Oxfam Australia

ABN 18 055 208 636

Annual Financial Report

for the year ended 30 June 2014

Contents

Corporate Information

This annual report covers both Oxfam Australia as an individual entity and 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 ($).

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 pages 3 to 8.

Directors (non-executive)

Jane Hutchison	Chair
Ian Anderson	Deputy Chair
Ann Byrne	Director
Alan Wu	Director
Dennis Goldner	Director
Fiona Kotvojs	Director
Melissa Houghton	Director
Mark Pryn	Director
Michael Wright	Director (from Dec 2013)
Peter Croft	Director
Susan Black	Director
Elizabeth Reid	Director (to Apr 2014)
Selwyn Button	Director (from Aug 2014)

Registered office and Principal place of business

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

Solicitors

Corrs Chambers Westgarth
600 Bourke Steet
Melbourne, Victoria 3000

Moores Legal
9 Prospect Street
Box Hill, Victoria 3128

Corporate Information (cont)

Bankers

Westpac Banking Corporation
GPO Box 3433
Sydney, NSW 2001

Bendigo and Adelaide Bank
PO Box 480
Bendigo, Victoria 3550

UBS Wealth Management
8 Exhibition Street
Melbourne, Victoria 3000

Auditors

Ernst & Young
8 Exhibition Street
Melbourne, Victoria 3000

Directors' Report

Your Directors submit their report for the year ended 30 June 2014.

Directors

The names and details of the Directors in office during the financial year 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

Dr Jane Hutchison
(Chair)
Assoc Dip Ag, BA (Hons)
PhD

Jane is Senior Lecturer in Politics and International Studies and Fellow of the Asia Research Centre at Murdoch University. She has a background in environmental and trade union activism, including non-violent civil disobedience. Jane is a long-term supporter of Oxfam Australia and has served as Chair of the One World Centre Management Committee in WA. Jane is a member of the Oxfam International Board's Governance Working Group.

Dr Ian Anderson AM
(Deputy Chair)
PhD., M.Litt, FCA, CPA

A retired chartered accountant, Ian worked as a specialist tax partner with leadership roles in a major accounting firm before becoming a senior banker in structured finance. He was Chair of Oxfam Hong Kong for 10 years, Chair of Oxfam International for four years and has been involved with Oxfam Australia since the early 1970s. Ian was Board Treasurer from 2004 until 2009.

Ann Byrne
HDTS, GradDip (HRC), GradDip (Superannuation), FAICD, FAIST

Until November 2013 Ann worked in the finance sector particularly in the management of superannuation funds and more recently in advocacy around the need for effective management of environmental, social and governance investment risk to achieve long term sustainable performance. As CEO of two large superannuation funds and the Australian Council of Superannuation Investors Ltd Ann reported to Boards, managed staff across diverse disciplinary teams, dealt with complex stakeholder relationships including large service providers, participated on industry councils and lobbied government for responsible change. Ann is a member of the Compliance Committee of BlackRock Investment Management Australia Ltd and a member of the Integrated Reporting Committee of the International Corporate Governance Network.

Fiona Kotvojs
MBA, Grad Dip (Business Management), Grad Dip (Education), BSc [Honours], MAICD

Fiona has extensive experience in international development, including as an Alternate Director and Senior Executive for ACIL Australia. As well, she has serves as a Director or Trustee on a range of Australian Boards and Trusts. Fiona brings over 20 years experience in international development assistance. She has particular expertise in strategic planning, monitoring and evaluation, program design, program sustainability and capacity development.

Melissa Houghton
BA

Based in NSW, Melissa is a marketing and communications specialist and co-owner of the consultancy firm, Sustainability at Work. Previously she has held a number of senior executive positions for organisations including News Digital Media, Telstra and Green Building Council of Australia. She has a record of active community involvement and is a keen Oxfam Trailwalker participant.

Mark Pryn
BEcon, CA, ACIS

Mark is a Chartered Accountant and Chartered Company Secretary with over 25 years experience within corporate and professional service environments. Currently, Mark operates as a consultant providing clients with a broad range of corporate management services, drawing on his extensive background in commerce, finance and governance.

Peter Croft
BSc, BEcon, MAICD

After 39 years in the South Australian public sector, Peter recently retired as a Director of South Australia's Department for Environment and Heritage where he was responsible for the Coorong, Lower Lakes and Murray Mouth. Formerly a member of Community Aid Abroad, he has been a long-time supporter of Oxfam Australia. he has been Director of Oxfam Australia Trading since September 2011.

Directors' Report (cont)

Susan Black BOT, MSWAP	Susan is Manager of Queensland Social Enterprise Partnerships with Social Ventures Australia and has previously held management positions in community organisations, including Community Aid Abroad, as well as leading a change project in the Queensland Government. She is an Associate of the Centre for Social Response, a community development training organisation.
Alan Wu BA, LLB, GradDipLegPrac	Alan is a lawyer with the Australian Government. He has worked in human rights domestically and with the Australian Permanent Mission to the UN in New York, and in the delivery of technical legal assistance to the Pacific. His previous work as the Chair of Australia's national youth affairs peak was recognised by the Australian Human Rights Commission and through the Young Australian of the Year Awards. He has also served as Special Envoy for Young People to the UN Environment Programme, on the Australian National Commission for UNESCO, and as an Australian Representative to the 2004 Oxfam International Youth Parliament.
Dennis Goldner B.Ec (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 now chairs The Deloitte Foundation, Regional Arts Australia and is a board member of the Library Board of Australia and Regional Arts Australia. He has completed terms on the board of The Royal Children's Hospital Melbourne and Deloitte Australia. Dennis has served on the Finance Risk and Audit Committee of Oxfam Australia since 2007.
Elizabeth Reid, AO FASSA, BA (Hons), BPhil, HonLittD to April 2014	Elizabeth has wide-ranging experience as a development worker and policy and program analyst. Her development practice focuses on the facilitation of social change and on development effectiveness. It is based on gender and social justice principles, and oriented towards the strengthening of social and moral capital. She was a Director and Chairperson of IDSS, International Development Support Services, Oxfam Australia's former commercial subsidiary. She is a Visiting Fellow at the Australian National University.
Michael Wright BEc (Hons), M.SC Ec (Hons), AICD from Dec 2013	Michael is currently Managing Director of Monash Partners Academic Health Science Centre. Michael was Deputy Secretary of several Victorian Government Departments, before starting his own strategic planning and organizational change consulting group nearly 25 years ago: which has involved working with some 200 public and private sector organizations in Australia and New Zealand. Michael has also had more than 20 years volunteering in community and not for profit Boards.
Selwyn Button B.Teaching from August 2014	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, Training and Employment. 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 Brisbane Aboriginal and Torres Strait Islander Community Health Service; The Lowitja Institute and previously sat on the Queensland Council of Social Services Board.
Board staff participant	
Sabina Curatolo	Sabina is currently Oxfam Australia's Political Engagement Lead, representing Oxfam's work to the Australian Government. She has more than 11 years' experience working in international development at a range of levels — the United Nations Food and Agriculture Organization, the Australian Government Department of Foreign Affairs and Trade (DFAT) and the Office of Shadow Minister for International Development , and as an independent consultant.

