disclosure of the premium amount paid is prohibited under the policy.

Auditor's independence and non-assurance related services

The Directors received and have accepted the attached Independence Declaration from the auditor of Oxfam Australia.

Non-assurance related services

The Group's auditor, Ernst & Young, did not provide any non-assurance related services throughout the year.

Signed in accordance with a resolution of the directors.

D. Goldner

Dennis Goldner
Chair

A Byrne

Ann Byrne
Director

Melbourne
9 August 2019

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Building a better working world

Auditor's Independence Declaration to the Directors of Oxfam Australia

In relation to our audit of the financial report of Oxfam Australia for the year ended 31 March 2019, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Paul Gower

Paul Gower
Partner
9 August 2019

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2019	NOTE	CONSOLIDATED 2019 ($000)	2018 ($000)
Community support income	3 (a)	**48,490**	51,363
Grants (government & non-government)	3 (b)	**28,026**	33,240
Sale of goods		**9,928**	12,820
Investment income	3 (c)	**224**	190
Other operating income	3 (d)	**237**	163
Total income		**86,905**	**97,776**
Program costs	3 (e)	**50,310**	57,347
Fundraising expenses		**19,382**	19,432
Cost of goods sold		**5,857**	6,953
Administration and other operating costs	3 (f)	**16,992**	17,703
Foreign exchange gain	3 (g)	**(3)**	(678)
Finance costs		**10**	6
Total expenses		**92,548**	**100,763**
Net deficit for the year		**(5,643)**	**(2,987)**
Other comprehensive income / (loss)			
Net gain / (loss) on equity investments		**4**	(11)
Gain on revaluation of property		**74**	2,844
Total other comprehensive income		**78**	**2,833**
Total comprehensive (deficit) / surplus for the year		**(5,565)**	**(154)**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 31 MARCH 2019	NOTE	CONSOLIDATED 2019 ($000)	CONSOLIDATED 2018 ($000)
ASSETS			
Current assets			
Cash & cash equivalents	4	**14,023**	14,141
Trade and other receivables	5	**4,117**	3,336
Inventories	6	**2,147**	3,423
Other current assets	7	**489**	735
Investments	8	**512**	463
TOTAL Current assets		**21,288**	**22,098**
Non-current assets			
Investments	8	**20**	20
Property, plant and equipment	9	**19,902**	20,165
Intangible assets	10	**1,851**	408
Investment property	11	**475**	475
Other non-current assets	12	**1,420**	1,441
TOTAL Non-current assets		**23,668**	**22,509**
TOTAL ASSETS		**44,956**	**44,607**
LIABILITIES			
Current liabilities			
Trade and other payables	13	**5,980**	4,827
Unexpended grant income		**17,451**	13,286
Interest bearing liabilities	14	**10**	103
Provisions	15	**5,033**	3,996
TOTAL Current liabilities		**28,474**	**22,212**
Non-current liabilities			
Provisions	15	**518**	866
TOTAL Non-current liabilities		**518**	**866**
TOTAL LIABILITIES		**28,992**	**23,078**
NET ASSETS		**15,964**	**21,529**
ACCUMULATED FUNDS			
Retained surplus		**(331)**	8,209
Reserves	24	**16,295**	13,320
TOTAL ACCUMULATED FUNDS		**15,964**	**21,529**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2019	NOTE	CONSOLIDATED 2019 ($000)	CONSOLIDATED 2018 ($000)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**10,044**	13,238
Receipts from donors and Government		**80,047**	86,234
Payments to suppliers and employees		**(37,750)**	(39,270)
Payments to projects		**(50,245)**	(56,543)
Interest received		**158**	128
Interest and other costs of finance paid		**(10)**	(6)
Net cash provided by / (used in) operating activities:	4 (a)	**2,244**	**3,781**
CASH FLOW FROM INVESTING ACTIVITES			
Cash (utilised in) / proceeds from investments		**(45)**	29
Investment interest and dividends received		**40**	32
Purchase of property, plant and equipment		**(51)**	(56)
Purchase of intangibles (external suppliers)		**(1,218)**	(55)
Net cash (used in) investing activities:		**(1,274)**	**(50)**
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of trade finance facility		**(1,109)**	(1,007)
Net cash (used in) financing activities:		**(1,109)**	**(1,007)**
Net increase/(decrease) in cash and cash equivalents		**(139)**	2,724
Net foreign exchange difference		**21**	(184)
Cash and cash equivalents at the beginning of the period		**14,141**	11,601
Cash and cash equivalents at the end of the period	4	**14,023**	**14,141**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2019

