

# OXFAM ANNUAL REPORT & ACCOUNTS

2011/12



OXFAM



# 15.0 million\*

people reached in 55 countries

# 1.6 million

people globally took online campaign action

# 6.5 million\*

people supported in 27 humanitarian crises

# 1,296

grants to 873 partner organisations worldwide

# 425,348

people in the UK made a regular donation





## Contents

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Message from the Chair	2
Corporate directory	3
Our approach and aims	4
Income and expenditure	5

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Sustainable livelihoods	6
Life and security	12
Essential services	17
Being heard	20
Equity	24

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Supporting the programme	27
Structure, governance and management	29
Accountability	34
Report against corporate objectives 2011/12	36
The year ahead	37
Finance summary	38

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Accounts	42
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Acknowledgements	68
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\*In our efforts to maintain our accountability to stakeholders, we continue to include statistical information throughout this report. Given the breadth and depth of our work, we acknowledge the difficulties in measuring this; we have used our own monitoring systems to compile the data, and figures have been rounded as appropriate. We have worked hard to avoid any double counting when identifying the numbers of people we reach, however, there is likely to be some overlap between specific activities, as some individuals will be supported in more than one area of our work.

## MESSAGE FROM THE CHAIR

**When I was growing up, Oxfam was part of shaping my view of the world. Its clear voice often persuaded me of what really mattered. It still does.**

The voice is more varied now, as more and more people come together in a global movement to insist on change. In the last 18 months I have had the immense privilege of learning more about Oxfam from the inside; initially as a Trustee and now as Chair of Oxfam GB<sup>1</sup> since October 2011. I would like to take this opportunity to thank my predecessor, John Gaventa, for his dedication, passion and thoughtful leadership. John's commitment to all of Oxfam's work, and especially to its listening and its learning, has been an inspiration for so many, and I will continue to look to his example in the coming years.



### **An increasingly harsh environment**

The world is a much tougher place for poor people than it was five years ago. The interlinked impacts of climate change, food price hikes, flood and drought, land grabs, and the global financial crisis take their toll. People living in poverty are forced to struggle even harder for ever diminishing resources. It is a complicated picture, but there's nothing complicated about its consequences: more than one billion people will go to bed hungry tonight. This is the context in which we launched GROW in June 2011, a global campaign calling for fundamental changes to the world's food system – and ultimately for a world in which every person has enough to eat (see page 6). Women grow much of the world's food,

but lack the land, training and investment they need to do it. Giving women the same access as men to these resources would dramatically reduce world hunger – and strike a blow to the inequality at poverty's rotten core.

### **Making our resources go further**

The harsh external environment has meant that Oxfam has had to get better at what we do, including responding to the increased number of humanitarian disasters. Innovation has been crucial in making resources stretch further: for example, using mobile phone technology to get cash to people early enough to avert the effects of a crisis on them; or developing low-cost, sustainable technology to provide water and sanitation. There is innovation in Oxfam's work with the private sector too – with our working as a catalyst connecting international companies with small- and medium-sized enterprises in developing countries, to enable those at the 'bottom' of the value chain to overcome poverty (see page 10). Oxfam's advocacy work, with its combination of careful timing and strong partnerships – including working more and more (as 'one Oxfam') with the 16 other affiliates that

**"I was drawn to Oxfam by the fact that it took its accountability to supporters and the people we work with so seriously. It wasn't surprising to find that we constantly challenge ourselves to do better and to learn from our experiences."**

make up Oxfam International – can achieve far-reaching, long-term change with relatively modest resources (see page 28).

### Accountability

I was drawn to Oxfam by the fact that it took its accountability to supporters and the people we work with so seriously. It wasn't surprising to find that we constantly challenge ourselves to do better and to learn from our experiences – for example, our acknowledgement that we need to do more to bridge the divide between humanitarian and development work, in the wake of the East Africa food crisis (see page 12).

Like others, I have long been inspired by the way in which Oxfam enables people in poverty to take control of their own futures. During a visit to Ethiopia in August 2011, I met a group of women. In the space of just a few years, starting with next to nothing, but with support from Oxfam's local partner, they had managed to save, invest in equipment and animals, and grow more food. In doing so, the women had increased their power and influence in the community, and had dramatically increased their families' ability to withstand disaster. They, and other groups like them, demonstrate how development works.

In spite of the recession and increasing concern for some about the value of international development aid, Oxfam is keeping its finances on track. This is thanks to the dedication of our thousands of supporters, and to our partners, staff, volunteers and campaigners, without whom none of the other amazing work would be possible. As Oxfam nears its 70th birthday this October, I would like to thank you all for everything you have helped to achieve so far. It is both a pleasure and a privilege to accompany you on this journey.



Karen Brown  
Chair of Oxfam

## CORPORATE DIRECTORY

### Oxfam Council of Trustees as at 31 March 2012 and 13 July 2012

Karen Brown (Chair) <sup>2, 3</sup>	Vanessa Godfrey <sup>3</sup>
Sandra Dawson (Vice-Chair) <sup>2</sup>	Rajiv Joshi <sup>1</sup>
David Pitt-Watson (Honorary Treasurer) <sup>1, 2</sup>	Matthew Martin <sup>3</sup>
James Darcy	Marjorie Scardino
Maja Daruwala	Nkoyo Toyo
Andy Friend <sup>2</sup>	Tricia Zipfel <sup>1</sup>

NB. John Gaventa and Gareth Davies retired from Council at the Annual General Meeting on 14 October 2011. At the Council meeting on 14 October 2011, Karen Brown was appointed as Chair, Sandra Dawson as Vice Chair, David Pitt-Watson as Treasurer, and James Darcy as Vice Chair Designate.

### Oxfam Association as at 31 March 2012

(Refer to Trustees' Report: Structure, governance and management: page 29)

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

Miqdad Asaria	David Lingard <sup>3</sup>
Andy Burgen	Thomas Lingard
Namukale Chintu <sup>1</sup>	Helen Marquard <sup>3</sup>
Kate Cook	Isobel McConnan
Mark Dawson	Jabulani Ncube
Bob Dewar	Tunde Olanrewaju
Janet Harrison	Tim Robinson <sup>1</sup>
Fiona Hodgson	Angela Sealey
Rachel Holmes	Janine Woodward <sup>3</sup>
Rizwana Khan	Brian Zheng Zhang

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

<sup>2</sup> Member of Remuneration Committee

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

### Principal professional advisers

Oxfam's principal professional advisers include the following:

#### Principal Clearing Bankers

The Royal Bank of Scotland Group,  
9th Floor, 280 Bishopsgate, London EC2M 4RB

#### Independent Auditors

PricewaterhouseCoopers LLP,  
7 More London Riverside, London SE1 2RT

#### Principal Solicitors

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

### Corporate Management Team

Oxfam's Corporate Management Team (CMT) comprises:

**Chief Executive** Barbara Stocking, DBE

**Campaigns and Policy** Phil Bloomer

**Communications** Thomas Schultz-Jagow (until 24 February 2012),  
Jane Cotton (interim), Chris Gottlieb (from 16 May 2012)

**Human Resources** Jane Cotton

**Fundraising** Cathy Ferrier (until 7 March 2012), Stoned Jones (interim),  
Paul Clarke (from 11 June 2012)

**Finance and Information Systems** Robert Humphreys

**International** Penny Lawrence

**Trading** David McCullough (until 30 September 2011),  
Andrew Horton (from 31 October 2011)

Oxfam is a registered charity in England and Wales (202918) and Scotland (SC039042) and a company limited by guarantee registered in England No. 612172 at Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY. Oxfam GB is a member of Oxfam International.

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

## OUR APPROACH AND AIMS

**Oxfam works with others to overcome poverty and suffering. To achieve the greatest possible impact, Oxfam works at community, national and global levels. We combine humanitarian assistance, long-term development, and campaigning and advocacy to tackle the root causes of poverty.**

Oxfam is an independent organisation, affiliated to Oxfam International, a global confederation of 17 independent Oxfams which share the same purpose and rights-based approach. We are all part of a global movement to build a fairer, safer world.

### **Charitable objects**

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

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

**Oxfam has five strategic aims that are based on fundamental human rights:**

### **The right to sustainable livelihoods**

We are working for a world in which every person has enough to eat, a dependable income and the opportunity of secure, paid employment in dignified conditions. We are calling for the funding and support needed to help millions of people living in poverty adapt to climate change.

### **The right to life and security**

We provide assistance and protection to people caught up in conflict or natural disasters, and lobby governments and the international community to live up to their responsibilities to protect civilians.

### **The right to essential services**

Oxfam's ability to secure our other aims depends on people being able to access health care, education, clean water and sanitation facilities. We lobby at global level for state investment – supplemented by international aid – in basic social services.

### **The right to be heard**

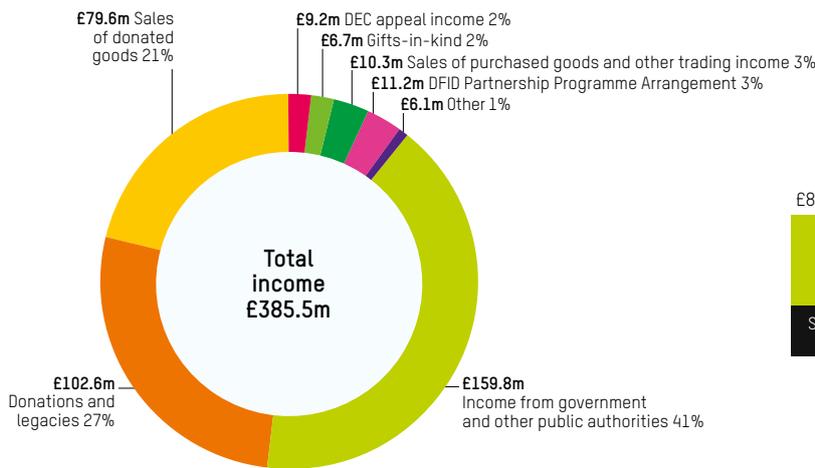
Powerlessness causes poverty and keeps people poor. Oxfam enables people in poverty to engage with decision-makers and to influence the local, national and global decisions that affect their lives.

### **The right to equity**

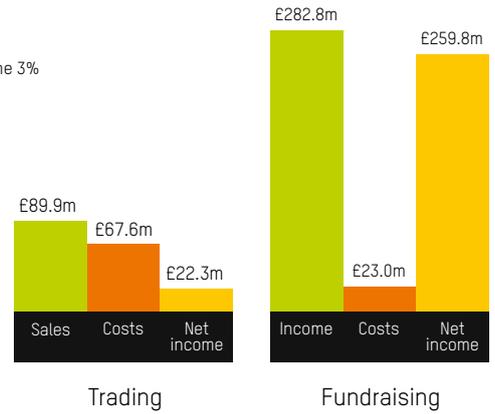
Gender inequality is a major cause of poverty. Oxfam has therefore made a commitment to put the rights of women living in poverty at the heart of everything we do.