Directors' Report (cont)

Company Secretary

Anthony Alexander

Anthony joined Oxfam as the Chief Financial Officer in 2011. Anthony has had 15 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. Prior to this, 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. Anthony is a CPA, a member of institute of company directors and a member of the Australian Computer Society.

Corporate structure

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.

Oxfam Australia
Oxfam Australia began as Food for Peace in Melbourne in 1953. In 1962 the name was changed to Community Aid Abroad and the first full time Director was appointed. The Australian Freedom From Hunger Campaign which was founded in 1961 merged with Community Aid Abroad in 1992. Community Aid Abroad has been a member of the Oxfam International confederation since its formation in 1995 and in 2001 changed its legal name to Oxfam Australia. Today the organisation is a secular, independent, non government, not-for-profit organisation working in 28 countries around the world, including Australia.

Oxfam Australia Trading Pty Ltd
Oxfam Australia Trading Pty Ltd is a fully owned subsidiary of Oxfam Australia. 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 11 stores around the country.

Principal activities and objectives

Oxfam Australia works to overcome poverty and injustice around the world by aiming to increase the number of people who have a sustainable livelihood, access to social services, an effective voice in decisions, equal rights and status, and safety from conflict and disaster. Oxfam Australia's work is a partnership through which Australians enable people living in poverty to control their own development, achieve equitable treatment, exercise their basic rights, and ensure the environment is healthy and sustainable.

The Oxfam Australia Strategic Plan — The Power of People Against Poverty: Oxfam Australia Strategic Plan 2014-2019 — was completed in November 2013 and formally signed off by the Board in December. It was launched to staff and other key stakeholders in February 2014. 7It is our plan to tackle poverty and inequality and has six Goals to change the world and six (Operational) Goals to change how we work.

Operating and financial review

This year our financial focus was on achieving another surplus result, continuing to build a stronger operating structure and enhancing our Oxfam Australia Trading shops financial performance. The consolidated surplus for the year was $1,922,556 including the Oxfam Australia Trading loss of $458,759 In addition; we reported positive cash flow from operations of $5,388,493. The surplus and positive cash flow was largely due to:

- growth in our Community Support Income;
- achieving operational cost efficiencies during the year;
- significant improvement in our Oxfam Australia Trading performance; and
- improving our foreign exchange management processes.

During the year, our consolidated income increased by $9,197,546 to a total of $91,087,653. The main contributor was community support income which went up by $9.5m compared to the prior year and includes $5.0m in Bequest & Legacy income, up $3.2m on prior year. We spent $50.6m on our long term program development, advocacy and emergency responses during the year, up $4.3m on prior year. We also invested an additional $5.5m in fundraising to build a stronger fundraising base and increased income in future years for our vital program work.

Directors' Report (cont)

Operating and financial review (cont)

We reported an $826,354 foreign exchange loss during the year, made up of $837,741 of forward exchange contract revaluations as at 30 June 2014 (mark to market) offset by other net exchange rate differences.

We continued to focus on improving our balance sheet position which resulted in an improved working capital position. Our objective for the coming year is to invest in income generating activities for our community support income and continuing to build our reserve levels and financial position. The organisation continues to promote social justice and fight poverty while maintaining a sound financial position.

Performance Indicators

The Board and management monitor the Group's overall performance, from the implementation of the organisation's vision and strategic plan through to the performance of the Group against operating plans and financial budgets. 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
- Cost of Fundraising Ratio: Fundraising expenditure as a percentage of total community support income
- Administration Ratio: Administration costs as a percentage of total expenditure

	2013/14	2012/13	2011/12
Program Investment Ratio:	65.9%	70.8%	69.8%
Cost of Fundraising Ratio:	29.7%	23.5%	21.4%
Administration Ratio:	12.1%	12.1%	15.2%

Our Program Investment ratio decreased during the year as we focused on fundraising income generation to increase our donor base and provide long term program and advocacy funding. We still maintained significant levels of investment in our programming and advocacy work. Our Cost of Fundraising ratio increased from prior year mainly due to investment in donor acquisition spend during the year. Our administration ratio remained at 12.1%, the same as prior year, which is a sign of our continued focus on cost efficiency and effectiveness. In future years, we aim to increase the amount of program funding provided as a percentage of our total expenditure, and ensure the organisation strives for the most efficient and effective administration and fundraising efforts.

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.

Directors' Report (cont)

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 (telecon only)
Number of meetings held:	6	4	6	3	7
	Attended	**Attended**	**Attended**	**Attended**	**Attended**
Jane Hutchison	6(6)		6(6)		7(7)
Ian Anderson	3(6)	3(4)	2(6)		
Ann Byrne	6(6)	4(4)			
Fiona Kotvojs	4(6)		5(6)		
Melissa Houghton	6(6)			3(3)	
Mark Pryn	6(6)	4(4)			
Peter Croft	5(6)	3(4)			
Susan Black	4(6)		5(6)	2(3)	3(4)
Alan Wu	6(6)		6(6)		
Dennis Goldner	5(6)	4(4)			1(2)
Elizabeth Reid	4(5)		3(5)		
Michael Wright	3(4)	2(2)			
Board staff participant					
Sabina Curatolo	6(6)			2(3)	

* Meetings eligible to attend are in brackets -all meetings are face to face (except the Nominations Committee). In addition, all Committees hold regular teleconferences.