CONSOLIDATED	Retained surplus (*) ($000)	Restricted reserves (*) ($000)	Net unrealised gains reserve (*) ($000)	Revaluation surplus reserve (*) ($000)	Collective Resource Allocation reserve (*) ($000)	Total ($000)
At 31 March 2017	10,469	3,007	23	8,184	-	21,683
Deficit for the year	(2,987)	-	-	-	-	(2,987)
Net unrealised losses on equity investments	-	-	(11)	-	-	(11)
Gain on revaluation of property	-	-	-	2,844	-	2,844
Total comprehensive income for the year	(2,987)	-	(11)	2,844	-	(154)
Transfer to / (from) reserves	727	(1,010)	-	-	283	-
At 31 March 2018	8,209	1,997	12	11,028	283	21,529
Deficit for the year	(5,643)	-	-	-	-	(5,643)
Net unrealised gains on equity investments	-	-	4	-	-	4
Gain on revaluation of property	-	-	-	74	-	74
Total comprehensive income for the year	(5,643)	-	4	74	-	(5,565)
Transfer to / (from) reserves	(2,897)	2,566	-	-	331	-
At 31 March 2019	**(331)**	**4,563**	**16**	**11,102**	**614**	**15,964**

* Refer to note 24 for Oxfam Australia's reserves policy and a description of each classification.

Notes to the Financial Statements

YEAR ENDED 31 MARCH 2019

1. Corporate information

The consolidated financial report of Oxfam Australia and its subsidiary, Oxfam Australia Trading Pty Ltd (collectively, the Group) for the year ended 31 March 2019 was authorised for issue in accordance with a resolution of the directors on 9 August 2019.

Oxfam Australia is a company limited by guarantee. It is an income tax exempt charitable (not-for-profit) organisation, incorporated and domiciled in Australia. The registered office of Oxfam Australia is 130-138 Leicester Street, Carlton, Victoria, 3053.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Summary of significant accounting policies

Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The group is not publicly accountable therefore the consolidated financial statements for the Group are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduce Disclosure Requirements (AASB – RDRs).

The financial report has been prepared in accordance with the historical cost convention with the exception of investment property, freehold land and buildings, available for sale investments and derivatives which have been measured at fair value. The report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

(a) New and amended accounting standards and interpretations

AASB 9 *Financial Instruments*
The Group applied AASB 9 for the first time in the year ended 31 March 2019. AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Due to the nature of the Group's financial instruments, the implementation of AASB 9 has not had a material impact on the Group. Upon transition the Group has made an irrevocable election to present in other comprehensive income subsequent changes in fair value relating to its equity investments previously designated as "available for sale" on the basis that they are not held for trading. As a result, there is no change in the presentation of unrealised gains within the Statement of Comprehensive Income and no transition adjustment required in in relation to the net unrealised gains reserve within equity.

Several other amendments and interpretations apply for the first time in the year ended 31 March 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Oxfam Australia (the parent company) and its controlled entity (the Group) as at 31 March 2019.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the group.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and unrealised profits from transactions between Group companies have been eliminated on consolidation.

Investments in subsidiaries are accounted for at cost less any impairment losses in the separate financial statements of the parent entity.

Notes (continued)

YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (cont.)

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. All acquisition costs are expensed.

(c) Significant accounting judgments, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statement:

Impairment of available for sale investments
The group holds a portfolio of available for sale investments which are subject to market fluctuations and which are recorded at fair value (market value) at year end. In determining whether the specific investments within the portfolio have been permanently impaired and the decline in value should therefore be written off in the Statement of Comprehensive Income the group has exercised judgement on the nature of the investment, its market segment, its liquidity / tradability in the market, and whether the decline is prolonged and / or significant.

Impairment of non-financial assets
Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include market values, asset performance, technological obsolescence, economic, political and legal environment and future usage expectations. If an impairment trigger exists the recoverable amount of the asset is determined and compared to the carrying amount.

Make good provisions
A provision has been made for the present value of anticipated costs of future restoration of leased retail premises. The provision includes future cost estimates associated with restoring the premises to a condition as required by the landlords. The calculation of this provision requires assumptions around costs for these restorations. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision for each location is reviewed at each reporting date and updated based on facts and circumstances available at the time. Changes to the estimated future costs are recognised in the Statement of Financial Position by adjusting the asset and provision, and adjusting any movement through the Statement of Comprehensive Income.

Estimation of useful lives of assets
The estimation of useful lives of assets has been based on historical experience as well as manufacturer's warranties and lease terms. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Valuation of investment property and land and buildings carried as property, plant and equipment
The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Group also carries its office and warehouse properties in-use at revalued amounts, with changes in fair value being recognised in Other Comprehensive Income. The Group engaged an independent valuation specialist to assess the fair value of its properties as at 31 March 2019. The independent valuation specialist utilised different methodologies including a capitalisation of net leasing income approach in conjunction with the direct comparison approach with reference to transactions involving properties of a similar nature, location and condition as well those involving similar sized and located land parcels for development purposes. Each methodology was given consideration in determining the highest and best use of the property.