# INCOME AND EXPENDITURE

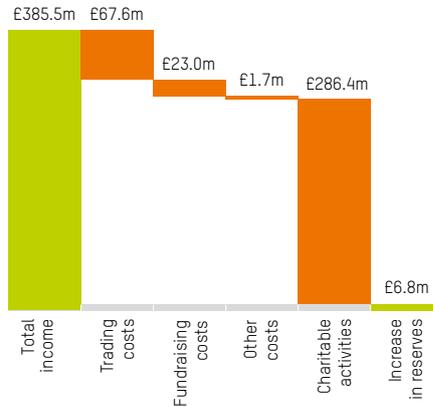
Where our funds came from



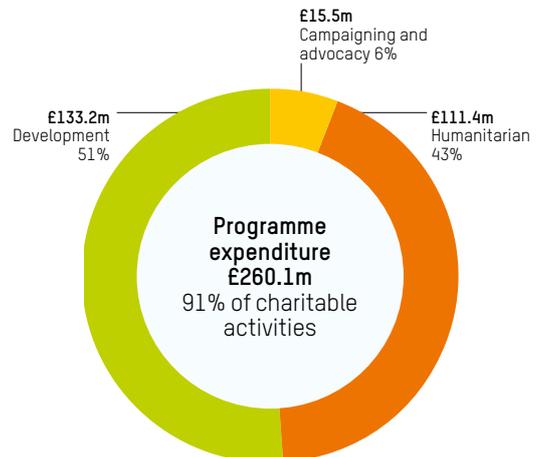
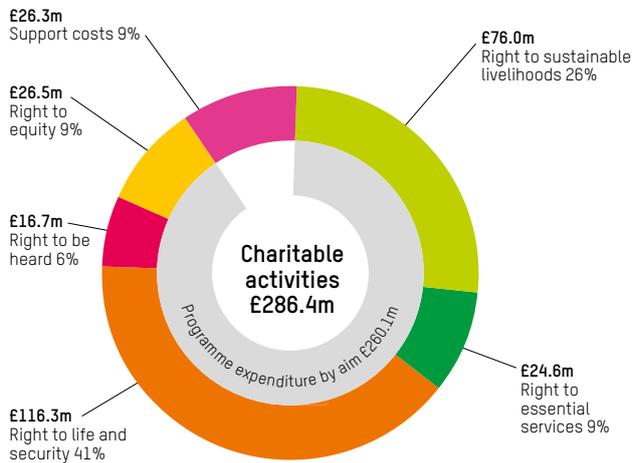
Trading and fundraising net income



Total income less expenditure



Analysis of charitable activities



# SUSTAINABLE LIVELIHOODS

In 2011/12, the impact of a failing food system on the world's poorest people was brought sharply into focus. As well as directly supporting communities, Oxfam is working to create long-term changes in policy, practice and thinking at national and global levels.

## FOOD – A GROWING CRISIS

In a world rich in resources, one in seven of the global population – one billion people – still go to bed hungry every night. The problem is at its most extreme in developing countries such as Guatemala, where over 40% of children under six are malnourished.<sup>1</sup>

The amount of arable land per head has almost halved over the past 50 years. And it is predicted that international prices of some basic foods are set to more than double by 2030.<sup>2</sup>

It is sobering figures like these which prompted Oxfam to launch its most ambitious campaign ever – GROW.

### The GROW campaign

The aim of the GROW campaign over its projected five-year span is to tackle the current unfair global food system and start a worldwide movement for a world where everyone always has enough to eat.

The campaign tackles four major, interlinked issues to secure a fairer future for the growing global population, particularly for the world's

poorest communities and for the millions of women who depend on agriculture.

- **Food price volatility.** When people have to spend 80% of their income on food, any rise in food prices can throw whole families into destitution. GROW seeks to make trade fairer and end speculation on food prices which proves so devastating.
- **Land grabs.** Rather than allow secretive land deals by wealthy companies or foreign governments that force poor farmers off their land, GROW campaigns to give farming communities the support they need to thrive.
- **Climate change.** Changing climate means that as temperatures rise, crop yields fall, and extreme weather events which can wipe out harvests are worse and more frequent. GROW campaigns to enable communities to adapt.
- **Supporting sustainable farming.** Too many of the ways that food is grown use up and destroy natural resources, but investment in small-scale farming in developing countries could hold the key to growing food more fairly and sustainably. GROW looks for changes to the way the world farms that will help productivity soar.

<sup>1</sup> Paho, 2010

<sup>2</sup> 'Growing a Better Future' report, Oxfam International 2011.

### Launching GROW

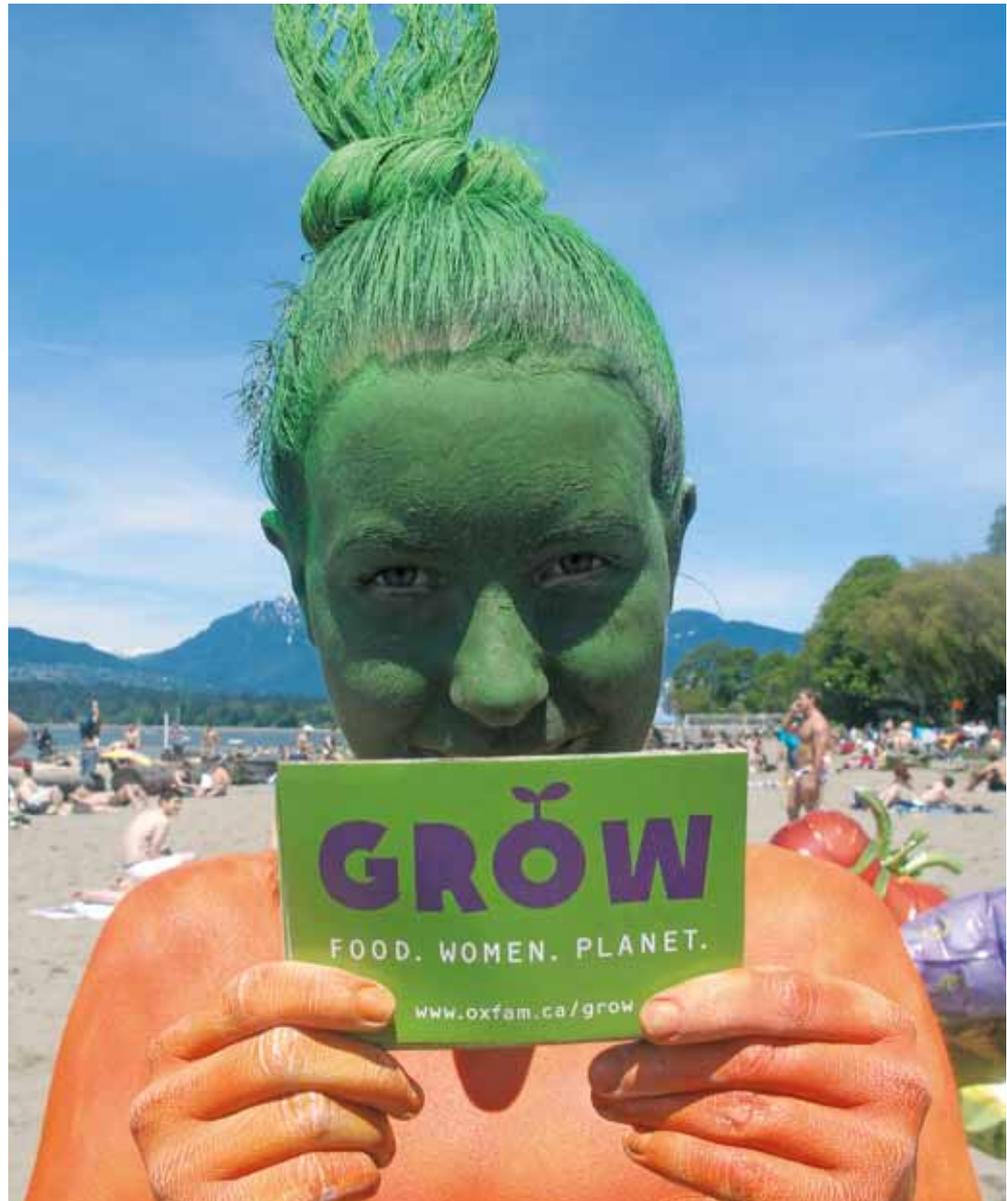
The launch of GROW in June 2011, was as ambitious as the campaign itself. Over two weeks, across more than 45 countries, thousands of people – from smallholder farmers to celebrities and politicians – helped to kickstart the campaign, taking it to the streets and on to TV screens.

Celebrity chefs using local produce from small-scale farmers featured in several

countries including the Philippines, where an exhibition on women food producers was organised, along with a public meeting with high-ranking politicians.

Food festivals, farmers' marches, discussions, demonstrations, 'Table for nine billion' stunts, food surveys, picnics and high-level political debates were amongst the GROW events that took place worldwide to celebrate food and draw attention to the problems facing us all.

In June 2011, thousands of people around the world took part in hundreds of innovative events to draw attention to the broken global food system. In Vancouver, Oxfam volunteer Sonya transformed herself into a human carrot to distribute GROW information to beachgoers. Photo: Oxfam Canada



"GROW is so urgent, so timely, and so important. If we can bring about food justice, we can bring about social justice. We need to see crops as food, not as a commodity for profit."  
 Satish Kumar, peace and environmental activist

Mamore river, our local partner FUNDEPCO is also building 200 'safe homes'. These houses are built on stilts above flood levels to protect families from any future flooding. Carmen Cortado describes their impact: "When there are floods we have to go to the town and live there. Everything gets destroyed. Now I am thinking my family's future is here in Sobrenia, as we won't have to run away from the floods any more."

**Climate change and GROW**

Tackling climate change remains at the forefront of Oxfam's fight against poverty, and is a major focus of the GROW campaign.

We continue to target the world's governments to stop them listening to industrial lobbies and start dealing with a situation that's only going to get more urgent. And for many poor rural communities worldwide, climate change is having a massive impact on their lives.