Committee Membership

As at the date of this report, the company had a Finance, Risk and Audit Committee, a Public Engagement Committee, a Governance Committee and a Nominations Committee. Members acting on the committees of the Board during the year were:

Finance Risk & Audit	Public Engagement	Governance	Nominations
A Byrne (ch)	M Houghton (ch)	S Black (ch)	J Hutchinson (ch)
M Pryn (ch)	S Black	J Hutchison	D Goldner
L Tallis @	S Curatolo	F Kotvojs	S Black
P Croft	L Healy @	I Anderson	G Romanes @
I Anderson		E Reid	M Nearhos @
D Goldner		A Wu	J Mitchell @
B Watson @			B Hartnett@
M Wright			G Graham @

(ch) designates the chair of the committee
@ honorary independent members of the committee and non-director

Directors' Report (cont)

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.

Auditors 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, provided assurance related services throughout the year. The value of these services is disclosed in Note 20.

Signed in accordance with a resolution of the directors.

Jane Hutchison
Chair

Ann Byrne
Director

Melbourne
17 October 2014

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
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Auditor's Independence Declaration to the Directors of Oxfam Australia

In relation to our audit of the financial report of Oxfam Australia for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Painter

Stuart Painter
Partner
17 October 2014

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014	NOTE	CONSOLIDATED		PARENT	
		2014 $	2013 $	2014 $	2013 $
Community support income	3 (a)	52,402,338	42,914,448	52,402,338	42,914,448
Grants (government & non-government)	3 (b)	25,357,435	25,131,522	25,357,435	25,131,522
Sale of goods		12,444,613	13,164,825	-	-
Investment income	3 (c)	545,276	415,587	500,499	374,467
Other operating income	3 (d)	337,991	263,725	338,789	293,888
Total income		**91,087,653**	**81,890,107**	**78,599,061**	**68,714,325**
Program costs	3 (e)	50,646,831	46,341,954	50,646,831	46,341,954
Fundraising expenses		15,249,849	9,750,758	15,565,380	10,098,665
Cost of goods sold and services provided		6,129,317	6,506,624	-	-
Administration costs	3 (f)	16,289,976	15,965,212	9,179,181	7,907,439
Impairment of investment in subsidiary		-	-	458,759	1,131,112
Foreign exchange (gain)/loss	2 (k) & 3 (g)	826,354	(397,583)	826,354	(397,960)
Finance costs		22,770	90,027	-	-
Total expenses		**89,165,097**	**78,256,992**	**76,676,505**	**65,081,210**
Net surplus for the year		**1,922,556**	**3,633,115**	**1,922,556**	**3,633,115**
Other comprehensive income / (loss)					
Net gain on available-for-sale investments		8,428	17,526	8,428	17,526
Total other comprehensive income		**8,428**	**17,526**	**8,428**	**17,526**
Total comprehensive income surplus for the year		**1,930,984**	**3,650,641**	**1,930,984**	**3,650,641**

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

Statement of Financial Position

AS AT 30 JUNE 2014	NOTE	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
ASSETS					
Current Assets					
Cash and cash equivalents	4	23,534,810	20,021,906	22,945,064	19,873,346
Trade and other receivables	5	1,627,329	3,056,955	1,173,971	2,331,726
Inventories	6	2,877,106	2,661,386	-	-
Other current assets	7	1,051,512	1,067,525	530,023	333,874
Available for sale financial assets	9	67,382	90,957	67,382	90,957
Total Current Assets		**29,158,139**	**26,898,729**	**24,716,440**	**22,629,903**
Non-Current Assets					
Receivables	5	72,916	161,650	72,916	161,650
Investments in subsidiary	8	-	-	4,384,106	3,956,923
Available for sale financial assets	9	28,342	21,847	28,342	21,847
Property, plant & equipment	10	10,113,809	10,172,158	8,777,542	9,108,872
Intangible assets	11	164,876	556,099	125,480	496,438
Investment property	12	107,519	112,731	-	-
Total Non-Current Assets		**10,487,462**	**11,024,485**	**13,388,386**	**13,745,730**
TOTAL ASSETS		**39,645,601**	**37,923,214**	**38,104,826**	**36,375,633**
LIABILITIES					
Current Liabilities					
Trade and other payables	13	15,734,801	15,981,472	15,172,097	15,356,428
Interest bearing liabilities	14	206,201	230,887	-	-
Provisions	15	4,000,888	4,184,760	3,611,563	3,757,025
Total Current Liabilities		**19,941,890**	**20,397,119**	**18,783,660**	**19,113,453**
Non-Current Liabilities					
Provisions	15	1,074,702	828,070	692,157	564,155
Total Non-Current Liabilities		**1,074,702**	**828,070**	**692,157**	**564,155**
TOTAL LIABILITIES		**21,016,592**	**21,225,189**	**19,475,817**	**19,677,608**
NET ASSETS		**18,629,009**	**16,698,025**	**18,629,009**	**16,698,025**
ACCUMULATED FUNDS					
Retained surplus		15,727,413	15,516,392	15,727,413	15,516,392
Reserves		2,901,596	1,181,633	2,901,596	1,181,633
TOTAL ACCUMULATED FUNDS		**18,629,009**	**16,698,025**	**18,629,009**	**16,698,025**

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2014	NOTE	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers		12,662,524	13,131,989	-	-
Receipts from donors and Government		78,132,421	69,497,425	78,132,421	69,497,425
Payments to suppliers and employees		(34,621,207)	(27,064,776)	(24,658,822)	(15,673,030)
Payments to projects		(51,473,185)	(45,943,994)	(51,473,185)	(45,943,994)
Proceeds from sale of forward currency contracts		225,283	2,000	225,283	2,000
Interest received		485,427	371,087	466,900	351,623
Interest and other costs of finance paid		(22,770)	(90,027)	-	-
Net cash provided by operating activities:	**4(a)**	5,388,493	9,903,704	2,692,597	8,234,024
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant & equipment		593	88,960	593	88,960
Proceeds from sale of shares		1,274,319	-	1,274,319	-
Proceeds from sale of available-for-sale investments		25,508	26,754	25,508	26,754
Investment interest and dividends received		33,599	22,844	33,599	22,844
Purchase of property, plant & equipment		(519,493)	(248,101)	(126,918)	(158,165)
Purchase of intangibles		(57,649)	(13,572)	(30,772)	-
Investment in subsidiary		-	-	(885,942)	(3,424,404)
Repayment from Oxfam affiliate		88,734	40,941	88,734	40,941
Net cash provided by/(used in) investing activities:		845,611	(82,174)	(379,121)	(3,403,070)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings		(2,721,200)	(5,387,103)	-	-
Net cash used in financing activities:		(2,721,200)	(5,387,103)	-	-
Net increase in cash and cash equivalents		3,512,904	4,434,427	3,071,718	4,830,954
Cash at beginning of the year		20,021,906	15,587,479	19,873,346	15,042,392
Cash at end of the year	**4**	23,534,810	20,021,906	22,945,064	19,873,346