Restructuring
A restructuring is a programme that is planned and controlled by management, and materially changes either: (a) the scope of a business undertaken by the Group; or (b) the manner in which that business is conducted. A provision for restructuring costs (including redundancy) is recognised only when the general recognition criteria for provisions have been met, including that a constructive obligation exists.

A constructive obligation to restructure arises only when the Group: (a) has a detailed formal plan for the restructuring; and (b) has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Notes (continued)

YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (cont.)

Onerous contracts
Where the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. Onerous contracts are those in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

(d) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Grant Income
Grants received from government and non-government organisations are recognised as income as they are expended on the program to which they relate. Unexpended grants are recognised as liabilities to reflect the obligation to repay any unspent portion of grants at the completion of the program.

(ii) Community Support Income
Community Support Income is recognised when control over that income has been obtained.

(iii) Sale of Goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the costs incurred or to be incurred in respect of the transaction can be measured reliably, no further work or processing is required and the quantity and quality of the goods has been determined. Risks and rewards of ownership are considered passed to the buyer at the time of delivery to the customer for retail sales. Revenue for mail order and wholesale sales is recognised on issue of dispatch advice making stock unavailable to others, given stock is on hand.

(iv) Interest
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(v) Dividends
Revenue is recognised when the Group's right to receive the payment is established.

(vi) Rental Income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and included in revenue due to its operating nature.

(e) Program expenditure

Expenditure on program related activities in Australia is recognised when incurred. Expenditure on overseas program related activities is recognised when the funds are remitted to the overseas partner for partner implemented programs, or when the funds are spent by the overseas field office, for programs implemented by the field offices.

(f) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the group incurs in connection with borrowing funds. Borrowing costs are recognised as an expense using the effective interest method.

(g) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Notes (continued)

YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (cont.)

(i) Group as a Lessee

Operating Leases
Leases in which the lessor retains substantially all the risks and benefits incidental to ownership of a leased item are classified as operating leases. Operating lease payments, where the lease agreement contains a fixed incremental increase, are recognised as an expense in the income statement on a straight-line basis over the lease term. All other lease payments are recognised in line with cash flows.

(ii) Group as a Lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

(h) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

(i) Trade and other receivables

Trade and other receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding on specified dates. This assessment is referred to as the SPPI test and is performed at an instrument level. Trade receivables specifically, are non-interest bearing.

Doubtful receivables are determined using an expected credit loss (ECL) approach whereby trade and other receivables that share the same similar credit risk characteristics and debt ageing are grouped and then assessed for collectability as a whole. The Group uses its historical experience, external indicators and forward-looking information to determine an allowance for impairment. Collectability of receivables is reviewed on an ongoing basis.

(j) Inventories

Inventories are valued at the lower of cost and current replacement cost. Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Finished goods – cost of direct materials, conversion and delivery but excluding borrowing costs.
Raw materials – purchase cost on a first in first out basis

Current replacement cost is the cost that the entity would incur to acquire the asset on the reporting date.

Inventory is regularly checked for obsolescence and values at the lower of cost and current replacement cost.

(k) Foreign currency transactions and balances

Both the functional and presentation currency of Oxfam Australia and its subsidiaries are Australian dollars ($).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated report are taken to profit or loss.

Advance payments are made to overseas suppliers upon placement of an order by the group. Orders are mostly placed in a foreign currency and the advance payments are made in this same currency. Upon transit of the stock the balance of the payment is made. The stock is costed at the weighted average of the cost in Australian dollars of the advance and the final payment.

Notes (continued)

YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (cont.)

(l) Income taxes

Oxfam Australia and its subsidiary Oxfam Australia Trading Pty Ltd, being charitable organisations have applied for and gained exemption from Income Tax. This exemption will remain in force unless there is any change to the legislation, ownership of the companies or their constituent documents or activities.

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

(i) when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Property, Plant & Equipment

Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement cost only if it is eligible for capitalisation.

Land and buildings are stated at fair value less accumulated depreciation on buildings. Valuations are performed with sufficient frequency to ensure that the carrying amount of revalued asset does not differ materially from its fair value. Valuation increments are recognised in the Other Comprehensive Income and accumulated in a reserve within the Equity. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	40 years
Leasehold improvements	5 years
Plant and equipment	3 - 10 years
Make good (within Plant and equipment)	Over life of lease term

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end.

(i) Impairments

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since

Notes (continued)

YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (cont.)

the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the surplus or deficit. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

For property, plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income.

(ii) Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

(o) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on evaluations performed by accredited external independent valuers.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, or commencement of an operating lease to another party. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

(p) Financial instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets
Classification and measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Notes (continued)

YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (cont.)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Financial assets at FVOCI
The Group has made an irrevocable election to present in other comprehensive income subsequent changes in fair value relating to its equity investments on the basis that they are neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on reporting date. Investments in equity instruments that do not have a quoted price in an active market are valued using Level 2 or Level 3 inputs (refer to Note 2(x)).