In the Beni region of Bolivia, farmers and their families are struggling to deal with changing weather patterns that mean that annual floods get progressively higher and more destructive. As part of our *camellones* project (introducing a flood- and drought-resistant farming system) in Sobrenia and other communities along the

**HELPING COMMUNITIES TO ADAPT TO CLIMATE CHANGE IN 2011/12**

-  **1,000,000**  
Number of people provided with information about disaster preparedness and climate change.
-  **780,000**  
People supported to reduce their risk to existing hazards.
-  **120,000**  
People supported to adapt to emerging climatic trends.
-  **75,000**  
People supported to develop and use new technologies and approaches in response to climatic changes.



◀ "When the waters rise we lose our rice, cassava plants and our banana crops too. It's very sad to see them growing and then they just fall down and go rotten," explains Santos Silvacios, a farmer from Sobrenia, Bolivia. "In my new home I will live a better life."  
 Photo: Peter Tecks



### GROW in the UK

In the past 30 years, the number of people in the UK living below the poverty line has almost doubled to 14 million. It is estimated that every day, 700,000 children arrive at school hungry as families struggle to put food on tables.

During the year, as part of our UK Poverty Programme (UKPP), we continued our work in partnership with the Unilever Foundation, launching a major new three-year food and livelihoods project. The work, which began in early 2012, included providing 10,000 people with emergency food packages. This is delivered through our partners FareShare and the Trussell Trust, whose work concentrates on tackling food poverty. Food banks, community centres, homeless shelters and schools are all involved in this vital activity, distributing food donated by the public, and surplus food from

industry, to projects supporting vulnerable people in local communities across the UK.

### ENTERPRISING OXFAM

We continued to encourage poor people to succeed by getting better prices for their products or by being part of companies' supply chains.

#### Oxfam Enterprise Development Programme

During 2011/12, Oxfam's Enterprise Development Programme (EDP), which identifies, nurtures and invests in small rural enterprises, produced some positive results. Despite a slowing in fundraising and some businesses taking longer to reach projected viability, 2011/12 saw:

- The number of projects funded rise from 11 to 17
- A 30% rise in the number of farmers involved to 24,000
- A 40% rise in enterprise revenues

▲ EDP investment enabled a farming association in Ethiopia to buy its own oil processing machine. "Our lives have been eased as a result. And this is just the beginning," explains Bayush Kassan (left). And with the launch of SEIF (see page 10), Oxfam, through financial intermediaries, will also be able to support more growing enterprises in the future.  
Photo: Tom Pietrasik

- A 50% rise in the number of women farmers
- 27% of the £0.6m in loans disbursed being repaid.

### Value chains

In addition to EDP, Oxfam also works with small-scale growers to establish links with larger commercial organisations in value-chain relationships.

In early 2011, we began an innovative pilot project which brought together a number of Guatemalan producers' associations, international food companies, and researchers to establish the Guatemala Highland Value Chain Development Alliance. It aims to expand opportunities in sustainable, commercial vegetable production for rural communities.

Working with local partner ADAM, we aim to support 480 small-scale farming families to supply quality frozen vegetable markets – both domestic and export – through Sysco Corporation's and Superior Foods' supply chain. Guatemalan vegetable processor Alimentos SUMAR is providing technical assistance, seedlings and agricultural supplies, and is testing new women-focused business models. Oxfam and ADAM are advising producer organisations on business plans, pricing, collection and transport, and production of agricultural supplies to further enhance the producers' role in the supply chain.

### Launch of the Small Enterprise Impact Investing Fund

Early 2012 saw a major milestone in our work on finance provision for small enterprises in the developing world. We launched the Small Enterprise Impact Investing Fund (SEIIF) in partnership with The City of London Corporation and Symbiotics, an experienced asset management firm specialising in micro-finance and small and medium enterprise (SME) impact investments.

Unlike our EDP which directly supports the foundation of small businesses, SEIIF invests in financial intermediaries that provide funds for established SMEs in developing countries,

*"Over many years, Oxfam's work in supporting local communities to build sustainable futures for themselves, and their interest in finding new and innovative ways to do that, is what makes me a supporter."*

Gavin Stewart, Investment Propositions Director, Insurance Division, Lloyds Banking Group and Chair, Oxfam Scotland Advisory Group

which often lack access to finance in order to grow.

Targeting this 'missing middle' between micro-finance and larger, institutional finance, SEIIF aims to raise £100m from private finance, companies and investors. The fund is commercially based, offering investors realistic returns, while Oxfam's input will ensure that it achieves its mission of positive social change.

### CO-OPERATIVE ACTION

In line with both our GROW activities and our strengthening of corporate relationships, Oxfam and The Co-operative joined forces to launch a new campaigning partnership calling for increased international investment to help smallholder farmers and co-operatives.

This started with a joint action asking our supporters and Co-op members to petition the UK government to champion international investment in smallholder agriculture at the Rio+20 UN Conference on Sustainable Development in May 2012.

### ALBANIA EXIT

Celebrations were in order at the end of March 2012, when we formally transferred our programme in Albania into a national social enterprise at a public ceremony in Tirana.

The Albania programme is a great example of Oxfam's leverage – our ability to increase the return on a relatively small investment. We have supported agricultural development over 18 years, helping farmers to adopt innovative and

<sup>1</sup> A system of cultivation intended to maintain permanent agriculture or horticulture by relying on renewable resources and a self-sustaining eco-system.

sustainable growing methods including permaculture<sup>1</sup>, and to produce a wider variety of fruit and vegetables using large greenhouses. The sector is now burgeoning and rural communities are operating independently. Significant strides have been made in tackling poverty and people's commitment to the programme.

The new enterprise, Quodev, aims to continue to create thriving local agri-businesses amongst poor farming communities. It will capitalise on programme assets and the expertise of the team, five of whom are former Oxfam staff. It will also have a business arm offering consultancy and advice on development and rural issues to public institutions, businesses and NGOs. All profits that Quodev makes will be channelled back into rural projects.

Oxfam provided Lirije Basha (foreground) with everything she needed to make a successful fruit and veg business, from business training to equipment and material to build her greenhouse. The business is run by eight women from the Deshat village area in Albania. Photo: David Levene



### PROMOTING SUSTAINABLE LIVELIHOODS GLOBALLY IN 2011/12

**780,000**

People supported to improve production.

**250,000**

Women provided with specific support to improve their economic position.

**5,000**

Number of rural and community-based enterprises supported.

**250,000**

Number of people supported to improve their access to markets.



# LIFE AND SECURITY

In 2011, East Africa experienced the worst food crisis of the 21st century, with millions going hungry and many people facing starvation. Oxfam asked why the world had allowed this to happen again – and recognised that we need to bridge the divide between our own development and humanitarian work to deliver a faster, better response.

Throughout 2011/12, our staff and partners worked to deliver life-saving aid, to give people the support they need to rebuild after disaster, and, crucially, to help communities become more resilient to future crises. We provided humanitarian assistance to at least 6.5 million people in 27 emergencies, many of which didn't make the news headlines. These included:

- Afghanistan drought: 200,000 people
- Cambodia floods/typhoon: 70,000 people
- Chad cholera outbreak: 500,000 people
- Côte d'Ivoire/Liberia conflict: 75,000 people
- DRC conflict/cholera: 500,000/150,000 people
- Guatemala floods: 20,000 people
- Honduras floods: 20,000 people
- Myanmar floods: 15,000 people
- Philippines typhoon: 140,000 people.

## EAST AFRICA FOOD CRISIS

In the summer of 2011, with successive rains having failed to arrive in many parts of Somalia, Ethiopia and Kenya, more than 12 million people were left in desperate need of aid. Staple foods became unaffordable and hundreds of thousands of animals died, depriving people of their main assets and source of income.

In July 2011, we launched one of our biggest ever appeals and called on governments and donors to act with greater urgency, as it became increasingly clear that the international response was failing to keep pace with the spiralling emergency. The situation was particularly dire in Somalia, where the effects of the worst drought in more than 60 years were exacerbated by conflict. Famine was officially declared by the UN in several areas.<sup>1</sup>

Thanks to a generous public response, Oxfam was able to support almost three million people in some of the worst-affected areas. We delivered clean water, sanitation facilities, support for livestock, and cash to enable people to buy food and keep markets functioning.

- In Ethiopia, we provided emergency support to local communities and to refugees from Somalia. In total, we reached more than 425,000 people, many of them in remote areas that took several days to reach.
- In Kenya, we helped one million people, many of them in Turkana and Wajir. This included a major 'de-stocking' programme, with Oxfam buying up some of the weakest animals to ensure that

<sup>1</sup> Famine can only be declared when, among other indicators, more than two people per 10,000 die each day and acute malnutrition rates are above 30%.

owners received an income before their animals died, and that meat was distributed to those families who needed it most. In Dadaab camp, home to several hundred thousand refugees fleeing conflict and famine in Somalia, we provided life-saving water and sanitation facilities.

- Somalia was the epicentre of the food crisis, with more than half the population affected by drought and famine. While conflict means it is too dangerous for us to have staff in Somalia itself, we were able to reach 1.3 million people through our network of trusted, long-term Somali partners. Activities included providing water and sanitation services in Mogadishu and for hundreds of thousands of displaced people in the Afgooye corridor, and enabling people to buy food through a cash transfer programme – in some cases trialling mobile phone technology.

July 2011: aid supplies are loaded onto trucks ready for the long journey to Hilaweyn camp, Ethiopia. Water tanks, tap stands and latrine bases are among the items sent from Oxfam's emergency warehouse in Bicester, UK. Photo: Jane Beesley



## OUR GLOBAL HUMANITARIAN PROGRAMME 2011/12



**5,700,000**

People provided with access to clean water and accompanying health promotion.



**2,000,000**

People benefited from improved sanitation facilities, greatly reducing the spread of disease in camps.



**180,000**

People provided with emergency shelter in the wake of disaster.



**900,000**

People provided with support to resume their livelihoods.



**1,250,000**

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



### Learning lessons from the East Africa crisis

In Ethiopia and in parts of Kenya, where there has been considerable effort over several years by Oxfam and many others to build resilience to disaster, crisis on a much bigger scale was averted. But despite early warning systems indicating a possible emergency in August 2010, it took a declaration of famine in parts of Somalia for the international community to scale up its relief efforts.

A report by Oxfam and Save the Children, 'A Dangerous Delay', examined the factors that allowed the drought to escalate into a crisis. It concluded that a culture of risk aversion caused the delay, with many donors wanting proof of a humanitarian catastrophe before acting to prevent one. The report made concrete recommendations for national governments, the international aid community and donors.