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

Statement of Changes in Equity

CONSOLIDATED	Retained surplus $	Restricted reserves $	Net unrealised gains reserve $	International crisis fund $	Total $
At 30 June 2012	11,227,899	1,739,590	(3,105)	83,000	13,047,384
Surplus for the year	3,633,115	-	-	-	3,633,115
Net unrealised (losses) / gains on available-for-sale investments	-	-	17,526	-	17,526
Total comprehensive income for the year	3,633,115	-	17,526	-	3,650,641
Transfer to / (from) reserves	655,378	(655,378)	-	-	-
At 30 June 2013	15,516,392	1,084,212	14,421	83,000	16,698,025
Surplus for the year	1,922,556	-	-	-	1,922,556
Net unrealised (losses) / gains on available-for-sale investments	-	-	8,428	-	8,428
Total comprehensive income for the year	1,922,556	-	8,428	-	1,930,984
Transfer to / (from) reserves	(1,711,535)	1,711,535	-	-	-
At 30 June 2014	15,727,413	2,795,747	22,849	83,000	18,629,009

PARENT	Retained Surplus $	Restricted Reserves $	Net unrealised gains reserve $	International Crisis Fund	Total $
At 30 June 2012	11,227,899	1,739,590	(3,105)	83,000	13,047,384
Surplus for the year	3,633,115	-	-	-	3,633,115
Net unrealised (losses) / gains on available-for-sale investments	-	-	17,526	-	17,526
Total comprehensive Income for the year	3,633,115	-	17,526	-	3,650,641
Transfer to / (from) reserves	655,378	(655,378)	-	-	-
At 30 June 2013	15,516,392	1,084,212	14,421	83,000	16,698,025
Surplus for the year	1,922,556	-	-	-	1,922,556
Net unrealised (losses) / gains on available-for-sale investments	-	-	8,428	-	8,428
Total comprehensive Income for the year	1,922,556	-	8,428	-	1,930,984
Transfer to / (from) reserves	(1,711,535)	1,711,535	-	-	-
At 30 June 2014	15,727,413	2,795,747	22,849	83,000	18,629,009

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes

YEAR ENDED 30 JUNE 2014

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2014

1. Corporate information

The financial report of Oxfam Australia for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 17 October 2014.

Oxfam Australia is a public company limited by guarantee. It is an income tax exempt charitable organisation, incorporated and domiciled in Australia. The registered office of Oxfam Australia is 132 Leicester Street, Carlton, Victoria, 3053.

The nature of the operations and principal activities of the Oxfam 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 Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Regime and other authoritative pronouncements of the Australian Accounting Standards Board. This financial report is in compliance with ASIC class order 10/654.

The financial report has been prepared in accordance with the historical cost convention with the exception of the available for sale investments and derivatives which have been measured at fair value. The report is presented in Australian dollars and is rounded to the nearest dollar.

(a) Statement of compliance

The financial report complies with the Australian Accounting Standards - Reduced Disclosure Requirements.

New Accounting Standards and Interpretations

Changes in accounting policy and disclosures.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

AASB 10 *Consolidated Financial Statements* effective 1 July 2013

AASB 12 *Disclosure of Interests in Other Entities* effective 1 July 2013

AASB 119 *Employee Benefits* effective 1 July 2013

AASB 13 *Fair Value Measurement* effective 1 July 2013

AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* [AASB 7] Effective 1 July 2013

AASB 1053 *Application of Tiers of Australian Accounting Standards* Effective 1 July 2013

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Oxfam Australia (the parent company) and all of its controlled entities as at 30 June each year (the Group).

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.

Notes (continued)

YEAR ENDED 30 JUNE 2014

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

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.

2. Summary of significant accounting policies (cont)

(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:

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined based on the evaluation of terms and conditions of the arrangement, that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

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.

(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.

Notes (continued)

YEAR ENDED 30 JUNE 2014

2. Summary of significant accounting policies (cont)

(d) Revenue recognition (cont)

(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.

(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.

Notes (continued)

YEAR ENDED 30 JUNE 2014

2. Summary of significant accounting policies (cont)

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any impairment.

Other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor and default payments are considered objective evidence of impairment.

(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.

(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.

Notes (continued)

YEAR ENDED 30 JUNE 2014

2. Summary of significant accounting policies (cont)

(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 cost less accumulated depreciation on buildings. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	40 years
Investment properties	40 years
Plant and equipment	3 - 5 years

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 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 profit or loss. 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 and allocated across profit centres.

(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.

Notes (continued)

YEAR ENDED 30 JUNE 2014

2. Summary of significant accounting policies (cont)

(o) Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Investment properties are subsequently carried at cost less any accumulated depreciation and impairment losses. Investment properties are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transactions costs.

Recognition and Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired or have been transferred. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within a period established generally by regulation or convention in the market place.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loan and receivables are derecognised or impaired, as well as through the amortisation process. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

(ii) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the two preceding categories or as fair value through the profit and loss. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in surplus or deficit.

The fair value 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 and whose fair value cannot be reliably measured shall be measured at cost.

Notes (continued)

YEAR ENDED 30 JUNE 2014

2. Summary of significant accounting policies (cont)

(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.

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.

Notes (continued)

YEAR ENDED 30 JUNE 2014

2. Summary of significant accounting policies (cont)

(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.

Intangible assets are amortised over a period of two to five years.