Financial liabilities
Classification and measurement of financial liabilities
The Group's financial liabilities include trade and other payables and unsecured trade finance. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income are included within finance costs or finance income

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. These are normally settled on 30 day terms and are unsecured.

(r) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable borrowing costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Notes (continued)

YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (cont.)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

(t) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to reporting date. These benefits include wages, salaries, annual leave and long service leave.

(i) Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables or provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation
Contributions are made by the Group to an employee superannuation fund and are charged as expenses when incurred. The Group has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to employees upon retirement.

(u) Derivative financial instruments and hedging

The Group uses derivative financial instruments (including forward currency contracts) to hedge its risks associated with foreign currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss for the year.

(v) Intangible assets

Intangible assets are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful life of the asset. The estimated useful life varies and as a result the amortisation method is reviewed at the end of each annual reporting period. The amortisation has been recognised in the Statement of Comprehensive Income in the line item "Administration costs". If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Amortisation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computer Software	2-3 years
Product Design & Development	5 years

(w) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in this financial report

(x) Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as land and buildings and investments properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes (continued)

YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (cont.)

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes (continued)

YEAR ENDED 31 MARCH 2019

3. Revenue and expenses

	CONSOLIDATED 2019 ($000)	2018 ($000)
(a) Community Support Income		
Donations and gifts	**45,262**	49,091
Legacies and bequests	**3,228**	2,272
	48,490	**51,363**
(b) Grants		
Australian government grants (DFAT)	**14,514**	20,578
Non government Australian grants	**3,742**	5,747
Non government overseas grants	**7,574**	6,815
Overseas government grants	**2,196**	100
	28,026	**33,240**
(c) Investment Income		
Rental Income	**26**	30
Interest received or receivable	**158**	128
Investment interest and dividends received	**40**	32
	224	**190**
(d) Other Operating Income		
Other income	**237**	163
	237	**163**
(e) Program Costs		
Funds to overseas programs	**36,274**	42,163
Domestic programs	**1,021**	979
Program support costs	**8,006**	8,279
Public policy and education programs	**3,572**	4,454
Development and effectiveness	**1,437**	1,472
	50,310	**57,347**

Notes (continued)

YEAR ENDED 31 MARCH 2019

3. Revenue and expenses (cont)

	CONSOLIDATED	
	2019 ($000)	2018 ($000)
(f) Administration and other operating costs		
Depreciation of:		
Buildings	134	144
Plant and equipment	254	503
Amortisation of intangible assets	47	72
Lease payments - operating leases	2,768	2,817
Administration staff costs		
Salaries	6,958	7,162
Superannuation	696	715
Retail staff costs		
Salaries	1,463	1,784
Superannuation	137	170
Bank charges	84	141
Insurance	272	342
Other operating costs (including IT)	2,188	1,754
Other operating costs - indirect tax exposures	-	350
Subsidiary operating costs	1,991	1,749
	16,992	17,703
(g) Foreign exchange movements		
Foreign currency transactions (gains)/losses	(3)	(678)
	(3)	(678)

4. Cash and cash equivalents

Cash at bank earns interest at floating rates based on daily bank deposit rates.

	CONSOLIDATED	
	2019 $	2018 $
Cash at bank and in hand	14,023	14,141
	14,023	14,141

Notes (continued)

YEAR ENDED 31 MARCH 2019

4. Cash and cash equivalents (cont)

	CONSOLIDATED 2019 ($000)	CONSOLIDATED 2018 ($000)
(a) Reconciliation of net surplus to net cash flows from operations		
Surplus	**(5,643)**	(2,987)
Adjustments for:		
Depreciation and amortisation	**497**	782
Interest / dividend income classified as investing cash flow	**(40)**	(32)
Payment of trade finance facility classified as financing cash flow	**1,109**	1,007
Payment to employees capitalised in Intangible assets	**(334)**	-
Changes in assets and liabilities:		
(Increase) / decrease in current receivables	**(781)**	3,631
Decrease in other current assets	**246**	493
Decrease / (increase) in inventories	**1,276**	(146)
Increase in trade and other payables	**1,153**	1,076
Increase in unexpended grant income	**4,165**	616
Increase / (decrease) in provisions	**689**	(596)
Decrease in trade finance facility	**(93)**	(63)
Net cash from operating activities	**2,244**	**3,781**

5. Trade and other receivables

	CONSOLIDATED 2019 ($000)	CONSOLIDATED 2018 ($000)
Current		
Trade receivables	**217**	307
Other receivables (i)	**3,898**	2,931
Foreign currency receivables (ii)	**2**	98
	4,117	**3,336**

(i): Included in Other Receivables as at 31 March 2019 is a total due from the other Oxfam Affiliates of $2,015,657 (2018: $654,303)

(ii): Foreign currency receivable on forward exchange contracts is categorised as Level 2 in the fair value hierarchy (note 2(x))

Notes (continued)

YEAR ENDED 31 MARCH 2019

6. Inventories (current)

	CONSOLIDATED	
	2019 ($000)	2018 ($000)
Inventory held for sale		
Raw materials	-	48
Finished goods	**2,147**	3,375
	2,147	**3,423**

Inventory expense

Inventories recognised as an expense for the year ended 31 March 2019 totalled $5,458,158 (2018: $6,848,596) for the Group. Inventories written-off or provided for during the year ended 31 March 2019 gave rise to a total expense of $284,514 (2018: $103,641) for the Group. This expense has been included in the cost of goods sold line item.