There were lessons for Oxfam too: we acknowledged that there needs to be greater flexibility between our development and humanitarian work. Long-term programmes are in the best position to respond to forecasts of a crisis: there are established links with

**"Funding awarded in 2011 supported Oxfam's emergency relief responses to floods in Sri Lanka and Guatemala, drought in Afghanistan and food security in West Africa... Oxfam ensured the needs of recipients were identified and met with precision and diligence."**

Senator Paul Routier MBE, Chairman, Jersey Overseas Aid Committee

communities and partners, the complexities are understood, and work has already been negotiated with government bodies. But we have to get better at adjusting the scale and priorities of existing programmes and providing the necessary technical and staff capacity to allow speedy expansion. In the coming year we will be working to close this artificial gap.

### HUNGER IN WEST AFRICA

The challenge of more closely integrating development and humanitarian work was already being put to the test in early 2012, when we were once again warning of the threat of a



◀ Hamra Housman helps to dig an irrigation channel as part of a cash-for-work scheme in her village in Chad. People are already resorting to desperate measures to feed their children, such as searching for grain in ants' nests. Photo: Andy Hall



humanitarian emergency – this time across the Sahel region of West Africa. Mirroring the scale of the crisis in East Africa the previous year, drought, conflict and rocketing food prices were placing millions of people at risk. By March, levels of malnutrition in areas of Chad, Burkina Faso, Mali, Mauritania, Niger and northern Senegal were becoming dangerously high. In the same month we launched a major humanitarian appeal. We also called on the international community to learn the lessons from the East Africa emergency and take early preventative action.

### PAKISTAN FLOODS

Nearly seven million people were affected by the monsoon rains which caused severe flooding in Pakistan's Sindh province in August and September 2011. We were already enabling people in the region to rebuild their lives in the

wake of the 2010 floods – the worst in the country's history. We were well placed to help, along with the partners we had trained and worked with in the previous 12 months.

In the first six weeks of the disaster, we:

- Delivered clean water supplies to 250,000 people;
- Conducted hygiene promotion sessions with 17,000 people;
- Provided 31,500 people with hygiene kits;
- Assisted the search and rescue of 58,000 people.

In the months following the floods we worked with other agencies to focus attention on this 'forgotten emergency'. In February 2012, we released a joint agency paper calling on the international aid community to provide timely and adequate funding and technical support to Pakistan's efforts. By the end of March 2012, we had reached 570,000 people in the eight worst-affected districts of Sindh.

▲ Badoo, a farmer, waits for a distribution of animal fodder by Oxfam in his village in Shahdadpur, Sindh. Photo: Asim Hafeez

*“Oxfam is the first organisation that has shown us what accountability means. We now always explain to people what we are doing in a community. We also ask this question of other NGOs who come to work here. We shared ideas with Oxfam from the start. They worked with us and did not impose their ideas on us.”*

*Fleurisme Ismael, who works for a government agency in Haiti*

inner-city neighbourhoods and rural areas outside Port-au-Prince. We continued to forge productive partnerships with local and national government bodies as well as with local partners, as this is essential to delivering public health and other services at scale. And at community level, we worked hard to ensure that people are empowered to hold their leaders to account. In total, we supported more than 532,000 people in Haiti during 2011/12.

### WHY CASH WORKS

In certain circumstances, short-term injections of cash – sometimes in the form of vouchers, or in return for vital work in the community – can tide a community over during the crisis, enabling it to recover much more quickly afterwards. Cash transfers have a number of advantages over other types of aid. They empower the recipient by giving them choice; promote the purchase of local products, fuelling the local economy; and are extremely cost-effective and easy to monitor.

In 2011/12, cash transfer programmes helped us to reach people in remote areas and to overcome logistical difficulties and security risks – for example, in Yemen and Somalia.

### HAITI EARTHQUAKE RESPONSE

January 2012 marked the second anniversary of the Haiti earthquake, which claimed 220,000 lives and left 1.5 million people homeless. The scale of the disaster – combined with the extreme poverty and lack of infrastructure that already existed – has made this relief effort one of our most challenging. The rebuilding of Haiti is going to take many years, and we are committed to supporting it.

As work in the emergency camps was phased out, we focused on expanding our initiatives in

In Kenya's Turkana district, our emergency cash transfer scheme helped to stimulate the local economy by distributing monthly cash payments to more than 5,500 vulnerable families, boosting businesses and giving people choice. "With food aid, we can only eat maize for the whole month," says Sabina Loliyak, "but if we have cash we can buy the things we need." Photo: Andy Hall



# ESSENTIAL SERVICES

In 2011/12, Oxfam continued to push for state investment in free public services, backed by international funding, which hundreds of millions of people desperately need. As our campaign successes demonstrated, with the right combination of grassroots activism and government lobbying, our limited resources can go a very long way.

When it comes to achieving essential services for all, the resources at Oxfam's disposal are a drop in the ocean considering the level of need. That's why we have developed an approach that makes maximum use of our limited resources to bring about permanent change – also known as 'leveraging' or punching above our weight. The examples below demonstrate how, by combining national and global lobbying with local programmes which empower communities to hold their leaders to account, we contributed to policy changes that will have a long-term impact on millions of people.

At community level, we continued to work directly with the poorest and most marginalised groups, strengthening their capacity to articulate and achieve their rights to quality education and health provision. This local knowledge and experience was essential in informing and shaping our national advocacy, alliances and strategic partnerships. In 2011/12, we continued working to improve girls' access to education, ensuring that local governance systems were functional and accountable to communities.

## HEALTH CAMPAIGN SUCCESS IN ZAMBIA

In 2011, we delivered a dynamic national campaign in Zambia which led to a massive increase in the health budget. While health care has been free in rural areas since 2006, clinics and hospitals in urban areas continued to charge user fees, and the country still faced a chronic shortage of health workers and essential medicines. As part of our national 'Vote Health for All' campaign, Oxfam worked with partners to engage thousands of Zambians across the country in the call for better health care:

- In villages and towns across the country, artists and musicians spread the campaign message through song, drama and poetry.
- A series of meetings were held for voters to discuss health issues with parliamentary candidates. More than 50 candidates, many of whom were later elected, signed a pledge to improve health care.
- In the capital, Lusaka, a concert led by a popular musician kickstarted the national campaign and gained widespread media coverage.

Within days of the new government forming, it became clear that 'Vote Health for All' had achieved monumental success. Commitments were made to increase health expenditure by 45%, which includes funding for an additional 2,500 health workers, the removal of user fees from urban health centres, and improved supplies of medicines to clinics nationwide. The budget increase – which equates to US\$158m – will make a real and lasting difference to poor people in Zambia. With only a modest investment of US\$83,000, Oxfam played a vital role in achieving this breakthrough.

"I am the only midwife for 16,000 people – it's a 24-hour service. People should join hands with the Ghanaian government to bring the maternal mortality rate down. It's a joy to bring a child into the world – why should it die?"

Cecilia Addah, midwife in Ghana's rural Upper East region

the Ghanaian government announced that it would make health care free for expectant and breastfeeding mothers. The political will exists – but four years after the policy came into force, it's clear that the necessary staff, facilities and systems do not.

#### GHANA 'BIRTH RIGHTS' CAMPAIGN

Every week, around 75 women in Ghana die because of complications during pregnancy and childbirth. That's in spite of the fact that in 2009

Selina Fletcher is handed her newborn baby girl at Korle Bu Teaching Hospital in Accra, Ghana, where she received free, professional care from trained midwives. Photo: Abbie Traylor-Smith



In 2011 we launched the 'Birth Rights' campaign, calling on the government in Ghana to expand public health services and staff so that more women receive good quality, free health care, especially in rural areas, which remain woefully under-served. As in Zambia, the campaign is timed to coincide with the run-up to vital elections, which take place in late 2012. National advocacy led by our partners in Ghana went hand in hand with campaigning at village level to ensure that more people are aware of their rights and hold their leaders to account.

This achieved early results: as more women learned about their right to free health care there was a significant increase in the number of pregnant and breastfeeding mothers attending clinics.

The Royal College of Midwives and the Royal College of Obstetricians and Gynaecologists are among several organisations campaigning with us in the UK to raise public awareness and create political pressure. With Ghana's public health system receiving 4.9% of its funding from the UK,<sup>1</sup> it is absolutely crucial that our government honours its commitment to spend 0.7% of its budget on overseas development by 2013. Our local campaign groups boosted popular support for the campaign with photo exhibitions and film screenings across the country. Images and short films documenting the experiences of two mother and two midwives in Ghana brought the issue to life for the thousands of people who attended events in maternity wards, pubs, clubs, church halls and offices nationwide.

### IMF GOLD CAMPAIGN VICTORY

In February 2012, the International Monetary Fund (IMF) agreed to use over a billion dollars' worth of windfall profits from its gold reserves to assist poor countries. Its announcement followed concerted lobbying by 58 leading global civil society networks – including Oxfam International, ActionAid and global Jubilee networks. Millions of people in poverty will benefit from the IMF's decision, with governments able to put more money into health and education as a result of the new source of



◀ Actor Bill Nighy continued to champion the Robin Hood Tax campaign.  
Photo: Anna Nolan

funding. It's another great example of how, using only limited resources, we can influence decisions that have billion-dollar impacts.

### EUROPE BACKS ROBIN HOOD TAX

The Robin Hood Tax campaign for a global financial transaction tax gained strength in 2011. At the G20 summit in France in November, governments, the European Commission and the UN Secretary General together outlined their backing for a financial transaction tax as a means of raising development finance, and 1,000 leading economists wrote to G20 ministers in support of the Robin Hood Tax.

Oxfam has played a leading role in the campaign, which calls on governments to repair the damage resulting from the financial crisis through a tiny tax on financial transactions. If implemented globally, this could raise up to £250bn each year to tackle poverty and climate change worldwide. More than 500,000 people in 40 countries now back the campaign.

*"The campaign is going from strength to strength. And this is a key moment for the Robin Hood Tax. The system needs fixing. The money went bad. Something went terribly wrong, and the Robin Hood Tax could be part of a process of rehabilitation."*  
Bill Nighy, actor, campaigner and Oxfam ambassador

<sup>1</sup> DFID, 'Budget Support for Ghana Health Sector Support Programme' / Ghana government budget statement 2011.

# BEING HEARD

Millions of people, particularly those from poor communities, have little or no say in the decisions that affect them. Yet it has been proved time and again that giving people a voice is a powerful weapon in overcoming poverty and injustice. This is why the right to be heard runs through all our programmes and acts as a positive force for change.

## **GROW – THE VOICE OF POOR FARMERS**

Land grabs are one of the four major elements that the GROW movement (see page 6) seeks to address. These are deals which enable international investors to force families from their homes and farms, often contravening people's rights and global safeguards.

This modern-day land rush has resulted in around 50 million hectares of land being sold, leased or licensed in large-scale deals since 2001. It's all part of a drive to produce food for developed countries, or meet damaging biofuels targets, or the result of speculation.