(w) Comparative figures

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

(x) Fair value measurement

The Group measures financial instruments 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:

(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 30 JUNE 2014

3. Revenue and expenses

	CONSOLIDATED		PARENT	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
(a) Community Support Income				
Donations and gifts	47,392,577	41,073,247	47,392,577	41,073,247
Legacies and bequests	5,009,761	1,841,201	5,009,761	1,841,201
	52,402,338	**42,914,448**	**52,402,338**	**42,914,448**
(b) Grants				
Australian government grants (DFAT)	22,736,114	22,559,838	22,736,114	22,559,838
Australian government grants (other)	140,641	146,541	140,641	146,541
Non government Australian grants	222,840	460,922	222,840	460,922
Non government overseas grants	2,257,840	1,964,221	2,257,840	1,964,221
	25,357,435	**25,131,522**	**25,357,435**	**25,131,522**
(c) Investment Income				
Rental Income	26,250	21,656	-	-
Interest received or receivable	496,702	386,478	478,175	367,015
Dividends received	22,324	7,452	22,324	7,452
	545,276	**415,586**	**500,499**	**374,467**
(d) Other Operating Income				
Net gain/(loss) on disposal of property, plant and equipment	(156)	40,929	593	88,960
Net loss from sale of shares	(79,212)	-	(79,212)	-
Net realised gains on disposal of forward currency contracts	225,283	2,000	225,283	2,000
Other income	192,076	220,796	192,125	202,928
	337,991	**263,725**	**338,789**	**293,888**
(e) Program Costs				
Funds to overseas programs	40,964,911	36,675,825	40,964,911	36,675,825
Domestic program	1,423,592	288,782	1,423,592	288,782
Program support costs	2,574,768	2,970,213	2,574,768	2,970,213
Public policy and education programs	5,068,733	5,552,928	5,068,733	5,552,928
Development and effectiveness	614,827	854,206	614,827	854,206
	50,646,831	**46,341,954**	**50,646,831**	**46,341,954**

Notes (continued)

YEAR ENDED 30 JUNE 2014

	CONSOLIDATED		PARENT	
	2014 $	2013 $	2014 $	2013 $
3. Revenue and expenses (cont)				
(f) Administration costs				
Depreciation of:				
Building	312,874	345,296	287,471	322,439
Investment property	5,212	5,079	-	-
Plant and equipment	264,220	338,255	170,777	179,465
Amortisation of intangible assets	448,872	494,598	401,730	424,043
Lease payments - operating leases	2,030,450	2,339,555	771,753	752,871
Administration staff costs				
Salaries	4,895,450	4,496,641	3,312,886	2,983,874
Superannuation	499,152	458,683	352,664	320,994
Retail staff costs				
Salaries	1,425,716	1,807,526	-	-
Superannuation	129,586	162,201	-	-
Bank Charges	168,570	196,519	92,509	101,550
Insurance	305,263	236,828	185,086	193,842
Other operating costs (including IT)	3,604,305	2,628,362	3,604,305	2,628,362
Subsidiary operating costs	2,200,306	2,455,669	-	-
	16,289,976	**15,965,212**	**9,179,181**	**7,907,439**
(g) Foreign exchange movements				
Foreign currency transaction (gains)/losses (i)	**826,354**	**(397,583)**	**826,354**	**(397,960)**

(i) Includes reversal of prior year mark-to-market position on forward exchange contracts of $588,722 (2013: $67,420)

Notes (continued)

YEAR ENDED 30 JUNE 2014

4. Cash and cash equivalents

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

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$
Cash at bank and in hand	23,487,457	19,951,958	22,945,064	19,873,346
Short-term deposits	47,353	69,948	-	-
	23,534,810	**20,021,906**	**22,945,064**	**19,873,346**

(a) Reconciliation of net surplus to net cash flows from operations

Surplus	1,922,556	3,633,115	1,922,556	3,633,115
Adjustments for:				
Depreciation and Amortisation	1,031,177	1,183,228	859,978	925,947
Write down of intangibles	-	7,606	-	7,606
Loss / (Gains) on sale of plant & equipment	156	(40,929)	(593)	(88,960)
Impairment of investment in subsidiary	-	-	458,759	1,131,112
Income from sale of shares	(1,274,319)	-	(1,274,319)	-
Interest / dividend income classified as investing cash flow	(33,599)	(22,844)	(33,599)	(22,844)
Repayment of trade finance borrowings classified as financing cash flow	2,696,514	2,730,743	-	-
Changes in assets and liabilities:				
(Increase) / decrease in current receivables	1,354,855	(119,817)	1,157,754	(85,018)
(Increase) / decrease in other current assets	16,014	(45,728)	(196,149)	65,249
(Increase) / decrease in inventories	(215,720)	(37,243)	-	-
(Decrease) / increase in trade creditors and accruals	(171,901)	2,804,699	(184,331)	2,788,391
(Decrease) / increase in provisions	62,760	(189,126)	(17,459)	(120,574)
Net cash from operating activities	**5,388,493**	**9,903,704**	**2,692,597**	**8,234,024**

5. Trade and other receivables

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
Current	$	$	$	$
Trade and other receivables	1,554,413	2,414,349	925,350	1,588,185
Loan receivable from Oxfam affiliate (i)	72,916	53,884	72,916	53,884
Related party receivables (ii)	-	-	175,705	100,935
Foreign currency receivables (iii)	-	588,722	-	588,722
	1,627,329	**3,056,955**	**1,173,971**	**2,331,726**
Non-current				
Loan receivable from Oxfam affiliate (i)	72,916	161,650	72,916	161,650

Notes (continued)

YEAR ENDED 30 JUNE 2014

	72,916	**161,650**	**72,916**	**161,650**

5. Trade and other receivables (cont)

Non-current (cont)

(i) The loan receivable is for a term of five years at an interest rate of 5% and with repayments due annually.
(ii) For terms and conditions relating to related party receivables refer note 18.
(iii) Foreign currency receivables on forward exchange contracts are categorised as Level 2 in the fair value hierarchy

Impairment losses

Trade receivables are non-interest bearing and are on 60 day terms. A provision for doubtful debt is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss (2013: $498) has been recognised by the Group in the current year. These amounts have been included in the administration expense item.