7. Other Current Assets

	CONSOLIDATED	
	2019 ($000)	2018 ($000)
Advances to trade suppliers	-	109
Prepayments - Insurance	**306**	413
Prepayments - Others	**183**	213
	489	**735**

8. Investments

	CONSOLIDATED	
	2019 ($000)	2018 ($000)
Current		
Listed equity investments (i)	**125**	168
Term deposits and corporate bonds (ii)	**387**	295
	512	**463**
Non-current		
Unlisted equity investments (iii)	**20**	20
	20	**20**

(i) Listed equity investments are classified as financial assets held at fair value through other comprehensive income (FVOCI). These investments are categorised as Level 1 in the fair value hierarchy (note 2(x)).

(ii) Term deposits and bonds are classified as financial assets held at amortised cost. These investments represent restricted funds retained for program work in future years.

(iii) Unlisted equity investments are classified as financial assets held at fair value through other comprehensive income (FVOCI). These investments are held for long-term investment purposes.

Notes (continued)

YEAR ENDED 31 MARCH 2019

9. Property, plant and equipment

	CONSOLIDATED		
	Freehold, land and buildings ($000)	Plant and equipment ($000)	Total ($000)
Year ended 31 March 2019			
At 31 March 2018, net of accumulated depreciation	19,650	515	**20,165**
Additions	-	47	**47**
Additions (capital works in progress)	-	4	**4**
Transfers	95	(95)	**-**
Depreciation charge for the year	(134)	(254)	**(388)**
Revaluations	74	-	**74**
At 31 March 2019, net of accumulated depreciation	19,685	217	**19,902**
At 1 April 2018			
At cost or fair value (i)	19,650	4,980	**24,630**
Accumulated depreciation	-	(4,465)	**(4,465)**
Net carrying amount	19,650	515	**20,165**
At 31 March 2019			
At cost or fair value (i)	19,685	4,042	**23,727**
Accumulated depreciation		(3,825)	**(3,825)**
Net carrying amount	19,685	217	**19,902**
Year ended 31 March 2018			
At 31 March 2017, net of accumulated depreciation	16,950	961	**17,911**
Additions	-	49	**49**
Additions (capital works in progress)	-	8	**8**
Depreciation charge for the year	(144)	(503)	**(647)**
Revaluations	2,844	-	**2,844**
At 31 March 2018, net of accumulated depreciation	19,650	515	**20,165**
At 1 April 2017			
At cost	16,950	4,925	**21,875**
Accumulated depreciation	-	(3,964)	**(3,964)**
Net carrying amount	16,950	961	**17,911**
At 31 March 2018			
At cost or fair value (i)	19,650	4,980	**24,630**
Accumulated depreciation	-	(4,465)	**(4,465)**
Net carrying amount	19,650	515	**20,165**

Revaluation

(i): The Group has adopted the revaluation model to measure its freehold land and buildings.These assets are categorised as Level 3 in the fair value hierarchy (note 2 (x))

The Group has three titles to freehold land and buildings, which have been recorded at an aggregate market value basis of $19,685,000. The properties were valued at 31 March 2019 by an independent valuation specialist (Herron Todd White (Melbourne) Pty Ltd).

Notes (continued)

YEAR ENDED 31 MARCH 2019

10. Intangible Assets

	CONSOLIDATED Computer Software ($000)	Product Design & Development ($000)	Total ($000)
Year ended 31 March 2019			
At 31 March 2018, net of accumulated depreciation	359	49	**408**
Additions	52	-	**52**
Additions (capital works in progress)	1,552	-	**1,552**
Reduction in capital work in progress	(52)	-	**(52)**
Amortisation charge for the year	(96)	(13)	**(109)**
At 31 March 2019, net of accumulated depreciation	1,815	36	**1,851**
At 1 April 2018			
At cost	2,910	96	**3,006**
Accumulated amortisation	(2,551)	(47)	**(2,598)**
Net carrying amount	359	49	**408**
At 31 March 2019			
At cost	4,462	96	**4,558**
Accumulated amortisation	(2,647)	(60)	**(2,707)**
Net carrying amount	1,815	36	**1,851**
Year ended 31 March 2018			
At 31 March 2017, net of accumulated depreciation	460	27	**487**
Additions	-	32	**32**
Amortisation charge for the year	(124)	(10)	**(134)**
At 31 March 2018, net of accumulated depreciation	359	49	**408**
At 1 April 2017			
At cost	2,887	65	**2,952**
Accumulated amortisation	(2,427)	(38)	**(2,465)**
Net carrying amount	460	27	**487**
At 31 March 2018			
At cost	2,910	96	**3,006**
Accumulated amortisation	(2,551)	(47)	**(2,598)**
Net carrying amount	359	49	**408**