GROW raises the profile of this problem, and gives a voice to many of the poor people whose rights and needs are being ignored.

### **Land grabs: Uganda**

In 2011, we highlighted six case studies from around the world: Guatemala, Honduras, Indonesia, Peru, South Sudan and Uganda.

The case in Uganda focused on the loss of livelihoods where more than 20,000 people in two districts were evicted to make way for development by a British timber firm, the New Forests Company (NFC).

Oxfam, the Uganda Land Alliance and thousands of campaigners challenged the company and its investors to take seriously the concerns of the affected communities. In 2011, NFC and the communities agreed to a mediation facilitated by the World Bank's private sector complaints ombudsman. This body handles complaints from communities affected by investments made by the International Finance Corporation – the World Bank's private sector arm – which invests in a fund that has a stake in NFC. Oxfam and the Uganda Land Alliance continue to support the communities in the ongoing mediation process.

The process has opened the way for the affected communities' complaints to be heard. Although there remains a long way to go, and evicted communities still face an uncertain future, this is an important first step in their fight for justice. And it's the courage and tenacity of the communities, and the mass of public support, that have made this happen.

### **Land rights: Pakistan**

Pakistan faces a huge, long-term challenge to rebuild itself after the devastating floods of 2010 and 2011 (see page 15). But this also presents an opportunity to address the land rights issue.

People's inability to own land is a major barrier to overcoming poverty, and so we are pressing the government of Pakistan, the international community, landlords, and civil society organisations to address land inequality as part of all recovery and reconstruction plans.

Our work with the Sindh government to redistribute land to poor women farmers shows what can be achieved. Zainab is one of 4,800 women to have benefited from the redistribution. On the four acres of land she received, Zainab now grows wheat and provides

Augustin Allen (not his real name) claims to have been evicted from land he says was given to him in recognition of his father having served in the British forces during the Second World War. He is one of more than 20,000 people to have been evicted from forest land in Central Uganda.  
Photo: Simon Rawles



employment to her neighbours. As well as acquiring new farming and business skills, she has also gained status and respect in her community. "I have my brain and I have my land – that's all I need," she says.

The success of the scheme has encouraged the provincial government to consider the wider issue of land ownership. Oxfam's International Director, Penny Lawrence, explains: "If the Sindh government has a look at land tenure then we will be leveraging really significant change on an intractable issue in one of the most challenging countries to work in in the world."

### ARMS TRADE TREATY – PERSISTENCE PAYS

Over the year, as part of the global Control Arms coalition, we stepped up our campaigning momentum in support of 'Speak Out: Control Arms Now!' online and street-level actions across the

world. This included intensive lobbying at the UN headquarters in New York.

This is part of the countdown to critical negotiations in July 2012 at the UN where governments are scheduled to agree an international Arms Trade Treaty. Oxfam has been campaigning for global controls on the arms trade since 2003 and now, for the first time ever, the world is on the brink of reaching an historic agreement to bring the arms trade under control.

Oxfam wants to see a 'bullet-proof' treaty that will prevent arms transfers where there is a clear risk that they will fuel conflict, poverty or human rights abuses. Together with our campaign partners, we will be working hard to push governments to negotiate the toughest possible treaty, which must include all conventional arms and ammunition, and must have clear rules against which arms transfers are assessed and a practical implementation mechanism.

Flooding destroyed the land Abraham used to work on, growing rice and wheat. It forced him to leave his home in Sindh province, Pakistan, and his wife Hassina and two young daughters, to migrate to Shikapur to work on road construction. Oxfam is working with the Sindh government on land redistribution as part of post-flood recovery plans. Photo: Timothy Allen



*“Women’s rights in Egypt need a lot of work. Women are plainly ignored, we need to play a bigger role. Women will not be silent if their rights are stripped from them, there will only be justice from now onwards.”*  
Dina, sales executive, Cairo

Control Arms received a nomination for the 2012 Nobel Peace Prize by the International Peace Bureau (IPB), a testimony to the efforts of thousands of people worldwide who have taken action in support of the campaign.

#### OXFAM AND THE ARAB UPRISING

Events in Egypt unfolded rapidly over the year, from regime change to voting for a new government.

An Oxfam partner, Al Karma Foundation, helped to train 240 female community leaders from the Beni Suef governorate in political participation. The workshops increased the political awareness of community leaders, who then passed on their knowledge to around 11,000 women and their families in the wider communities.

The programme’s objective was not only to teach women the importance of participating in elections, but to instil a sense of self-confidence. Its aim was to politically empower women to tackle their own problems by using their votes and taking an active role in this critical stage of the country’s history.

Although in December’s first round of voting no women candidates were elected, Egyptian women refused to accept a government without female representatives and are working to break down cultural stereotypes.

#### UKPP – SINGLE PARENTS SPEAK OUT

Wherever we work, one of our aims is to bring people living in poverty together with decision-makers.

In the UK, single parents are among the groups most affected by the government’s shake-up of the benefits system. While Oxfam’s wider

proposals on welfare reform have not been implemented, we made progress last year in ensuring that the needs and concerns of people living in poverty are heard.

We support the Single Parent Action Network (SPAN), which among its many services runs ‘One Space’, an online community offering advice and support to single parents. This captured the level of fear and concern created by the government’s new Work Programme, with an avalanche of posts from parents anxious about how they were supposed to combine work placements with looking after young children.

Jenny was one of those who posted. On 12 September 2011 – as a result of SPAN’s concerted lobbying of the government in partnership with Oxfam and others – she had the chance to raise her concerns face-to-face with decision-makers at the House of Lords. The voices of Jenny and a large number of other single parents also contributed to SPAN’s report on the Work Programme, which has been widely distributed among policy-makers.

“There was a sense that people are being punished by a system that does not recognise what actually goes on at grassroots level,” Jenny explains. “The Lords and Ladies present recognised that we do have a very strong case, which was so encouraging.”

#### EMPOWERING PEOPLE IN POVERTY WORLDWIDE IN 2011/12



**60,000**

Women we supported in leadership positions in their communities and elsewhere.



**65,000**

Women and men trained in advocacy, campaigning, and public and media engagement.



**100,000**

Women and men supported to advocate directly with local government and others.



**150,000**

People we supported to lobby companies and institutions to improve their practices.

# EQUITY

Gender inequality is a major barrier to ending poverty. This is why we continue to work hard to end all forms of gender violence and promote the role of women in all our programmes by changing attitudes, providing business opportunities and training, and introducing new technology.

## WOMEN'S ROLE IN VALUE CHAINS

Experience has shown that a successful long-term strategy for tackling poverty and improving lives for whole communities is to provide women with business opportunities.

Throughout 2011, we continued to support indigenous Kokonuco women in Patugó, southwest Colombia, as part of the Association of Women Entrepreneurs. The women also run a successful local depot where farmers can buy basic supplies such as fertiliser.

The project had previously negotiated a contract to sell milk directly to multinational dairy company Alpina. The project also supported the installation of the Association's own collection centre and developed an ambitious strategy to improve the quality of milk. Together, these factors helped to increase the sales price by 43% and the volumes sold by 7%, significantly boosting the Association's profits.

## WOMEN AND TECHNOLOGY

We have been increasing our work in the area of digital technology. Its enormous potential to

empower people living in poverty has been seen in a number of projects supporting women in several countries. It has also attracted a leading international brand, Nokia, to become involved with Oxfam and help us increase the impact of our activities.

### Oxfam and Nokia

2011 saw the completion of the first year of our three-year corporate partnership with Nokia, which aims to support Oxfam's work to enhance the role and impact of digital technology in helping people to escape poverty.

The original partnership focused on developing consumer-based applications for Oxfam in the UK, enabling supporters to make donations and buy items from the Oxfam Unwrapped gift range. However, Nokia's involvement has grown to include financial support, expertise and specialist technological innovation.

Nokia is now collaborating with us to support our programmes in areas such as health promotion, logistics, water and sanitation, and the potential to work together on solutions that we can take into the field to enhance our effectiveness.

### The pink phone phenomenon

In Cambodia, another innovative digital technology project is helping women in rural communities to improve their lives and their incomes and to take up leadership roles.

Women for Prosperity, an Oxfam partner, used our Digital Vision – a small grant development programme – to provide 45 aspiring women community leaders across three provinces with mobile phones – in pink. And in August 2011, we introduced a new service to make

communications even more effective via SMS mass text messaging. Now, rather than having to cycle between different villages, women can easily communicate with each other, co-ordinate meetings and share information. They can also use the phones to seek assistance on a variety of issues from emergency health care through to preventing domestic violence.

In Armenia, a similar Oxfam digital project aims to improve the economic empowerment of women in isolated rural communities.



◀ Female Commune Councillors (FCCs) received training in how to use their mobile phones most effectively, as one FCC, Sorm Lai explains: "Through text messages from the phone, villagers can get my support easily, so that my relationship is improved. My neighbours appreciate my support and they value me and my performance."  
Photo: Chaliya Sophasawatsakul

**"If a man is beating his wife, I can use my phone to call the police and they listen because I'm a Councillor, otherwise it would be difficult to get them to intervene. If I don't get the proper service, I will go over their heads and phone the provincial commander."**

Lon Ny, Councillor, Kratie, Cambodia

Here, the text messaging service enables the 30 members of two women's co-operatives to keep in touch, and ensures that people don't miss meetings or training activities. It also keeps members up to date with weather forecasts and market prices to enable better business planning.

The fact that the phones are pink signifies that they belong to the women – it also deters men from using them. Naira, chairperson of a farmers' co-operative, explained: "Previously I had to use my husband's phone, which created a lot of problems. I need to be linked with other co-operative members and be able to reach them. Now I can communicate with them without any problems. And because the phones are pink, the men in our community won't use them."

### CHANGING ATTITUDES IN MALAWI

Our vision is that by focusing on women's rights, many more women will gain power over their lives.

We have been working with a local partner, Women's Legal Resource Centre, across 120 villages in Balaka District in Malawi for two years as part of a project to address harmful social and cultural practices to prevent the spread of HIV and AIDS.

Fifty facilitators from selected villages were trained in how to hold 'circle discussions' with community members on the impact of issues such as domestic violence, initiation practices and wife-swapping. Groups included traditional leaders, many of whom were inspired to spread the change message themselves.

After just two years, the number of households affected by domestic violence halved, from 60% to 30%. In addition to the drop in gender-based violence, there have been increased participation by women in the public sphere, growing economic independence for women, and a rise in the numbers of girls attending school. This success has encouraged us to expand this approach to other districts in 2012.

