

# Oxfam Australia

ABN 18 055 208 636



Financial Report  
for the nine-month period ended 31 March 2016

## Contents

Corporate Information.....	2
Directors' Report.....	4
Auditor's Independence Declaration.....	11
Statement of Comprehensive Income.....	12
Statement of Financial Position.....	13
Statement of Cash Flows.....	14
Statement of Changes in Equity.....	15
Notes to the Financial Statements.....	16
Directors' Declaration.....	37
Independent auditor's report	

## Oxfam Australia - Financial Report

### Corporate Information

This nine-month period 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 (\$).

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$000) under the option available to the Organisation under ASIC CO 98/100. Oxfam Australia is an entity to which the class order applies.

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
Ian Anderson	Deputy Chair (until October 2015) – resigned from Board on reaching the maximum term
Ann Byrne	Deputy Chair (from October 2015)
Susan Black	Director
Selwyn Button	Director
Peter Croft	Director
Melissa Houghton	Director
Fiona Kotvojs	Director
Judi Moylan	Director
Mark Pryn	Director
Gregory Ridder	Director (from July 2016)
Barbara Rugendyke	Director
Belinda Tallis	Director (from July 2016)
Michael Wright	Director
Alan Wu	Director

#### Staff Participants

Clair Overy	From July 2016
Bridgette Thorold	Until January 2016

#### Registered office and Principal place of business

132 Leicester Street  
Carlton, Victoria, 3053  
Phone: +61 3 9289 9444  
[www.oxfam.org.au](http://www.oxfam.org.au)

#### Solicitors

Corrs Chambers Westgarth  
600 Bourke Street  
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 nine-month period ended 31 March 2016.

### Directors

The names and details of the Directors in office during the nine-month period ended 31 March 2016 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**  
**Chair**  
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 leads Deloitte's Responsible Business agenda nationally and chairs The Deloitte Foundation. Dennis also serves as a member of the Library Board of Victoria and on the board of the Melbourne Chamber Orchestra. He has completed terms on the board of The Royal Children's Hospital Melbourne, 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.

**Dr Ian Anderson AM**  
**Deputy Chair (until October 2015)**  
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**  
**Deputy Chair (from October 2015)**  
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.

**Susan Black**  
B Occ Thy, MSWAP

Susan is currently a Social Business Mentor in Myanmar. Previously she has worked in Australia in business development for social enterprises, social impact investing, collective impact and change management projects. She has previously held various positions in Australia with Social Ventures Australia, Oxfam, Queensland Government and smaller community based organisations. She is an Associate of the Centre for Social Response, a community development training organisation.

**Selwyn Button**  
B. Teaching

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, BEcon, MAICD

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.

## Oxfam Australia - Financial Report

### Directors' Report (cont.)

**Melissa Houghton**  
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 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

**Dr Fiona Kotvojs**  
MBA, Grad Dip (Business Management),  
Grad Dip (Education), Grad Dip Assess &  
Eval., BSc [Honours], GAICD

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. Her international development experience includes governance roles as Alternate Director and Senior Executive for ACIL Australia. She also has served as a Director or Trustee on a range of other Australian Boards and Trusts.

**The Hon Judi Moylan**  
Dip REMgmt, GAICD

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 of the National Diabetes Strategy Advisory Group 2013, 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.

**Mark Pryn**  
BEcon, ACA, 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.

**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 B Lab Australia & New Zealand.

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.

**Barbara Rugendyke**  
BA(Hons). Dip. Ed., PhD

Barbara has enjoyed a twenty year career as an academic geographer, teaching and researching in the field of international development. The contributions of NGOs to poverty reduction have been a long-term focus of Barbara's research. Barbara has also worked as a facilitator in community development planning in remote Aboriginal communities in Australia and conducted research about sustainable livelihoods for resettled indigenous minority communities in northern Vietnam. Barbara currently serves as Dean and Head of School of Arts and Social Sciences at Southern Cross University and is an Adjunct Professor at the University of New England. Barbara has supported Oxfam over many years and has prior experience on boards of local community organisations and small development NGOs, as well as in university governance.

## Oxfam Australia - Financial Report

### Directors' Report (cont.)

**Belinda Tallis**

LLB, BEc, GDLP, GAICD, TFASFA

Belinda is an experienced company director with expertise in financial services, not-for-profit organisations, strategy, compliance, risk and governance. Until December 2013 Belinda worked in the finance sector particularly in funds management. Formerly a lawyer with 30 years commercial legal experience Belinda has worked as a senior executive in general counsel roles for global firms including UBS, Lazard Asset Management, Nikko Asset Management and BankSA.

Belinda is a member of the Compliance Committee of Capital Group Investment Management Ltd and of the Governance Committee of Lifeline Australia. She 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.

**Michael Wright**

BEc (Hons), M.SC Ec (Hons), AICD

Michael was until recently, Managing Director of Monash Partners Academic Health Science Centre. He is currently using his management experience to mentor a number of senior public sector managers in Australia and New Zealand.