6. Inventories (current)

	CONSOLIDATED		PARENT	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Inventory held for sale				
Raw materials	157,255	178,593	-	-
Finished Goods	2,719,851	2,482,793	-	-
Total inventories	**2,877,106**	**2,661,386**	**-**	**-**

Inventory expense
Inventories recognised as an expense for the year ended 30 June 2014 totalled $6,129,317 (2013: $6,506,624) for the Group. This expense has been included in the cost of sales line item. Inventories written down as an expense for the year ended 30 June 2014 totalled $122,764 (2013: $269,699) for the Group. This expense has been included in the cost of sales line item.

7. Other Current Assets (current)

	CONSOLIDATED		PARENT	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Prepayments	1,051,512	1,067,525	530,023	333,874
	1,051,512	**1,067,525**	**530,023**	**333,874**

8. Investments in subsidiary (non-current)

	CONSOLIDATED		PARENT	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Shares in controlled entities				
- at cost (i)	-	-	14,597,062	13,711,120
- less impairment	-	-	(10,212,956)	(9,754,197)
	-	**-**	**4,384,106**	**3,956,923**

(i) For details of equity investments in controlled entities refer to note 18.

The ability of the subsidiary to continue as a going concern and pay its debts as and when they fall due is dependent on the support of the parent. The Board of the parent has committed to providing this support.

Notes (continued)

YEAR ENDED 30 JUNE 2014

9. Available-for-sale financial assets

	CONSOLIDATED		PARENT	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Current				
Investments held by UBS at fair value (i)	67,382	90,957	67,382	90,957
	67,382	**90,957**	**67,382**	**90,957**
Non-current				
Shares (other) – listed (ii)	8,342	1,847	8,342	1,847
Shares – unlisted (iii)	20,000	20,000	20,000	20,000
	28,342	**21,847**	**28,342**	**21,847**

(i) Investments held by UBS represent quarantined amounts to fund program work in 2013/14. These listed shares are categorised as Level 1 in the fair value hierarchy.
(ii) Listed shares (other) are carried at market value and are classed as other non-current assets as they are held for advocacy purposes in order to attend Annual General Meetings rather than for trading or investment purposes. Listed shares are categorised as Level 1 in the fair value hierarchy.
(iii) Unlisted shares are carried at cost and are classed as other non-current assets as they are held for long-term investment purposes.

Notes

YEAR ENDED 30 JUNE 2014

10. Property, plant and equipment

Year ended 30 June 2014

	CONSOLIDATED			PARENT		
	Freehold, land and buildings $	Plant and equipment $	Total $	Freehold, land and buildings $	Plant and equipment $	Total $
At 30 June 2013, net of accumulated depreciation	9,627,369	544,789	10,172,158	8,649,332	459,540	9,108,872
Additions	48,690	504,114	552,804	19,629	107,289	126,918
Additions (capital works in progress)	-	161,639	161,639	-	-	-
Disposals	-	(749)	(749)	-	-	-
Reduction in capital work in progress	-	(194,949)	(194,949)	-	-	-
Depreciation charge for the year	(312,874)	(264,220)	(577,094)	(287,471)	(170,777)	(458,248)
At 30 June 2014, net of accumulated depreciation	9,363,185	750,624	10,113,809	8,381,490	396,052	8,777,542
At 1 July 2013						
At cost	12,053,819	3,834,733	15,888,552	10,707,366	1,942,407	12,649,773
Accumulated depreciation	(2,426,450)	(3,289,944)	(5,716,394)	(2,058,034)	(1,482,867)	(3,540,901)
Net carrying amount	9,627,369	544,789	10,172,158	8,649,332	459,540	9,108,872
At 30 June 2014						
At cost	12,102,509	4,110,275	16,212,784	10,726,996	2,049,696	12,776,692
Accumulated depreciation	(2,739,324)	(3,359,651)	(6,098,975)	(2,345,506)	(1,653,644)	(3,999,150)
Net carrying amount	9,363,185	750,624	10,113,809	8,381,490	396,052	8,777,542

Notes (continued)

YEAR ENDED 30 JUNE 2014

10. Property, plant and equipment (Cont)

Year ended 30 June 2013

	CONSOLIDATED			PARENT		
	Freehold, land and buildings $	**Plant and equipment $**	**Total $**	**Freehold, land and buildings $**	**Plant and equipment $**	**Total $**
At 30 June 2012, net of accumulated depreciation	9,912,589	743,050	10,655,639	8,942,695	509,916	9,452,611
Additions	60,076	152,715	212,791	29,076	129,089	158,165
Additions (capital work in progress)	-	35,310	35,310	-	-	-
Disposals	-	(48,031)	(48,031)	-	-	-
Depreciation charge for the year	(345,296)	(338,255)	(683,551)	(322,439)	(179,465)	(501,904)
At 30 June 2013, net of accumulated depreciation	9,627,369	544,789	10,172,158	8,649,332	459,540	9,108,872
At 1 July 2012						
At cost	11,993,744	4,432,411	16,426,155	10,678,290	1,813,318	12,491,608
Accumulated depreciation	(2,081,155)	(3,689,361)	(5,770,516)	(1,735,595)	(1,303,402)	(3,038,997)
Net carrying amount	9,912,589	743,050	10,655,639	8,942,695	509,916	9,452,611
At 30 June 2013						
At cost	12,053,819	3,834,733	15,888,552	10,707,366	1,942,407	12,649,773
Accumulated depreciation	(2,426,450)	(3,289,944)	(5,716,394)	(2,058,034)	(1,482,867)	(3,540,901)
Net carrying amount	9,627,369	544,789	10,172,158	8,649,332	459,540	9,108,872

Notes (continued)