### INTERNATIONAL WOMEN'S DAY

Many of the 2012 Oxfam International Women's Day events that took place across the world celebrated women as food producers, and drew attention to the fact that of the 1.3 billion people living in extreme poverty, almost 70% are women and girls.

On 8 March, women across Britain signed up to hold over 1,000 'Get Together' events at home, at work and in the community – from tea parties to brass band concerts. The events raised awareness and over £150,000 for our work with women worldwide.

### PROMOTING GENDER EQUALITY GLOBALLY IN 2011/12



**2,000,000**

Women and men received information or education on women's rights.



**1,750,000**

Women and men involved in activities to reduce gender-based violence.



**80,000**

Women supported by programmes to enhance their political participation.



**750,000**

Women supported to gain improved access to essential services, including social protection.

## SUPPORTING THE PROGRAMME

2011/12 saw extraordinary efforts by our trading team in the face of not only difficult economic conditions, but a potentially disastrous fire. The year also saw our fundraisers involved in an exciting high-profile event, which will help cement important new alliances in the Gulf region.

### MAXIMISING VALUE

Donating items to Oxfam is essentially recycling at its most effective. Our trading operation ensures that we maximise the value of every item through our shop network, via our unique Wastesaver clothes recycling operation and through projects further afield.

### Frip Ethique

Early in 2012, Oxfam devised the Big Bra Hunt, an eye-catching, high-profile donation

campaign designed to hit the media and shops in April, aimed at encouraging women to donate a million unwanted bras.

Most bras would be sorted at our UK-based Wastesaver operation, then sold to Frip Ethique, an Oxfam livelihoods project in Senegal. Frip Ethique employs around 40 women and men who sort the clothes and sell them to local traders at a profit, thus providing employment opportunities and meeting the needs of local people. Profits are invested in other local Oxfam projects in West Africa.

Sarah Farquhar, Oxfam Trading's Head of Retail Brand, says: "The sale of bras in Oxfam shops and through Frip Ethique is an innovative way to raise money for livelihood projects that enable families to support themselves and send their children to school."

Rama Barre sorts clothing from Oxfam in the UK at Frip Ethique sorting centre in Dakar, Senegal. Frip Ethique buys over 100 tonnes of clothing a month from Oxfam Wastesaver at market rates, then sorts it and sells it at a profit.  
Photo: Abbie Trayler-Smith



### Wastesaver

In April 2011, our Wastesaver operation experienced a devastating fire which destroyed buildings and specialist machinery. The fire also caused the biggest loss of donated stock in our history, and precipitated our first ever national emergency appeal for stock ahead of the lucrative music-festival season.

There was a huge public response and the efforts of Wastesaver staff were equally impressive, manually sorting 11 tonnes of clothes a day in temporary premises. As a result, Oxfam festival shops raised £255,000, exceeding the 2010 total. And fortunately, our insurance cover enabled us to begin rebuilding.

Oxfam's then Trading Director, David McCullough, praised the response of staff: "People have shown incredible spirit and resilience to get our sorting operation back up and running."

### STRENGTHENING RELATIONSHIPS

The eighth Dubai International Film Festival was a first for Oxfam. Working in partnership with the Festival, Oxfam America and Dubai Cares, it was the first time that we had been involved in an event of this scale in the Gulf region.

The gala evening generated positive PR internationally across Arabic, Hindi and English-speaking media, and raised over US\$1m via tickets and the auctioning of unique donations, many donated by high-profile celebrities. Over 70% of the total went to fund 24 girls' schools in Pakistan, and the rest to our unrestricted funds.

"I came to Mali to see the results of a US\$16m Dubai Cares programme. Working in partnership with Oxfam, it's supporting projects for schools, small-scale producers, pastoralists and cotton farmers. To witness all this was an incredible experience. Each donation has a huge ripple effect of positivity. It gives people the chance to do things for themselves, and that's what's important."

Ali Mostafa, film-maker, UAE

A number of high-profile Oxfam Ambassadors spoke on the night, live or on video, including Helena Christensen, Rahul Bose, Scarlett Johansson, and Emirati film-maker Ali Mostafa, who related his experiences of visiting an Oxfam project in Mali.

The event was indicative of the role that major foundations in the Gulf are playing in supporting humanitarian and development work worldwide.

### OXFAM AND THE LONDON MARATHON

Oxfam was selected as the 2011 Virgin London Marathon official charity – the first time an international development agency has received this accolade.

This opened up an additional 200 places for Oxfam runners, which meant that the event raised around £800,000, almost three times more than our usual total. Being the official charity also meant increased publicity, raising our profile as a charity of choice amongst the general running community for future races.

Additional PR was generated by world record attempts by two Oxfam entrants. A sizeable total was raised by our celebrity Oxfam Team, who had seen our work at first-hand, having visited Oxfam projects in Tanzania. All money raised from the 2011 Virgin London Marathon went to fund our projects in Ethiopia.

### WORKING WITH OXFAM INTERNATIONAL

By the end of March 2012, 26 countries had 'gone live' with our impact-boosting Single Management Structure (SMS), 17 of which are managed and supported by Oxfam GB.

SMS aims to increase the influence and effectiveness of the Oxfam International confederation, and the closer collaboration between affiliates over the year helped to boost income. There were an increased number of joint proposals, a rise in funding transfers between affiliates, and increased income raised through multi-affiliate grants. As a result, we significantly exceeded the €50m fundraising target, four years ahead of schedule. Also in 2011, the decision was taken that all affiliates would share a single strategic plan.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Oxfam has several subsidiaries, three of which are consolidated into our group accounts: these subsidiaries are Oxfam Activities Limited (our trading subsidiary), Finance for Development Limited (a micro-credit institution in Azerbaijan) and Frip Ethique SARL (a private sector enterprise in Senegal). Oxfam also has a dormant subsidiary, Just Energy Limited (see Note 9a to the accounts).

Oxfam Activities Limited raises funds by means of trading activities. Its principal operations are the purchase of goods from commercial suppliers to be sold at a profit. Oxfam Activities Limited paid to Oxfam a profit of £1.3m (2010/11: £1.2m) and interest on working capital of £0.1m (2010/11: £0.1m).

Finance for Development Limited is a limited liability company in the Azerbaijan Republic and provides financial services (mainly credit) on a sustainable basis to people with relatively low incomes who do not have access to other financial sources. Its income for the year was £2.4m (2010/11: £1.9m), offset by £2.0m (2010/11: £1.7m) of expenditure.

Oxfam Activities Limited owns 100% of the shares in Frip Ethique SARL, a company registered in Senegal, which imports second-hand clothing (mainly from Oxfam), and then sorts and distributes it for resale in local markets. The company made a net profit of £0.2m (2010/11: £0.1m) in the year.

Oxfam Activities Limited has a 10.8% (2010/11: 10%) interest in Cafédirect plc (a company registered in Scotland, with registration number 141496), which promotes fair trade, primarily through the marketing and distribution of tea and coffee.

Oxfam is a member of Oxfam International, a separate legal entity registered in the Netherlands as a charitable foundation (registration number 41159611). Oxfam International encourages and coordinates joint activities with 16 other affiliated international agencies, each separately constituted under the appropriate national regulations. See Note 3c to the accounts for details of financial transactions with other members of Oxfam International.

### TRUSTEES

The directors of Oxfam are the Trustees, collectively known as Oxfam's Council. This Council, Oxfam's governing body, comprises a minimum of ten and a maximum of 14 Trustees.

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

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

The RADG is responsible for ensuring that members of Council have the appropriate balance of skills to discharge their duties as Trustees. Trustees are appointed following open advertising in specialist publications or on specialist websites and following a rigorous interview process. All new Trustees are provided with a structured induction programme. As

*"I approach giving to charity with a businessman's brain and that's why I am such a strong advocate of Oxfam. They deliver an extraordinary level of human betterment for the money they spend. If you are thinking of investing in charity and want to make sure your money is used extremely effectively, then I unequivocally recommend Oxfam."*

Richard Reed, CEO and co-founder,  
Innocent Drinks

part of its ongoing training, Council conducts seminars on key areas, such as risk and accountability. The annual review of board performance includes input from the Chair's formal discussions with individual Trustees and from an appraisal of the Chair by all Trustees.

The TAFG, Oxfam's audit committee, chaired by the Treasurer, meets regularly with the external auditors, both with and without the presence of management. The group agrees the internal and external audit plans, reviews the external auditor's management letter, and monitors implementation of actions required as a result. The TAFG also has the responsibility of ensuring that the audit, risk management and control processes within Oxfam are effective.

The Remuneration Committee is chaired by the Chair of Oxfam. This committee monitors the implementation of Oxfam's policy on remuneration and benefits for its staff, and reports annually to Oxfam's Council. It also specifically determines Oxfam's policy on the remuneration and benefits of the Chief Executive and members of the Corporate Management Team (CMT).

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

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

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

#### **Trustees' statutory responsibilities**

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going

concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

#### Public benefit

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

1. **They are clear about what benefits are generated by the activities of the charity.** This report sets out in some detail the activities carried out to further each of Oxfam's five strategic aims, the types of programmes funded and the number of beneficiaries reached.
2. **The benefits must be related to the objects of the charity.** Each of Oxfam's five aims is related to, and intended to further, Oxfam's charitable objects, which are "to prevent and relieve poverty and to protect the vulnerable including

through humanitarian intervention; to advance sustainable development; and to promote human rights and equality and diversity, in particular where to do so contributes to the prevention and relief of poverty".

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

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

#### Risk management

The Council of Trustees has overall responsibility for Oxfam's system of internal control. Such a system of control can provide only reasonable, and not absolute, assurance against inappropriate or ineffective use of resources, or against the risk of errors or fraud. These risks are further heightened given the difficult nature of communications and institutional and financial infrastructure in some parts of the world where Oxfam operates. There is clear delegation of authority from Council through the Chief Executive and the CMT to the rest of the organisation. On an annual basis the major strategic and operational risks that Oxfam faces – and the ways in which these are being monitored, managed, and mitigated – are assessed by the CMT and considered by Council. The control framework approved by Council is subject to the following review and testing:

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

In addition, Oxfam has clear and easily accessible whistleblowing procedures in place and has a Loss Prevention team whose role is to investigate incidents of loss, theft or fraud, recover losses wherever possible and provide training for staff on incident management and reporting. These initiatives help ensure that breaches and weaknesses within the control framework are identified and investigated.

Council recognises that, to achieve the objectives of the charity, the nature of some of Oxfam's work requires acceptance of some risks which are outside Oxfam's control – i.e. risk which cannot be eliminated or fully managed – but where this happens there is active and clear monitoring of the risk. Council considers that systems and controls are in place to monitor, manage, and mitigate Oxfam's exposure to major risks. These include, among other control mechanisms, the maintaining of Oxfam's general reserves at the levels stated on page 39, and the review of key systems and processes by the internal audit function.