Previously, Michael had been 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.

**Alan Wu**

BA, LLB, GradDipLegPrac

As the youngest and longest-serving Chair of Australia's peak body for young people, Alan 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. For this, Alan was recognised by the Australian Human Rights Commission and named a finalist in the Young Australian of the Year Awards.

Internationally, Alan has served as Special Envoy for Young People to the UN Environment Programme Executive Director, on the Australian National Commission for UNESCO, and as the founding chair of the Canberra Hub of the Global Shapers Community, an initiative of the World Economic Forum.

**Board staff participant****Clair Overy**

BA, MA

Clair has worked for Oxfam Australia for the last seven years, and currently oversees our relationships and support to programs in Indonesia, Timor-Leste and the Philippines, as the Portfolio Manager for those countries.

Clair has over 20 years of experience in the community and international development sectors working across a diverse range of countries and regions including UK, Canada, West Africa, Central, Far East and South East Asia, and the Pacific. She has particular expertise in working with young people, gender analysis and assessment, and program design, monitoring, evaluation and learning.

**Bridgette Thorold**

Bridgette is the country Director for Sri Lanka with firsthand experience both within Melbourne and field offices over the past 12 years. Bridgette's previous roles have included Country Representative in South Africa, the Southern Africa regional desk covering Zimbabwe, Mozambique and Malawi programs and centralised oversight and technical support functions managing both the Program Development Unit and then Program Quality Unit. Bridgette led the establishment of a Single Management Structure (SMS) in Sri Lanka and her varied positions have afforded Bridgette the opportunity to gain perspective from both head and field offices and develop a wide spectrum of relationships and stakeholder engagement within and outside of Oxfam Australia.

## Oxfam Australia - Financial Report

### Directors' Report (cont.)

#### Company Secretary

**Anthony Alexander**  
BBus, CPA, MAICD

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.

**Blessing Cuthbert Bonga Zama**

Oxfam operates an office in South Africa and is required by South African corporation law to have a local company secretary. Blessing is the Chief Financial Officer of the South Africa office.

### 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 nine-month period ended 31 March 2016. 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 is one of 18 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 60 years of experience in tackling poverty and inequality in the East Asia, Pacific, South Asia, and Southern Africa regions. 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.

Oxfam Australia also runs humanitarian appeals to which the Australian public generously responds, and in 2015/16 these appeals raised \$1,914,222.

The Oxfam shops help to build our profile, educate the public, and raise funds for our programs, and by selling a range of Fair Trade and other selected products, we are able to support small-scale producers in countries where we work.

### Operating and financial review

In 2016, Oxfam Australia changed from a June year-end to a March year-end in order to align to the global Oxfam reporting year. The consolidated deficit for the nine month period was \$7.2 million mainly as a result of the distribution of emergency income (mostly Nepal earthquake funds) received in the previous financial year and the reduction of three months' of fundraising income (especially tax appeal in June) due to the change in the financial year. We also reported negative cash flow from operations of \$11.1 million which primarily represents a decrease in our unspent reserves from prior year in relation to the Nepal Appeal.



## Oxfam Australia - Financial Report

### Directors' Report (cont.)

During the nine-month period, our consolidated income decreased by \$40.6 million to a total of \$70.1 million largely impacted by the financial year change (reporting 9 months of income rather than 12). The main contributor was community support income which decreased by \$27.6 million mainly due to having 3 months' less income reported and the impact of receiving a large amount of funding for the Nepal Appeal in 2014/15 (which was not received in 2015/16). We also spent \$46.6 million on our long term program development, advocacy and emergency responses during the nine-month period, down \$16.2 million on prior year.

The deficit and negative cash flow was largely due to:

- a 9 month financial reporting period (compared to a 12 month-period for last financial year) as a consequence of the change of financial year
- significant emergency funds distributed during the year (related mostly to the Nepal and Vanuatu appeals)
- reduction of prior years' long term program development and humanitarian appeals unspent balances

Investment in income-generating activity to increase our community support income, both now and for the future, continues to be a high priority for the organisation. Once again this year, we were able to ensure our program, fundraising and administration ratios were within our expected range.

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

The organisation continues to promote social justice and fight poverty while maintaining a sound financial position.

#### 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
- Cost of Fundraising Ratio: Fundraising expenditure as a percentage of total community support income
- Administration Ratio: Administration costs as a percentage of total expenditure

	<u>2015/16</u>	<u>2014/15</u>	<u>2013/14</u>
Program Investment Ratio:	69.5%	68.9%	65.9%
Cost of Fundraising Ratio:	36.3%	28.7%	29.7%
Administration Ratio:	9.9%	11.3%	12.1%

Our Program Investment ratio increased from prior year as we increased our expenditure on program and emergency responses. We continue to maintain significant levels of investment in our programming and advocacy work. Our Cost of Fundraising ratio increased from prior year as a result of continuing fundraising investment in order to maintain and increase our income from the public and support our program funding. Our administration ratio decreased due to greater internal cost efficiencies. 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.