Notes (continued)

YEAR ENDED 31 MARCH 2019

11. Investment property

	CONSOLIDATED	
	2019 ($000)	2018 ($000)
Investment property	**475**	475
	475	**475**

The Group has title to one investment property located at 272 Grand Junction Road, Athol Park, South Australia. The property was valued at 31 March 2019 by an independent valuation specialist (Herron Todd White (Melbourne) Pty Ltd).

The Group has adopted the fair value model to measure its investment property This asset is categorised as Level 3 in the fair value hierarchy (note 2(x))

The investment property is leased on a month by month basis.

12. Other non-current assets

	CONSOLIDATED	
	2019 ($000)	2018 ($000)
Inter-affilliate security deposit	**1,420**	1,441
	1,420	**1,441**

The inter-affiliate deposit above consists of a deposit with Oxfam Solidarite ASBL, an independent affiliate of Oxfam International, which provides a guarantee to a contract between the European Union and Oxfam in the Pacific, an executing affiliate country office of Oxfam Australia

13. Trade and other payables

	CONSOLIDATED	
Payables (current)	2019 ($000)	2018 ($000)
Trade payables (i)	**458**	165
Other payables and accrued expenses (ii)	**5,522**	4,662
	5,980	**4,827**

(i) Trade payables are non-interest bearing and are normally settled on 60 day terms

(ii) Other payables are non-interest bearing and have average terms ranging from 30 days to 6 months

(iii) Foreign currency liability on forward exchange contracts is categorised as Level 2 in the fair value hierarchy (note 2(x))

Notes (continued)

YEAR ENDED 31 MARCH 2019

14. Interest-bearing loans and borrowings

	CONSOLIDATED	
	2019	2018
Current	**($000)**	**($000)**
Unsecured trade finance	10	103
	10	**103**

Borrowing facilities

Trade finance

The trade finance facility is a $350,000 (USD 250,000) unsecured facility with Shared Interest Society with terms of one (1) month. It is used for purchases of inventory for sale and also acts as a clearing house, assisting fair trade producers and retailers.

Credit facilities

The Group has an unused credit line facility of $3,000,000 with Westpac Banking Corporation. The facility expires 21 January 2022 and if utilised, interest is payable at a rate of 3.92%.

15. Provisions

	CONSOLIDATED					
	Long service leave ($000)	Annual leave ($000)	Redundancy ($000)	Make good provision ($000)	Operating lease provision ($000)	Total ($000)
At 1 April 2018	2,805	1,421	236	265	135	**4,862**
Net changes during the year	(116)	43	870	(50)	(58)	**689**
At 31 March 2019	2,689	1,464	1,106	215	77	**5,551**
Current 2019	2,189	1,464	1,106	215	59	**5,033**
Non-current 2019	500	-	-	-	18	**518**
	2,689	**1,464**	**1,106**	**215**	**77**	**5,551**
At 1 April 2017	2,994	1,856	198	265	145	**5,458**
Net changes during the year	(189)	(435)	38	-	(10)	**(596)**
At 31 March 2018	2,805	1,421	236	265	135	**4,862**
Current 2018	2,193	1,421	236	110	36	**3,996**
Non-current 2018	612	-	-	155	99	**866**
	2,805	**1,421**	**236**	**265**	**135**	**4,862**

Notes (continued)

YEAR ENDED 31 MARCH 2019

16. Financial risk management objectives and policies

The Group's principal financial instruments comprise a trade finance facility, cash and short term deposits.

The main purpose of the financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Group also enters into derivative transactions - predominantly forward exchange contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance. The Group's policy is to hedge 75% of its overseas program expenditure exposure. The Group has elected not to adopt formal hedge accounting relationships under accounting standards due to variability in the timing and nature of program expenditure. The main risks arising from the Group's financial instruments are equity risk, interest rate risk, liquidity risk, foreign currency risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

17. Commitments and contingencies

Operating lease commitments - Group as a lessee

Oxfam Australia (the parent entity) has entered into a number of leases for IT equipment. The leases are for three to four years with no renewal option included in the contracts. Oxfam Australia also has a number of leases for state office premises. These leases range in life from between 12 months and 5 years with renewal terms included in the contracts.

The Group has decided to discontinue its retail operations and has determined that a present obligation to restructure existed at 31 March 2019 on the basis that (a) has a detailed formal plan for the restructuring had been established; and (b) the Group had raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan and announcing its main features to those affected by it. At 31 March 2019 the Group has accrued for the present value of the unavoidable costs of exiting its retail store lease contracts within the subsequent financial year ($475,252).