## COMMUNICATING WITH STAFF AND VOLUNTEERS

Oxfam has well-established arrangements for consulting and involving staff in its work. Management and staff bodies negotiate terms and conditions of employment through the Staff Associations in countries outside the UK, and through the Oxfam Negotiating Committee in the UK. There are many other formal and informal opportunities for consultation. All managers are expected to hold regular meetings with their staff, to provide an opportunity for communication of information and discussion of events as they develop. To keep staff and volunteers informed, Oxfam produces a monthly letter from the Chief Executive, a monthly International Division bulletin, and a bi-monthly magazine for shop volunteers. We maintain an intranet site that provides staff with information, including that about Oxfam's finances and its key performance indicators, and we also hold annual 'Oxfam Live' events in locations around the UK.

### Diversity and disability

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

### Volunteers

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

## ACCOUNTABILITY, OPEN INFORMATION AND COMPLAINTS POLICIES

Oxfam is committed to being transparent in its work and accountable to its key stakeholders, in particular people living in poverty. An annual update on our Accountability Report 2010 is available on pages 34-35. Information about our Open Information and Complaints Policies are available on our website.

## OXFAM IN SCOTLAND

One of the requirements of the Office of the Scottish Charity Regulator is that we report separately on the activities that Oxfam has undertaken in Scotland.

During 2011/12, we campaigned successfully for the creation of a Scottish International Climate Adaptation Fund. We continued to gain the support of the Scottish public and influential people on the proposed Robin Hood Tax, seeking the support of the Scottish Government to add to the clamour of voices supporting this issue in Europe.

We focused on tackling poverty and inequality in Scotland. In particular, this year we have launched the Oxfam Humankind Index, a new measure of prosperity for the people of Scotland that focuses on what people say is important for their own lives, rather than on the single-minded pursuit of wealth that has led to such a far-reaching downturn.

We continue to concentrate on building the capacity of communities, particularly in the west of Scotland, to take charge of assets and resources locally, so that they better serve their needs; so that local communities have a proper stake in economic development and investment; and so that issues of sustainable development have real and lasting resonance for marginalised communities, as well as those in more advantaged positions. A new locally funded media project in Glasgow is focused on improving our partners' capacity to engage positively with the media and get their voices heard in local and Scottish debates.

Our work on development education, working with Scottish education authorities, the International Development Education Association of Scotland (IDEAS) network and other partners, is focused on improving teachers' capacity to teach global citizenship under the new Scottish Curriculum for Excellence so that they can pass that confidence and knowledge on to their pupils.

Our fundraising work has included the income from our network of more than 50 shops in Scotland, supported by more than 1,500 dedicated volunteers. Many people in Scotland are very generous and committed givers, and there are many more who give to specific appeals and projects. We also benefit from the generosity of Scottish-based trusts, foundations and companies. The Scottish Government has funded development projects in Malawi, Pakistan and Iraq, as well as providing funding for emergency water supplies in the Gedo region of Somalia during the famine. Indeed, supporters and television viewers raised more than £0.33m for the East Africa Food Crisis Appeal during the televised Legends football match between Celtic and Manchester United at Parkhead in August 2011. We have a growing number of networks of supporters through our community fundraising and additionally we are supported by the newly established Scottish Circle, a group of motivated women who have raised a significant amount of much needed funding for the We Can campaign in Pakistan. We Can engages with and empowers ordinary people to end violence against women and girls.

## ACCOUNTABILITY

In 2010, we published the Oxfam Accountability Report 2010<sup>1</sup> in which we reported on the targets we had set for the years 2007-10 and set out our objectives for the three years 2010-2013. The table below sets out the progress made in 2011/12 towards those three-year objectives. On our website, we publish a more detailed document incorporating additional information in line with the requirements of the NGO sector supplement of the Global Reporting Initiative, which is intended to improve the accountability of international NGOs.

Accountability objectives (2010-13)	Progress in 2011/12
<p><b>Governance</b> We will become an increasingly effective and accountable organisation.</p>	<p>We are currently revising our Complaints Policy and reviewing Trustee engagement with stakeholders. We have made less progress than expected in implementing the Oxfam International programme standards, which reflects the complexity of the international change process.</p>
<p><b>People and communities</b> We will make demonstrable improvements in our ability to give account to, take account of, and be held to account by, our primary stakeholders.</p>	<p>Improvements in our programme management and information systems have enabled us to become more accountable to people in communities. Following discussions at a senior level, we are developing a clearly prioritised workplan for the coming year. We will also focus further on improving our accountability in our campaigning and advocacy work next year.</p> <p>A new methodology for measuring levels of accountability with partners and communities, known as Accountability Effectiveness Reviewing, was piloted and adopted. Through such evaluative work, we have learned that while we are strong in participatory approaches and developing relationships, we are less strong when it comes to putting processes in place – primarily to enable transparency and structured feedback and complaints mechanisms.</p> <p>In our humanitarian capacity-building work we are now routinely capturing knowledge and building skills. Investigations into humanitarian responses have helped us to identify where we are meeting standards and where improvements need to be made.</p>
<p><b>Women in the communities we work with and women's rights organisations</b> We will put women's rights at the heart of everything we do.</p>	<p>Independent reviews of our work on gender show that staff and organisational capacity has improved. We will continue to use innovative impact assessment methodologies. Our recent campaigning work on gender issues has been evaluated and is open to public scrutiny via social media channels.</p> <p>The Oxfam Minimum Standards on Gender Equality and Women's Rights are being used in our humanitarian programmes. When designing programmes, we are increasingly focused on ensuring that they are culture- and gender-sensitive, eg. innovative 'cash-for-work' programmes which enable women to increase their earning power, and promote dignity and self-esteem.</p>
<p><b>Partners</b> We will make demonstrable progress in consistently putting into practice the values and principles embodied in our Partnership Policy.</p>	<p>Through piloting our Accountability Effectiveness Reviews, we have learned that people like being in partnership with us, but that we need to improve our transparency with our partners and be both clearer and more supportive about the standards and compliance we expect.</p> <p>Due to extremely demanding responses to the Pakistan floods and drought in the Horn of Africa, we have had to postpone work on researching our partnerships during humanitarian responses, and reviewing our finance and administrative procedures until 2012/13.</p>
<p><b>Supporters</b> We will remain committed to ensuring that we communicate with our supporters in a clear and transparent way and seek their feedback.</p>	<p>The new Oxfam website, which offers supporters greater opportunity to engage with each other and the organisation, went live in April 2012 (later than planned). The policy and practice website,<sup>2</sup> has experienced a significant increase in visitors since its launch in August 2011.</p> <p>We continued to develop a fundraising presence in local communities, establishing 50 new groups and improving the materials designed to support them; along with the new website, these should help to grow regional engagement in the UK in 2012/13.</p>

<p><b>Staff and volunteers</b> We will remain committed to seeking feedback from staff, volunteers, Trustees and members of the Association about our effectiveness in achieving Oxfam's mission and reflecting its values.</p>	<p>We carried out a major staff consultation exercise, Oxfam Listens, which identified a number of actions to improve staff engagement; 90% of these actions have been completed or incorporated into business as usual. Results from the latest staff survey show an increase in staff engagement and positive feedback on our values; however, satisfaction with performance management shows a small decline.</p> <p>The Trading Division launched an ambitious 'volunteering strategy' to ensure that volunteers' experience is consistently good. The trading strategy was developed using the mechanisms established in 2010/11, which included six Shop Team conferences, in order to ensure that it was shaped by, and focused on, our people.</p> <p>Feedback was regularly sought from Trustees and Association members, including their participating in the annual 'Oxfam Connects' meeting, which is organised to hear the views of our most committed and engaged supporters. Council also reviewed how lead Trustee roles were working, and identified areas for improvement.</p>
<p><b>Health and safety</b></p>	<p>In the UK, a new Transport Manager was employed to focus on the provision of a safe delivery network for the Trading Division, introducing driver health checks and improved vehicle maintenance. Internationally, we introduced 'black box' technology for the Logistics team's vehicles, and quarterly newsletters which include learning from previous accidents. Risk assessments were embedded into business processes such as travel and emergency evacuation plans. Assessment processes for external events were improved and widened to include Trading Division staff. Management training was upgraded to include more on risk management. On the internal website, information on stress management was updated and made more accessible to all staff.</p>
<p><b>Government and regulators</b> We will be accountable for our activities in the countries where we have programmes. We will have constructive engagement with host governments and our UK regulators.</p>	<p>At an international level, we achieved our objectives with regards to developing a model law for international disaster response. We did not make as much progress as we had hoped on delivering training on regulatory issues for our staff.</p>
<p><b>Advocacy</b> Our advocacy and campaigns work will follow the core principles of our global campaigning and advocacy model.</p>	<p>A number of independent evaluations were completed during the year, including those of the following programmes: Raising Her Voice; Fair Play for Africa; Africa Climate Change Resilience Alliance (ACCRA); and the Arms Trade Treaty. The global and UK campaigning issues that Oxfam works on are published on the Oxfam International and Oxfam website respectively.</p> <p>The UK Campaigns team was scheduled to hold a partners' day in March 2012 to which a representative from each partner organisation was to be invited. Due to availability issues, the day was rescheduled for May 2012.</p>
<p><b>The environment</b> We will develop appropriate, challenging targets.</p>	<p>Mitigation: We will complete the process of measuring mitigation in two regions – HECA<sup>3</sup> and Asia – in August 2012. Following an extensive internal review, a revised governance structure was agreed in January and the revised policy will be signed off in July 2012. We did not meet the carbon reduction target for trading logistics due to a combination of issues, including the need to re-route our transport network as a result of a warehouse fire, increased opportunities for recycling and more accurate data capture.</p> <p>Adaptation: Staff and partners in eight countries were trained on climate change adaptation during the year, leading to improved programme design and implementation. However, many staff still lack confidence and require significant support from the adaptation and risk reduction team. A decision was made in September 2011 to postpone our investment indefinitely into an online community of practice (for climate change adaptation practitioners), due to resource constraints and a need to focus on other priorities. The review of our programme-focused learning work is under way and is expected to be completed by June 2012.</p>

<sup>1</sup> All accountability documents referred to in this section can be found at [www.oxfam.org.uk/accountability](http://www.oxfam.org.uk/accountability).

<sup>2</sup> <http://policy-practice.oxfam.org.uk>.

<sup>3</sup> Horn, East and Central Africa.