#### Attendance at meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the nine-month period 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)

## Oxfam Australia - Financial Report

### Directors' Report (cont.)

	Directors' Meetings	Finance, Risk & Audit Committee	Governance Committee	Public Engagement Committee	Nominations Committee	Remuneration Committee
Number of meetings held:	5	4	4	5	2	1
	<b>Attended</b>	<b>Attended</b>	<b>Attended</b>	<b>Attended</b>	<b>Attended</b>	<b>Attended</b>
Ian Anderson	3 (3)	2 (2)	1 (2)	N/A	N/A	N/A
Susan Black	3 (5)	N/A	2 (4)	3 (5)	1(1)	N/A
Selwyn Button	3 (5)	1 (4)	N/A	N/A	N/A	N/A
Ann Byrne	4 (5)	4(4)	N/A	N/A	N/A	1 (1)
Peter Croft	5 (5)	3(4)	N/A	N/A	N/A	N/A
Dennis Goldner	4 (5)	1 (4)	4 (4)	N/A	2 (2)	1 (1)
Melissa Houghton	3 (5)	N/A	N/A	5 (5)	N/A	1 (1)
Fiona Kotvojs	4 (5)	N/A	2 (4)	N/A	N/A	N/A
Judi Moylan (see note)	0 (5)	N/A	N/A	1 (5)	N/A	N/A
Mark Pryn	5 (5)	4(4)	N/A	N/A	N/A	N/A
Barbara Rugendyke	4 (5)	N/A	4 (4)	N/A	N/A	N/A
Michael Wright	4 (5)	2 (4)	N/A	4 (5)	N/A	N/A
Alan Wu	4 (5)	N/A	3 (4)	N/A	1 (1)	1 (1)
<i>Staff Participant</i>						
Bridgette Thorold	2(5)	N/A	N/A	0(4)	N/A	N/A

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

**Note** -The Board has been cognisant of the fact that Judi Moylan had major commitments over the year in relation to Diabetes Australia and the International Diabetes Federations.

### 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, a Nominations Committee and a Remuneration Committee (established in December 2015). Members acting on the committees of the Board during the year were:

Finance Risk & Audit	Public Engagement	Governance	Nominations	Remuneration
A Byrne (co-ch)	M Houghton (ch)	S Black(ch until Oct 2015)	D Goldner (ch)	D Goldner (ch)
M Pryn (co-ch)	S Black	F Kotvojs	A Wu(from Oct 2015)	A Byrne
P Croft	J Moylan	I Anderson (until Oct 2015 then @)	S Black(until Oct 2015)	M Houghton
I Anderson (until Oct 2015)	L Healy @	A Wu (ch from Oct 2015)	G Romanes @	A Wu
D Goldner	B Thorold# (until Jan 2016)	D Goldner	J Mitchell @	
M Wright	M Wright	B Rugendyke	B Hartnett@	
S Button		J Hobbs @	G Graham @	
L Tallis @				
B Watson @				

(ch) designates the chair of the committee

(co-ch) designates multiple committee chairs

@ honorary independent members of the committee and non-director during the reporting period

# staff participant

## Oxfam Australia - Financial Report

### 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.



Dennis Goldner  
Chair



Ann Byrne  
Director

Melbourne  
15 July 2016



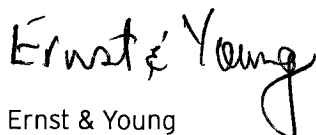
Building a better  
working world

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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 nine-month period ended 31 March 2016, 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



Paul Gower  
Partner  
15 July 2016

## Statement of Comprehensive Income

FOR THE PERIOD ENDED 31 MARCH 2016	NOTE	CONSOLIDATED	
		9 months to 31-March-2016 (\$000)	12 months to 30-June-2015 (\$000)
Community support income	3 (a)	35,666	63,277
Grants (government & non-government)	3 (b)	24,036	33,914
Sale of goods		9,709	12,525
Investment income	3 (c)	394	577
Other operating income	3 (d)	248	422
<b>Total income</b>		<b>70,053</b>	<b>110,715</b>
Program costs	3 (e)	46,601	62,827
Fundraising expenses		13,303	17,833
Cost of goods sold and services provided		4,652	6,119
Administration costs	3 (f)	12,504	17,543
Foreign exchange (gain) / loss	3 (g)	215	(142)
Finance costs		9	14
<b>Total expenses</b>		<b>77,284</b>	<b>104,194</b>
<b>Net surplus / (deficit) for the year</b>		<b>(7,231)</b>	<b>6,521</b>
<b>Other comprehensive income / (loss)</b>			
Net gain / (loss) on available-for-sale investments		(2)	1
<b>Total other comprehensive income / (loss)</b>		<b>(2)</b>	<b>1</b>
<b>Total comprehensive surplus / (deficit) for the year</b>		<b>(7,233)</b>	<b>6,522</b>