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	CONSOLIDATED	
	2019	**2018**
Payable	**($000)**	**($000)**
Within one year	**1,414**	1,846
After one year but not more than five years	**630**	2,636
After more than five years	**-**	-
Total minimum lease repayments	**2,044**	**4,482**

Operating lease commitments - Group as lessor

Oxfam Australia Trading Pty Ltd leases its 272 Grand Junction Road, Athol Park property. The lease is on a month by month basis, therefore there is no contingent commitment in relation to the rental of this property.

Guarantees

The Group has the following guarantees at 31 March 2019:

(i) Bank guarantees of $122,326 in favour of the lease vendors of state offices as security in case of default.

(ii) Bank guarantees totalling $160,460 held by lease vendors of retail sites as security in case of default.

Notes (continued)

YEAR ENDED 31 MARCH 2019

17. Commitments and contingencies (cont)

Program Expenditure

The parent entity has issued approvals to its project partners in developing countries for the funding of core projects, many of which have either not been commenced or are in progress at 31 March 2019. However, there is no legal commitment to fund these projects as all approvals are issued "subject to availability of funds".

Superannuation Commitments

The parent entity contributes to various superannuation funds on behalf of each employee for the provision of benefits to employees of the Consolidated Group on retirement or death. A component of the remuneration for parent entity employees is comprised of superannuation contributions in excess of the statutory minimum. Employees voluntarily contribute various percentages of their gross income and the company contributes at the rate of 2% of the employee's gross income in respect of participating employees. Contributions by the Company of up to 9.5% of employee's gross income are legally enforceable in Australia.

Contingent Liabilities

No contingent liabilities exist at 31 March 2019.

18. Related party disclosures

The consolidated financial statements include the financial statements of Oxfam Australia and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest 2019	% Equity Interest 2018	Investment 2019 ($000)	Investment 2018 ($000)
Oxfam Australia Trading Pty Ltd	Australia	100	100	(2,525)	968
				(2,525)	968

Oxfam Australia is the ultimate parent company, incorporated in Australia.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Related Party		Sales to related parties ($000)	Purchases from related parties ($000)	Amounts owed by related parties ($000)	Amounts owed to related parties ($000)
Subsidiary:					
Oxfam Australia Trading Pty Ltd	2019	-	19	5,259	-
Oxfam Australia Trading Pty Ltd	2018	-	59	4,464	-

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding trade balances at year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables

Notes (continued)

YEAR ENDED 31 MARCH 2019

19. Information relating to Oxfam Australia (the Parent)

	2019 ($000)	2018 ($000)
Current assets	**23,883**	22,555
Total assets	**42,302**	43,238
Current liabilities	**25,817**	21,107
Total liabilities	**26,335**	21,709
Retained surplus	**1,151**	9,540
Restricted reserves	**4,564**	1,997
Other reserves	**614**	283
Net unrealised gains reserve	**17**	12
Revaluation surplus reserve	**9,621**	9,697
Total equity	**15,967**	**21,529**

	2019 ($000)	2018 ($000)
Community support income	**48,488**	51,363
Grants (government & non-government)	**28,026**	33,240
Investment income	**195**	156
Other operating income	**168**	81
Total income	**76,877**	84,840
Program costs	**50,265**	57,274
Fundraising expenses	**19,615**	19,706
Administration costs	**8,977**	8,857
Foreign exchange gain	**20**	(671)
Participation in Subsidiary	**3,493**	2,661
Total expenses	**82,370**	87,827
Net deficit for the year	**(5,493)**	(2,987)
Other comprehensive income/(loss)		
Net (loss)/gain on available-for-sale investments	**4**	(11)
Gain on revaluation of property	**(76)**	2,844
Total other comprehensive income	**(72)**	2,833
Total comprehensive (loss)/income of the Parent entity	**(5,565)**	(154)

20. Events after balance sheet date

There have been no material events occurring subsequent to the balance sheet date, that require adjustments to or disclosure in this financial report.

21. Auditor's remuneration

The auditor of Oxfam Australia is Ernst & Young (Australia).