YEAR ENDED 30 JUNE 2014

11. Intangible Assets

Year ended 30 June 2014

	CONSOLIDATED			PARENT		
	Computer Software $	**Product Design & Development $**	**Total $**	**Computer Software $**	**Product Design & Development $**	**Total $**
At 30 June 2013, net of accumulated amortisation	523,695	32,404	556,099	496,438	-	496,438
Additions	57,649	-	57,649	30,772	-	30,772
Additions (capital work in progress)	4,189	-	4,189	-		-
Disposals	-	-	-	-	-	-
Impairment write down	(4,189)	-	(4,189)	-		-
Amortisation charge for the year	(423,935)	(24,937)	(448,872)	(401,730)	-	(401,730)
At 30 June 2014, net of accumulated amortisation	157,409	7,467	164,876	125,480	-	125,480
At 1 July 2013						
At cost	2,265,762	71,148	2,336,910	2,081,729	-	2,081,729
Accumulated amortisation	(1,742,067)	(38,744)	(1,780,811)	(1,585,291)	-	(1,585,291)
Net carrying amount	523,695	32,404	556,099	496,438	-	496,438
At 30 June 2014						
At cost	2,323,411	25,339	2,348,750	2,112,501	-	2,112,501
Accumulated amortisation	(2,166,003)	(17,871)	(2,183,874)	(1,987,021)	-	(1,987,021)
Net carrying amount	157,408	7,468	164,876	125,480	-	125,480

Notes (continued)

YEAR ENDED 30 JUNE 2014

11. Intangible Assets (Cont)

Year ended 30 June 2013

	CONSOLIDATED			PARENT		
	Computer Software $	**Product Design & Development $**	**Total $**	**Computer Software $**	**Product Design & Development $**	**Total $**
At 30 June 2012, net of accumulated amortisation	1,002,284	42,447	1,044,731	928,087	-	928,087
Additions	5,600	7,972	13,572	-	-	-
Disposals	(7,606)	-	(7,606)	(7,606)	-	(7,606)
Amortisation charge for the year	(476,584)	(18,014)	(494,598)	(424,043)	-	(424,043)
At 30 June 2013, net of accumulated amortisation	523,694	32,405	556,099	496,438	-	496,438
At 1 July 2012						
At cost	2,267,768	63,176	2,330,944	2,089,335	-	2,089,335
Accumulated amortisation	(1,265,484)	(20,729)	(1,286,213)	(1,161,248)	-	(1,161,248)
Net carrying amount	1,002,284	42,447	1,044,731	928,087	-	928,087
At 30 June 2013						
At cost	2,265,762	71,148	2,336,910	2,081,729	-	2,081,729
Accumulated amortisation	(1,742,067)	(38,744)	(1,780,811)	(1,585,291)	-	(1,585,291)
Net carrying amount	523,695	32,404	556,099	496,438	-	496,438

Notes

YEAR ENDED 30 JUNE 2014

11. Intangible Assets (Cont)

Description of the Group's intangible assets

(i) Product design and development costs
Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 5 years. 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.

(ii) Computer software costs
Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 2 to 3 years. 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.

12. Investment property

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$
At 1 July, net of accumulated depreciation and impairment	112,731	117,810	-	-
Depreciation charge for the year	(5,212)	(5,079)	-	-
At 30 June, net of accumulated depreciation and impairment	**107,519**	**112,731**	**-**	**-**

As is consistent with property, plant and equipment, the Group has opted to use the cost model rather than the revaluation model when measuring investment properties. The investment property measured above forms part of the freehold land and building at Athol Park, South Australia that is leased out to tenants. The valuation of the Athol Park property includes the leased portion of the property. The investment property was last valued on 24 March 2014 at $430,000.

The investment property is leased on a month by month basis. Therefore, there is no contingent commitment in relation to the rental of these properties.

13. Trade and other payables

Payables (current)	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$
Trade payables (i)	341,894	398,588	-	-
Other payables and accrued expenses (ii)	3,431,269	4,246,565	3,210,459	4,020,109
Unexpended grant income (iii)	11,712,619	11,336,319	11,712,619	11,336,319
Foreign currency payables (iv)	249,019	-	249,019	-
	15,734,801	**15,981,472**	**15,172,097**	**15,356,428**

(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) Refer to note 2(d) for information on the recognition of grant income
(iv) Foreign currency payables on forward exchange contracts are categorised as Level 2 in the fair value hierarchy.

Notes (continued)

YEAR ENDED 30 JUNE 2014

14. Interest-bearing loans and borrowings

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
Current				
Unsecured trade finance	206,201	230,887	-	-
	206,201	**230,887**	**-**	**-**

Borrowing facilities

Trade finance
The trade finance facility is a $500,000 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.

Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
Total facilities				
Bank Overdraft	-	5,000,000	-	3,000,000
Trade Finance	500,000	500,000	-	-
Visa Business Card	250,000	250,000	250,000	250,000
Facilities used at balance date				
Bank Overdraft	-	-	-	-
Trade Finance	206,201	230,887	-	-
Visa Business Card	3,846	4,221	3,846	4,221
Facilities unused at balance date				
Bank Overdraft	-	5,000,000	-	3,000,000
Trade Finance	293,799	269,113	-	-
Visa Business Card	246,154	245,779	246,154	245,779

Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
Non Current				
Mortgage				
Freehold land and buildings	-	9,627,369	-	8,649,332
Investment Property	-	112,731	-	-
Total assets pledged as security	**-**	**9,740,100**	**-**	**8,649,332**

Westpac Bank holds a Fixed & Floating charge over all assets of Oxfam Australia.

Defaults and breaches
During the current and prior years, there were no defaults or breaches on any of the loans.

Notes

YEAR ENDED 30 JUNE 2014

15. Provisions

Consolidated

	Long service leave $	Annual leave $	Redundancy $	Make good provision $	Operating Lease provision $	Total $
At 1 July 2013	2,495,868	1,482,069	791,134	215,000	28,759	5,012,830
Net changes during the year	352,403	297,973	(646,669)	19,000	40,053	62,760
At 30 June 2014	2,848,271	1,780,042	144,465	234,000	68,812	5,075,590
Current 2014	2,097,478	1,780,042	144,465	-	(21,097)	4,000,888
Non-current 2014	750,793	-	-	234,000	89,909	1,074,702
	2,848,271	**1,870,042**	**144,465**	**234,000**	**68,812**	**5,075,590**
At 1 July 2012	2,686,876	1,242,493	904,821	300,000	67,765	5,201,955
Net changes during the year	(191,008)	239,576	(113,687)	(85,000)	(39,006)	(189,125)
At 30 June 2013	2,495,868	1,482,069	791,134	215,000	28,759	5,012,830
Current 2013	1,867,128	1,482,069	791,134	20,000	24,429	4,184,760
Non-current 2013	628,740	-	-	195,000	4,330	828,070
	2,495,868	**1,482,069**	**791,134**	**215,000**	**28,759**	**5,012,830**