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

## Statement of Financial Position

AS AT 31 MARCH 2016	NOTE	CONSOLIDATED	
		31-March-2016 (\$000)	30-June-2015 (\$000)
<b><u>ASSETS</u></b>			
<b><i>Current assets</i></b>			
Cash & cash equivalents	4	16,524	28,924
Trade and other receivables	5	1,647	2,173
Inventories	6	2,618	2,442
Other current assets	7	899	1,140
Available for sale financial assets	8	28	66
<b>TOTAL Current assets</b>		<b>21,716</b>	<b>34,745</b>
<b><i>Non-current assets</i></b>			
Available for sale financial assets	8	23	24
Property, plant and equipment	9	9,727	9,868
Intangible assets	10	82	142
Investment property	11	98	103
<b>TOTAL Non-current assets</b>		<b>9,930</b>	<b>10,137</b>
<b>TOTAL ASSETS</b>		<b>31,646</b>	<b>44,882</b>
<b><u>LIABILITIES</u></b>			
<b><i>Current liabilities</i></b>			
Trade and other payables	12	8,046	13,628
Interest bearing liabilities	13	95	109
Provisions	14	4,662	5,005
<b>TOTAL Current liabilities</b>		<b>12,803</b>	<b>18,742</b>
<b><i>Non-current liabilities</i></b>			
Provisions	14	925	989
<b>TOTAL Non-current liabilities</b>		<b>925</b>	<b>989</b>
<b>TOTAL LIABILITIES</b>		<b>13,728</b>	<b>19,731</b>
<b>NET ASSETS</b>		<b>17,918</b>	<b>25,151</b>
<b><u>ACCUMULATED FUNDS</u></b>			
Retained surplus		12,618	15,164
Reserves	23	5,300	9,987
<b>TOTAL ACCUMULATED FUNDS</b>		<b>17,918</b>	<b>25,151</b>

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

## Statement of Cash Flows

FOR THE PERIOD ENDED 31 MARCH 2016	NOTE	CONSOLIDATED	
		9 months to 31-March-2016 (\$000)	12 months to 30-June-2015 (\$000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		9,649	12,555
Receipts from donors and Government		55,167	95,906
Payments to suppliers and employees		(29,411)	(39,652)
Payments to projects		(46,813)	(61,859)
Interest received		370	535
Interest and other costs of finance paid		(9)	(14)
<b>Net cash provided by / (used in) operating activities:</b>	4 (a)	<b>(11,049)</b>	<b>7,471</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		-	28
Proceeds from sale of available-for-sale investments		33	7
Investment interest and dividends received		4	18
Purchase of property, plant and equipment		(168)	(179)
Purchase of intangibles		(6)	(103)
Repayment from Oxfam affiliate		-	73
<b>Net cash (used in) investing activities:</b>		<b>(136)</b>	<b>(156)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Re-payment of borrowings		(1,215)	(1,926)
<b>Net cash (used in) financing activities:</b>		<b>(1,215)</b>	<b>(1,926)</b>
Net increase in cash and cash equivalents		(12,400)	5,389
Cash and cash equivalents at the beginning of the period		28,924	23,535
<b>Cash and cash equivalents at the end of the period</b>	4	<b>16,524</b>	<b>28,924</b>

## Statement of Changes in Equity

FOR THE PERIOD ENDED 31 MARCH 2016

CONSOLIDATED	Retained surplus (\$000)	Restricted reserves (\$000)	Net unrealised gains reserve (\$000)	International crisis fund (\$000)	Total (\$000)
<b>At 30 June 2014</b>	15,727	2,796	23	83	18,629
Surplus for the year	6,521				6,521
Net unrealised (losses) / gains on available-for-sale investments			1		1
Total comprehensive income for the year	6,521	-	1	-	6,522
Transfer to / (from) reserves	(7,084)	7,084			-
<b>At 30 June 2015</b>	15,164	9,880	24	83	25,151
Surplus for the nine-month period	(7,231)				(7,231)
Net unrealised (losses) / gains on available-for-sale investments			(2)		(2)
Total comprehensive income for the nine-month period	(7,231)	-	(2)	-	(7,233)
Transfer to / (from) reserves	4,685	(4,602)		(83)	-
<b>At 31 March 2016</b>	12,618	5,278	22	-	17,918



## Notes to the Financial Statements

PERIOD ENDED 31 MARCH 2016

### 1. Corporate information

The consolidated financial report of Oxfam Australia and its subsidiary, Oxfam Australia Trading Pty Ltd (collectively, the Group) for the nine-month period ended 31 March 2016 was authorised for issue in accordance with a resolution of the directors on 15 July 2016.