	CONSOLIDATED 2019 ($000)	2018 ($000)
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- Auditing or review of the financial report of the entity and any other entity in the consolidated group	**110**	109
- Other services in relation to the entity and any other entity in the consolidated group		
- assurance related	-	-
- non-assurance related	-	7
	110	116

Notes (continued)

YEAR ENDED 31 MARCH 2019

22. Director and executive disclosures

(a) Details of Directors and Executives

(i) Non-Executive Directors

Dennis Goldner	Chair
Ann Byrne	Deputy Chair
Selwyn Button	Director (resigned August 2018)
Peter Croft	Director (resigned August 2018)
Janine Dureau	Director (appointed August 2018, resigned May 2019)
Melissa Houghton	Director
Fiona Kotvojs	Director (leave of absence January – May 2019)
Geoff McClellan	Director
Sally McCutchan	Director (appointed August 2018)
Timothy McMinn	Director (appointed August 2018)
Judi Moylan	Director
Gregory Ridder	Director
Barbara Rugendyke	Director (resigned May 2018)
Belinda Tallis	Director
Jasmine-Kim Westendorf	Director (appointed August 2018)
Alan Wu	Director

(ii) Executives

Dr Helen Szoke	Chief Executive
Tony McKimmie	Chief Operating Officer
Anthony Alexander	Chief Financial Officer
Alex Mathieson	Director of Programs (until January 2019)
Anthea Spinks	Director of Programs (commenced March 2019)
Pam Anders	Director of Public Engagement

All of the aforementioned executives are not members of the Oxfam Australia Board.

(b) Compensation of Key Management Personnel

The Non-Executive Directors of the parent entity and its subsidiary serve voluntarily and do not receive any remuneration for their services as Directors.

(i) Executive Compensation Policy

The performance of the Group depends upon the quality and commitment of its senior management. To prosper, the Group must attract, motivate and retain highly skilled and committed executives but keeping in mind the place of the Group in the not-for-profit sector.

To this end, the Group takes into account the following key considerations:

- satisfactory annual reviews of performance
- relevant comparative remuneration
- independent advice

Executive remuneration is reviewed every three years to coincide with the Enterprise Bargaining Agreement negotiations for staff remunerations. At this time, the Remuneration Committee convenes to advise on remuneration. This group is responsible for reviewing the compensation arrangements of the key executives and bringing proposals regarding the remuneration to the full Board of Directors for consideration.

(ii) Compensation structure

In determining the level of executive remuneration, the Board engaged an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Notes (continued)

YEAR ENDED 31 MARCH 2019

22. Director and executive disclosures (cont)

Remuneration of the key management personnel is tabled below:

	CONSOLIDATED	
	2019 ($000)	2018 ($000)
Short-term employee benefits	940	980
Superannuation	92	95
Total compensation	1,032	1,075

23. Governance and accountability

Oxfam Australia is a member agency of the Australian Council For International Development (ACFID) including being an accredited signatory to the Code of Conduct for Non Government Development Organisations (NGDOs). This Code of Conduct defines standards of governance, management, financial control and reporting with which NGDOs should comply and identifies mechanisms to ensure accountability in NGDOs use of public monies.

24. Reserves policy

As determined by the Board, it is Oxfam Australia's policy to retain only sufficient reserves to safeguard the continuity of its operations. The Reserves policy seeks to strike a balance between spending on the organisation's development and humanitarian relief purposes, maintaining appropriate levels of investment in the retail operation and maintaining the minimum level of resources necessary to ensure uninterrupted operations. The Board of Oxfam Australia reviews the level of reserves held periodically.

The reserves at 31 March 2019 fall into five classifications.
* **Retained surplus**, this includes:

- General unrestricted funds: these represent funds which are available for the general purposes of the organisation.

- Designated unrestricted reserves: these are reserves which may be allocated for specific purposes and which are as a result not immediately available for general usage.

The specific purposes are as follows:

(i) To ensure the continuity of operations in the event of a temporary downturn in income.

(ii) To recognise that a portion of reserves is invested in the organisation's fixed assets and is not therefore available for other purposes.

(iii) To ensure that we have sufficient liquidity to cover short term fluctuations in revenue / expenditure.

* **Restricted reserves**: these are tied to a particular purpose as specified by donors or at the time of launching a public appeal. The organisation has committed to spend these funds in accordance with promises made to donors, i.e. they are not available for use in other areas of the agency's work.

* **Collective Resource Allocation reserve:** these are tied to a particular purpose as specified by agreement with Oxfam International. The organisation has commited to spend these funds in Operating Expenses of overseas Country Offices

* **Net unrealised gains reserve**: This comprises the cumulative net change in the fair value of equity intruments through other comprehensive income (FVOCI).

* **Revaluation surplus reserve**: This comprises the cumulative net change in the fair value of properties until the properties are derecognised or impaired.

Directors' Declaration

In accordance with a resolution of the Directors of Oxfam Australia, we state that in the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2019 and of their performance for the year ended on that date; and

   (ii) complying with Accounting Standards – Reduced Disclosure Requirements and *Australian Charities and Not-for-Profits Commission Regulation 2013*; and

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

D. Goldner

Dennis Goldner
Chair

A Byrne

Ann Byrne
Director

Melbourne
9 August 2019

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Building a better working world

Independent Auditor's Report to the Members of Oxfam Australia

Opinion

We have audited the financial report of Oxfam Australia and its subsidiary (collectively the Group), which comprises the consolidated statement of financial position as at 31 March 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 March 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Building a better working world

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Paul Gower
Partner
Melbourne
9 August 2019