Notes (continued)

YEAR ENDED 30 JUNE 2014

Parent

	Long service leave $	Annual leave $	Redundancy $	Total $
At 1 July 2013	2,195,496	1,334,549	791,134	4,321,179
Net changes during the year	337,393	291,817	(646,669)	(17,459)
At 30 June 2014	2,532,889	1,626,366	144,465	4,303,720
Current 2014	1,840,732	1,626,366	144,465	3,611,563
Non-current 2014	692,157	-	-	692,157
	2,532,889	**1,626,366**	**144,465**	**4,303,720**
At 1 July 2012	2,423,109	1,113,823	904,821	4,441,753
Net changes during the year	(227,613)	220,726	(113,687)	(120,574)
At 30 June 2013	2,195,496	1,334,549	791,134	4,321,179
Current 2013	1,631,342	1,334,549	791,134	3,757,025
Non-current 2013	564,155	-	-	564,155
	2,195,497	**1,334,549**	**791,134**	**4,321,180**

Notes

YEAR ENDED 30 JUNE 2014

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'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

The Group has entered into a number of commercial leases. 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.

Oxfam Australia Trading Pty Ltd has entered into leases for shop premises. These leases have an average life of between 3 and 6 years with renewal terms included in the contracts. There are no restrictions placed upon the lessee by entering into any of these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	CONSOLIDATED		PARENT	
	2014 $	2013 $	2014 $	2013 $
Payable				
Within one year	1,070,655	1,380,133	265,613	372,009
After one year but not more than five years	2,335,645	2,341,048	373,288	394,665
After more than five years	-	7,861	-	-
Total minimum lease repayments	3,406,300	3,729,042	638,901	766,674

Operating lease commitments - Group as lessor

Oxfam Australia Trading Pty Ltd leases a portion of its Athol Park property. The lease is on a month by month basis, therefore there is no contingent commitment in relation to the rental of these properties.

Guarantees

The Group has the following guarantee at 30 June 2014

(i) Bank guarantee of $122,530 in favour of the lease vendor of state offices as security in case of default.

(ii) Bank guarantees totalling $248,045 held by lease vendors of retail sites as security in case of default.

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 30 June 2014. However, there is no legal commitment to fund these projects as all approvals are issued "subject to availability of funds".

Notes (continued)

YEAR ENDED 30 JUNE 2014

17. Commitments and contingencies (cont)

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 30 June 2014.

18. Related party disclosures

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

	Country of Incorporation	% Equity Interest 2014	% Equity Interest 2013	Investment 2014	Investment 2013
Name					
Oxfam Australia Trading Pty Ltd	Australia	100	100	4,384,106	3,956,923
				4,384,106	3,956,923

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 (for information regarding outstanding balances at year-end, refer to note 5 and note 8):

Related Party		Sales to related parties $	Purchases from related parties $	Amounts owed by related parties $	Amounts owed to related parties $
Oxfam Australia					
Subsidiary:					
Oxfam Australia Trading Pty Ltd	2014	-	15,531	86,564	-
Oxfam Australia Trading Pty Ltd	2013	-	47,907	96,023	-

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.

19. Events after the 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.

20. Auditor's remuneration

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

Notes (continued)

YEAR ENDED 30 JUNE 2014

	CONSOLIDATED		PARENT	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
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	125,660	132,481	85,490	90,045
- Other services in relation to the entity and any other entity in the consolidated group-				
- assurance related	4,120	-	4,120	-
- non-assurance related	36,094	33,833	36,094	33,833
	165,874	166,314	125,704	123,878

21. Director and executive disclosures

(a) Details of Directors and Executives

(i) Non-Executive Directors

Jane Hutchison	Chair
Ian Anderson	Deputy Chair
Ann Byrne	Director
Alan Wu	Director
Dennis Goldner	Director
Fiona Kotvojs	Director
Melissa Houghton	Director
Mark Pryn	Director
Michael Wright	Director (from Dec 2013)
Peter Croft	Director
Susan Black	Director
Elizabeth Reid	Director (to Apr 2014)
Selwyn Button	Director (from Aug 2014)

(ii) Executives

Dr Helen Szoke	Chief Executive
Tony McKimmie	Chief Operating Officer
Alexia Huxley	Director of International Programs
Anthony Alexander	Chief Financial Officer
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 Directors of the parent entity and its subsidiary serve voluntarily and do not receive any remuneration for their services as Directors.

21. Director and executive disclosures (cont)

(b) Compensation of Key Management Personnel (cont)

(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.

Notes (continued)

YEAR ENDED 30 JUNE 2014

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, a number of Board Directors convene 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.

Remuneration of the key management personnel for the year ended 30 June 2014 is tabled below:

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Short-term employee benefits	752,373	849,034
Post-employment benefits		
Superannuation	68,835	75,068
Retirement	-	414,614
Total compensation	**821,208**	**1,338,716**

22. 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.

23. 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.

Notes (continued)

YEAR ENDED 30 JUNE 2014

23. Reserves policy (cont)

The reserves at 30 June 2014 fall into four categories.

- 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 have been designated by the Board 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.
- Net unrealised gains reserve: This comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.
- International crisis fund: these are unrestricted funds held to enable rapid response to humanitarian emergencies.

The Board of Oxfam Australia reviews the level of reserves held periodically. At reporting date the level of unrestricted reserves was below the Board approved policy level. The aim is to restore reserve levels to substantial compliance with the Board approved level.

Directors' Declaration

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

In the opinion of the directors:

(a) the financial statements and notes of the company and the consolidated entity are in accordance with the *Corporations Act 2001* and *Not-for-Profits Commission Act 2012*, including:

(i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and

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

On behalf of the Board

Jane K Hutchison

Jane Hutchison
Chair

ABGyrne

Ann Byrne
Director

Melbourne
17 October 2014

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Independent auditor's report to the members of Oxfam Australia

We have audited the accompanying financial report of Oxfam Australia, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility 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, the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the company a written Auditor's Independence Declaration.

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Opinion

In our opinion the financial report of Oxfam Australia is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

(a) giving a true and fair view of the financial position of Oxfam Australia at 30 June 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Ernst & Young

Ernst & Young

Painter

Stuart Painter
Partner
Melbourne
17 October 2014