Oxfam Australia is a public company limited by guarantee. It is an income tax exempt charitable (non-for-profit) 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 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 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 all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

#### (a) Change in financial year end date

In 2016, Oxfam Australia changed from a June year-end to a March year-end in order to align to the global Oxfam Confederation reporting year. The Group has obtained approval from the Australian Charities and Not-for-Profits Commission to change its financial year end from 30 June to 31 March. Hence, these financial statements reflect results for the nine months ended 31 March 2016 while the comparative is for the twelve months period ended 30 June 2015. Effective 1 April 2016, the financial years of Oxfam Australia consolidated and its subsidiary, Oxfam Australia Trading Pty Ltd are for twelve month periods ending 31 March. As such, the amounts presented in the financial report are not entirely comparable.

#### (b) 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.

#### (c) 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 31 March 2016 and 30 June 2015 (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.

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

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 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.

#### **(d) 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.

#### **(e) 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.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 2. Summary of significant accounting policies (cont.)

*(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.

**(f) 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.

**(g) 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.

**(h) 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.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 2. Summary of significant accounting policies (cont.)

#### *(i) 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.

#### *(j) 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.

#### *(k) 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.

#### *(l) 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.

#### *(m) 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.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 2. Summary of significant accounting policies (cont.)

#### *(n) 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.

#### *(o) 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.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 2. Summary of significant accounting policies (cont.)

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.

#### ***(p) 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.

#### ***(q) 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) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the statement of profit or loss.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 2. Summary of significant accounting policies (cont.)

#### *(iii) Available-for-sale investments*

Available-for-sale investments are those non-derivative financial assets that are neither classified as held for trading nor designated at fair value through profit or loss. After initial recognition available-for-sale investments are measured at fair value with unrealised 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.

#### *(r) 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.

#### *(s) 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.

#### *(t) 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.

#### *(u) 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.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 2. Summary of significant accounting policies (cont.)

#### *(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.

#### ***(v) 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.

#### ***(w) 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 depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computer software costs	2-3 years
Development costs	5 years

#### ***(x) Comparative figures***

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

#### ***(y) 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)**

PERIOD ENDED 31 MARCH 2016

**3. Revenue and expenses**

	<b>CONSOLIDATED</b>	
	9 months to 31-March-2016 (\$000)	12 months to 30-June-2015 (\$000)
<b>(a) Community Support Income</b>		
Donations and gifts	34,425	61,612
Legacies and bequests	1,241	1,665
	<u>35,666</u>	<u>63,277</u>
<b>(b) Grants</b>		
Australian government grants (DFAT)	17,471	29,193
Australian government grants (other)	-	100
Non government Australian grants	1,048	885
Non government overseas grants	5,517	3,736
	<u>24,036</u>	<u>33,914</u>
<b>(c) Investment Income</b>		
Rental Income	20	24
Interest received or receivable	370	542
Dividends received	4	11
	<u>394</u>	<u>577</u>
<b>(d) Other Operating Income</b>		
Net gain on disposal of property, plant and equipment	-	29
Net loss from sale of shares	(4)	-
Other income	252	393
	<u>248</u>	<u>422</u>
<b>(e) Program Costs</b>		
Funds to overseas programs	38,307	52,968
Domestic programs	917	1,722
Program support costs	3,319	3,001
Public policy and education programs	3,538	4,551
Development and effectiveness	520	585
	<u>46,601</u>	<u>62,827</u>

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

## 3. Revenue and expenses (cont)

	CONSOLIDATED	
	9 months to 31-March-2016 (\$000)	12 months to 30-June-2015 (\$000)
<b>(f) Administration Costs</b>		
Depreciation of:		
Buildings	155	209
Investment property	4	5
Plant and equipment	154	216
Amortisation of intangible assets	58	126
Lease payments - operating leases	1,523	1,948
Administration staff costs		
Salaries	4,128	5,453
Superannuation	470	570
Retail staff costs		
Salaries	1,212	1,432
Superannuation	108	134
Bank charges	117	157
Insurance	210	256
Other operating costs (including IT)	2,238	3,844
Other operating costs - restructuring	46	1,046
Subsidiary operating costs	2,082	2,147
	<b>12,504</b>	<b>17,543</b>
<b>(g) Foreign exchange movements</b>		
Foreign currency transactions (gains)/losses (i)	215	(142)
	<b>215</b>	<b>(142)</b>

(i) Includes reversal of prior year mark-to-market position on forward exchange contracts of \$982 (2015: \$249,019)

## 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 four months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

	CONSOLIDATED	
	31-March-2016 \$	30-June-2015 \$
Cash at bank and in hand	10,457	28,924
Short-term deposits	6,067	-
	<b>16,524</b>	<b>28,924</b>

Notes (continued)

PERIOD ENDED 31 MARCH 2016

4. Cash and cash equivalents (cont)

	CONSOLIDATED	
	9 months to 31-March-2016 (\$000)	12 months to 30-June-2015 (\$000)
<b>(a) Reconciliation of net surplus to net cash flows from operations</b>		
Surplus	(7,231)	6,521
Adjustments for:		
Depreciation and Amortisation	379	556
Loss / (Gain) on sale of plant & equipment	-	(29)
Loss from sale of shares	4	-
Interest / dividend income classified as investing cash flow	(4)	(18)
Repayment of trade finance borrowings classified as financing cash flow	1,201	1,829
Changes in assets and liabilities:		
(Increase) / decrease in current receivables	512	(546)
(Increase) / decrease in other current assets	241	(88)
(Increase) / decrease in inventories	(175)	434
(Decrease) / increase in trade creditors and accruals	(5,569)	(2,107)
(Decrease) / increase in provisions	(407)	919
Net cash from operating activities	<u>(11,049)</u>	<u>7,471</u>

5. Trade and other receivables

	CONSOLIDATED	
	31-March-2016 (\$000)	30-June-2015 (\$000)
<b>Current</b>		
Trade and other receivables	1,647	2,173
	<u>1,647</u>	<u>2,173</u>

**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 losses have been recognised by the Group in the current and previous year.

Notes (continued)

PERIOD ENDED 31 MARCH 2016

6. Inventories (current)

	CONSOLIDATED	
	31-March-2016 (\$000)	30-June-2015 (\$000)
<b>Inventory held for sale</b>		
Raw materials	54	122
Finished goods	2,564	2,320
	<b>2,618</b>	<b>2,442</b>

**Inventory expense**

Inventories recognised as an expense for the nine-month period ended 31 March 2016 totalled \$4,652,562 (2015: \$6,119,255) for the Group. This expense has been included in the cost of sales line item. Inventories written down as an expense for the nine-month period ended 31 March 2016 totalled \$86,893 (2015: \$192,069) for the Group. This expense has been included in the cost of sales line item.

7. Other Current Assets

	CONSOLIDATED	
	42460 (\$000)	42185 (\$000)
Prepayments	899	1,140
	<b>899</b>	<b>1,140</b>

8. Available-for-sale financial assets

	CONSOLIDATED	
	42460 (\$000)	42185 (\$000)
<b>Current</b>		
Investments held by UBS at fair value (i)	28	66
	<b>28</b>	<b>66</b>
<b>Non-current</b>		
Shares (other) - listed (ii)	3	4
Shares - unlisted (iii)	20	20
	<b>23</b>	<b>24</b>

(i) Investments held by UBS represent quarantined amounts to fund program work in 2016/17. 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 (continued)

PERIOD ENDED 31 MARCH 2016

## 9. Property, plant and equipment

	CONSOLIDATED		
	Freehold, land and buildings	Plant and equipment	Total
	(\$000)	(\$000)	(\$000)
<b>Nine-month period ended 31 March 2016</b>			
<b>At 30 June 2015, net of accumulated depreciation</b>	9,204	664	<b>9,868</b>
Additions	21	51	<b>72</b>
Additions (capital works in progress)	-	96	<b>96</b>
Disposals	-	-	-
Reduction in capital work in progress	-	-	-
Depreciation charge for the nine-month period	(155)	(154)	<b>(309)</b>
<b>At 31 March 2016, net of accumulated depreciation</b>	<b>9,070</b>	<b>657</b>	<b>9,727</b>
<b>At 1 July 2015</b>			
At cost	12,152	4,240	<b>16,392</b>
Accumulated depreciation	(2,948)	(3,576)	<b>(6,524)</b>
<b>Net carrying amount</b>	<b>9,204</b>	<b>664</b>	<b>9,868</b>
<b>At 31 March 2016</b>			
At cost	12,173	4,387	<b>16,560</b>
Accumulated depreciation	(3,103)	(3,730)	<b>(6,833)</b>
<b>Net carrying amount</b>	<b>9,070</b>	<b>657</b>	<b>9,727</b>
<b>Year ended 30 June 2015</b>			
<b>At 30 June 2014, net of accumulated depreciation</b>	9,364	750	<b>10,114</b>
Additions	49	215	<b>264</b>
Additions (capital works in progress)	15	3	<b>18</b>
Disposals	-	-	-
Reduction in capital work in progress	(15)	(88)	<b>(103)</b>
Depreciation charge for the year	(209)	(216)	<b>(425)</b>
<b>At 30 June 2015, net of accumulated depreciation</b>	<b>9,204</b>	<b>664</b>	<b>9,868</b>
<b>At 1 July 2014</b>			
At cost	12,103	4,110	<b>16,213</b>
Accumulated depreciation	(2,739)	(3,360)	<b>(6,099)</b>
<b>Net carrying amount</b>	<b>9,364</b>	<b>750</b>	<b>10,114</b>
<b>At 30 June 2015</b>			
At cost	12,152	4,240	<b>16,392</b>
Accumulated depreciation	(2,948)	(3,576)	<b>(6,524)</b>
<b>Net carrying amount</b>	<b>9,204</b>	<b>664</b>	<b>9,868</b>

Notes (continued)

PERIOD ENDED 31 MARCH 2016

10. Intangible Assets

	CONSOLIDATED		
	Computer Software (\$000)	Product Design & Development (\$000)	Total (\$000)
<b>Nine-month period ended 31 March 2016</b>			
<b>At 30 June 2015, net of accumulated amortisation</b>	133	9	142
Additions	-	6	6
Additions (capital works in progress)	-	-	-
Disposals	-	-	-
Reduction in capital work in progress	-	-	-
Amortisation charge for the nine-month period	(61)	(5)	(66)
<b>At 31 March 2016, net of accumulated amortisation</b>	<b>72</b>	<b>10</b>	<b>82</b>
<b>At 1 July 2015</b>			
At cost	2,419	33	2,452
Accumulated amortisation	(2,286)	(24)	(2,310)
<b>Net carrying amount</b>	<b>133</b>	<b>9</b>	<b>142</b>
<b>At 31 March 2016</b>			
At cost	2,419	39	2,458
Accumulated amortisation	(2,347)	(29)	(2,376)
<b>Net carrying amount</b>	<b>72</b>	<b>10</b>	<b>82</b>
<b>Year ended 30 June 2015</b>			
<b>At 30 June 2014, net of accumulated amortisation</b>	157	8	165
Additions	96	7	103
Additions (capital works in progress)	95	-	95
Disposals	-	-	-
Reduction in capital work in progress	(95)	-	(95)
Amortisation charge for the year	(120)	(6)	(126)
<b>At 30 June 2015, net of accumulated amortisation</b>	<b>133</b>	<b>9</b>	<b>142</b>
<b>At 1 July 2014</b>			
At cost	2,323	25	2,348
Accumulated amortisation	(2,166)	(17)	(2,183)
<b>Net carrying amount</b>	<b>157</b>	<b>8</b>	<b>165</b>
<b>At 30 June 2015</b>			
At cost	2,419	33	2,452
Accumulated amortisation	(2,286)	(24)	(2,310)
<b>Net carrying amount</b>	<b>133</b>	<b>9</b>	<b>142</b>

**Notes (continued)**

PERIOD ENDED 31 MARCH 2016

**11. Investment property**

	CONSOLIDATED	
	31-March-2016	30-June-2015
	(\$000)	(\$000)
At 1 July, net of accumulated depreciation and impairment	103	108
Depreciation charged for the year	(4)	(5)
At period end, net of accumulated depreciation and impairment	<u>98</u>	<u>103</u>

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.

**12. Trade and other payables**

	CONSOLIDATED	
	31-March-2016	30-June-2015
	(\$000)	(\$000)
<b>Payables (current)</b>		
Trade payables (i)	75	185
Other payables and accrued expenses (ii)	2,145	2,965
Unexpended grant income (iii)	5,518	10,477
Foreign currency payables (iv)	308	1
	<u>8,046</u>	<u>13,628</u>

(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(e) 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

**13. Interest-bearing loans and borrowings**

	CONSOLIDATED	
	31-March-2016	30-June-2015
	(\$000)	(\$000)
<b>Current</b>		
Unsecured trade finance	95	109
	<u>95</u>	<u>109</u>

**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.

## Notes (continued)

## PERIOD ENDED 31 MARCH 2016

## 13. Interest-bearing loans and borrowings (cont)

*Financing facilities available*

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

	CONSOLIDATED	
	31-March-2016 (\$000)	30-June-2015 (\$000)
<b>Total facilities</b>		
Trade Finance	500	500
Visa Business Card	250	250
<b>Facilities used at balance date</b>		
Trade Finance	95	109
Visa Business Card	5	-
<b>Facilities unused at balance date</b>		
Trade Finance	405	391
Visa Business Card	245	250

## 14. Provisions

	CONSOLIDATED					
	Long service leave (\$000)	Annual leave (\$000)	Redundancy (\$000)	Make good provision (\$000)	Operating lease provision (\$000)	Total (\$000)
At 1 July 2015	3,161	1,779	716	234	104	5,994
Net changes during the nine-month period	75	(155)	(339)	-	12	(407)
At 31 March 2016	3,236	1,624	377	234	116	5,587
Current 2016	2,638	1,624	377	-	23	4,662
Non-current 2016	598	-	-	234	93	925
	<b>3,236</b>	<b>1,624</b>	<b>377</b>	<b>234</b>	<b>116</b>	<b>5,587</b>
At 1 July 2014	2,848	1,780	145	234	68	5,075
Net changes during the year	313	(1)	571	-	36	919
At 30 June 2015	3,161	1,779	716	234	104	5,994
Current 2015	2,497	1,779	716	-	13	5,005
Non-current 2015	664	-	-	234	91	989
	<b>3,161</b>	<b>1,779</b>	<b>716</b>	<b>234</b>	<b>104</b>	<b>5,994</b>

## 15. 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.



**Notes (continued)**

PERIOD ENDED 31 MARCH 2016

**16. 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 31 March are as follows:

	<b>CONSOLIDATED</b>	
	<b>31-March-2016</b>	<b>30-June-2015</b>
<b>Payable</b>	<b>(\$000)</b>	<b>(\$000)</b>
Within one year	1,122	1,100
After one year but not more than five years	2,059	2,960
After more than five years	-	-
<b>Total minimum lease repayments</b>	<b>3,181</b>	<b>4,060</b>

***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 31 March 2016

- (i) Bank guarantees of \$141,835 in favour of the lease vendors of state offices as security in case of default.
- (ii) Bank guarantees totalling \$205,157 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 31 March 2016. 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 2016.

**Notes (continued)**

PERIOD ENDED 31 MARCH 2016

**17. 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		Investment	
		2016	2015	31-March-2016 (\$000)	30-June-2015 (\$000)
Oxfam Australia Trading Pty Ltd	Australia	100	100	3,691	4,131
				<u>3,691</u>	<u>4,131</u>

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	Purchases from related parties	Amounts owed	
		(\$000)	(\$000)	by related parties (\$000)	to related parties (\$000)
Subsidiary:					
Oxfam Australia Trading Pty Ltd	2016	-	15	75	-
Oxfam Australia Trading Pty Ltd	2015	-	12	57	-

**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

**18. Information relating to Oxfam Australia (the Parent)**

	31-March-2016 (\$000)	30-June-2015 (\$000)
Current assets	17,896	30,636
Total assets	30,132	43,405
Current liabilities	11,668	17,625
Total liabilities	12,214	18,254
Retained surplus	12,618	15,164
Restricted reserves	5,278	9,880
Net unrealised gains reserve	22	24
International crisis fund	-	83
	<u>17,918</u>	<u>25,151</u>
	9 months to 31-March-2016 (\$000)	12 months to 30-June-2015 (\$000)
Surplus of the Parent entity	(7,231)	6,521
Total comprehensive income of the Parent entity	(7,233)	6,522

**19. 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.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 20. Auditor's remuneration

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

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
- Other services in relation to the entity and any other entity in the consolidated group
  - assurance related
  - non-assurance related

CONSOLIDATED	
31-March-2016 (\$000)	30-June-2015 (\$000)
116	115
-	-
-	35
116	150

### 21. Director and executive disclosures

#### (a) Details of Directors and Executives

##### (i) Non-Executive Directors

Dennis Goldner	Chair
Ian Anderson	Deputy Chair (until October 2015)
Ann Byrne	Deputy Chair (from October 2015)
Susan Black	Director
Selwyn Button	Director
Peter Croft	Director
Melissa Houghton	Director
Fiona Kotvojs	Director
Judi Moylan	Director
Mark Pryn	Director
Gregory Ridder	Director (from July 2016)
Barbara Rugendyke	Director
Belinda Tallis	Director (from July 2016)
Michael Wright	Director
Alan Wu	Director

##### (ii) Executives

Dr Helen Szoke	Chief Executive
Tony McKimmie	Chief Operating Officer
Anthony Alexander	Chief Financial Officer
Alexia Huxley	Director of International Programs (until July 2015)
Alex Mathieson	Director of Programs (from October 2015)
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.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 21. Director and executive disclosures (cont)

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.

Remuneration of the key management personnel is tabled below:

	CONSOLIDATED	
	31-March-2016	30-June-2015
	(\$000)	(\$000)
Short-term employee benefits	861	866
Superannuation	70	86
<b>Total compensation</b>	<b>931</b>	<b>952</b>

### 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. The Board of Oxfam Australia reviews the level of reserves held periodically.

## Notes (continued)

PERIOD ENDED 31 MARCH 2016

### 23. Reserves policy (cont)

The reserves at 31 March 2016 fall into three 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 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. As at 31 March 2016, the balance of restricted reserves includes \$3,139,709 (\$7,148,299 as at 30 June 2015) of unspent income from the Nepal earthquake humanitarian appeal. This unspent income is expected to be disbursed and expensed in FY 16/17.

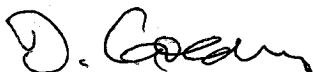
\* **Net unrealised gains reserve**: This comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

## 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 2016 and of their performance for the nine-month period 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



Denis Goldner  
Chair



Ann Byrne  
Director

Melbourne  
15 July 2016



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## Independent auditor's report to the members of Oxfam Australia

### Report on the financial report

We have audited the accompanying financial report of Oxfam Australia, which comprises the consolidated statement of financial position as at 31 March 2016, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine-month period 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 of the registered entity 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 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 judgement, 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 *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,

- a. the financial report of Oxfam Australia is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the financial position of Oxfam Australia at 31 March 2016 and of its performance for the nine-month period ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Ernst & Young

Paul Gower  
Partner  
Melbourne  
15 July 2016