## REPORT AGAINST CORPORATE OBJECTIVES 2011/12

Each year we identify specific objectives against which we set measurable targets. The information below details the progress made against these corporate objectives for 2011/12.

### Launch a campaign for food justice

- We launched the GROW Campaign in 45 countries in June 2011 (see page 6).
- On International Women's Day, 26 countries selected 'Women Champions', in recognition of women's work in promoting equitable and just food systems (see page 26).
- Campaigning on land grabs led to the announcement of independent mediation into the case of alleged abuses by a UK forestry company in Uganda (see page 20).

### Improve economic opportunities for women

- We supported agricultural livelihoods programmes in 36 countries, 25 of which had women's participation/access to market opportunities as a major component. Ten country programmes engaged with private sector partners to promote more equitable supply chain relationships (see page 10).
- The Small Enterprise Impact Investing Fund (SEIIF) was registered to invest in financial intermediaries that provide funds for established small and medium enterprises in developing countries (see page 10).

### Build people's resilience to the effects of climate change and global economic instability

- In 23 countries, we supported communities to mitigate the impact of shocks and climate change by integrating disaster risk reduction (DRR) approaches to livelihoods, water and natural resource management.
- Communities' capacity to adapt to climate change was increased in 13 country programmes through participatory analysis and training.
- The ACCRA programme (Uganda, Ethiopia and Mozambique) provided evidence on communities' capacity to adapt and used this to influence governments.

### Increase the capacity of Oxfam, our partners and governments to respond to crises

- New methodology for national humanitarian self-assessment was trialled and rolled out in four countries, with positive feedback.
- Significant progress was made within the Oxfam International Humanitarian Consortium to agree each affiliate's capacity and competence levels.
- The Humanitarian Agencies' Consortium project continued to make progress: for example in Bolivia, Niger and Bangladesh, it was recognised by governments and UN agencies as enabling better co-ordination in crisis situations.

### Enhance our supporter engagement

- We achieved the target number of local community fundraising groups (50) but net income was 81% of target.
- The new website was delivered in April 2012.

### Secure our resources

- We delivered a restricted income of £211.3m and net restricted funds available for programmes of £207.5m, against targets of £182.1m and £177.5m respectively.
- We achieved unrestricted income of £174.1m and net unrestricted funds for programmes of £87.2m, against targets of £166.6m and £75.9m respectively. Trading contribution was £22.2m (target £20.9m), while the fundraising contribution was £59.1m (target £56.8m).

### Develop within Oxfam International (OI)

- 26 countries adopted the Single Management Structure (SMS) and new OI Country Directors were appointed in 54 countries.

### Do more to recognise the value of our people

- There was positive feedback from staff on accountability, empowerment and inclusiveness; however, only 50% of staff considered performance management effective.
- We implemented the 'Oxfam Listens' plan and improved communications with our shop volunteers.

## THE YEAR AHEAD

Despite external factors, we are not in financial crisis. Fundraising is tough and may continue to be so, hence we will manage our costs tightly while working to grow our income.

Our corporate objectives for 2012/13 are to:

### **Influence the debate on growth and resources**

- Encourage global discussion about social justice by major decision-makers.
- Agree new Oxfam International Millennium Development and Sustainable Development Goals messaging prior to Rio+20.

### **Deliver key elements of the GROW Campaign**

- Campaign to stop land grabs and improve regulation in up to six countries.
- Raise awareness of, and mobilise a food justice movement in key countries.
- Advocate on climate change and pressure governments to pledge finance for adaptation, prior to Qatar UNFCCC.
- Advocate in 20 countries to improve pro-poor/pro-women policies on food security, resources and land rights.

### **Build the resilience of people living in poverty**

- Bridge divisions between humanitarian and development work.
- Improve capacity to respond to emergencies and climate change in 20 countries.
- Raise awareness in eight countries of the impact of climate change on poor communities, and the need for government support.
- Encourage governments in five countries to adopt social protection schemes.

### **Engage with the private sector**

- Increase engagement and extend our Enterprise Development Programme.
- Explore new programmes to work with the private sector to improve food security, mobile phone technology and micro-insurance.
- Improve small-scale farmers' links to markets in 16 countries by encouraging businesses to invest in value chain projects

and training support staff.

- Roll out the Small Enterprise Impact Investing Fund to raise £9.5m, and disburse £7.5m to support 800 enterprises.

### **Enhance programme quality and impact**

- Focus on delivering programmes while continuing to implement the SMS.
- Pilot new opportunities to leverage finance for development.
- Develop staff advocacy, development and humanitarian skills.
- Assess our impact through a global performance reporting framework.
- Implement Monitoring, Evaluation, Accountability and Learning systems.

### **Develop our role in Oxfam International**

- Influence the development of the new Strategic Plan.
- Work towards greater accountability.
- Ensure that the SMS delivers increased impact/cost-effectiveness.
- Deliver a new global brand identity on time and on budget.

### **Develop a more effective Oxfam**

- Free up more unrestricted funds for programme investment, OI Strategic Plan changes and OI fundraising and shop refits.
- Simplify priorities, processes and messages.

### **Secure our financial resources**

- Aim to bring in an unrestricted contribution of £75.3m and restricted contribution of £201m.

## FINANCE SUMMARY

### INCOME

Oxfam's total income increased by £18.0m to £385.5m in 2011/12. This income derives principally from the activities of trading and fundraising. Trading income increased by 5% on last year, with Trading income representing 23% of total income, the same as last year. Fundraising income (which includes both income from supporters and the public, and institutional donor income) increased by 8% on last year. A detailed analysis of income is shown in the consolidated Statement of Financial Activities (SOFA) and Note 2 to the accounts.

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

	2008/09	2009/10 (11 mths)	2010/11	2011/12
	£m	£m	£m	£m
Trading sales	79.3	74.4	85.9	89.9
Trading costs	(62.9)	(58.1)	(65.0)	(67.6)
Trading net income	16.4	16.3	20.9	22.3
Trading profit margin	21%	22%	24%	25%
Fundraising income	200.5	222.6	262.9	282.8
Fundraising costs	(19.8)	(17.2)	(20.8)	(23.0)
Fundraising net income	180.7	205.4	242.1	259.8
Fundraising net margin	90%	92%	92%	92%
Net income from trading and fundraising	197.1	221.7	263.0	282.1
Gifts-in-kind	19.4	15.7	13.6	6.7
Other net income	7.6	2.1	2.5	4.4
<b>Total net income in year</b>	<b>224.1</b>	<b>239.5</b>	<b>279.1</b>	<b>293.2</b>
Total charitable activities	(234.4)	(216.3)	(272.7)	(286.4)
<b>Increase/(decrease) in funds</b>	<b>(10.3)</b>	<b>23.2</b>	<b>6.4</b>	<b>6.8</b>

Trading sales at £89.9m are £4.0m higher than last year. Growth in both donated clothing and books has been achieved, despite the continuing difficult economic conditions and retail environment, due to the public's support of initiatives to source quality donated stock. Despite a fire in our recycling plant at the start of the year, income from our Wastesaver operation has increased this year due to minimal disruption to our operations from the relocation. Our e-commerce operations are also continuing to grow, generating 24% more income than last year. Trading's contribution is higher than last year at £22.3m, reflecting sales growth. The overall contribution from our shop network, which includes sales from Oxfam Unwrapped and donations received in shops, increased to £25.5m, an increase of 6% over last year.

Fundraising income increased by £19.9m to £282.8m, compared to last year. This increase was driven by a £21.7m increase in restricted income from governments, institutional donors and other public authorities. In particular, grants were higher from the EU, the UN and the Swedish Government, due to funding for the East Africa food crisis and Pakistan flood response. Income from the Disasters Emergency Committee (DEC) fell from last year's high level and regular giving continued to fall slightly. Other voluntary income increased slightly, with legacy income reaching a new high of £15m.

The cost of raising voluntary income, as shown in Note 3a, increased by 11% to £23.0m during 2011/12, resulting in net fundraising income being £259.8m, which was 7% higher than last year, reflecting the increased institutional funding.

Gifts-in-kind can fluctuate significantly, reflecting the scale and nature of emergency response in any year. This year's gifts-in-kind total of £6.7m mainly represents food and other aid for Kenya, Haiti and Zimbabwe.

'Primary purpose trading' includes the income from the sale of humanitarian equipment, published material and income generated by the subsidiary micro-credit scheme in Azerbaijan.

## EXPENDITURE

The Statement of Financial Activities (SofA) shows the analysis of charitable activities split between development, humanitarian, and campaigning and advocacy. Total spending on charitable activities, at £286.4m, increased by 5% over last year. Unrestricted charitable spend increased by 3%, while restricted charitable spend increased by 6%, predominantly in development work. The amount spent on support costs remained fairly constant relative to the increase in our programme work at around 9% of charitable spend, and includes continued investment in digital communications.

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

The allocation of expenditure across the strategic aims of Oxfam has changed slightly as a result of increased development work, with a higher percentage for sustainable livelihoods and a corresponding reduction in other areas. The relationship between our strategic aims and our charitable activities is also shown in Note 3c. The table below shows the proportion of charitable activities spent on each charitable aim.

	2008/09	2009/10 (11 mths)	2010/11	2011/12
Sustainable livelihoods	18%	20%	20%	26%
Essential services	10%	9%	9%	9%
Life and security	41%	43%	45%	41%
Being heard	8%	8%	7%	6%
Equity	11%	11%	10%	9%
Total	88%	91%	91%	91%
Support costs	12%	9%	9%	9%
<b>Total charitable activities</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
	£234.4m	£216.3m	£272.7m	£286.4m

## RESERVES POLICY

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

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

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

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

## GENERAL RESERVES (UNRESTRICTED)

General reserves are not restricted to or designated for a particular purpose. General reserves diminished by £2.2m during 2011/12, with the balance being £39.2m at the end of March 2012. The revised reserves target base level of £25m, as noted above, has informed our planned spend over the next few years, with an intention to spend down our reserves to bring them closer to the reserves target by March 2013. It has also enabled the setting up of a new Strategic Investment Fund of £4.5m, as noted below.

Given the ongoing testing conditions in world economies, our budgeting has remained fairly cautious and thanks to the continued generosity of our supporters, we have been able to continue to deliver our programme activity based on a carefully planned and structured approach.

General reserves are represented by net current assets and are equivalent to approximately three months' unrestricted expenditure at 2011/12 levels.

### PENSION SCHEME DEFICIT

The valuation of Oxfam's pension scheme at 31 March 2012, for the purposes of FRS17, showed a funding deficit of £30.6m (2010/11: £18.3m – see Note 20d). This deficit represents the difference between the estimated liabilities of the pension fund and the estimated value of its underlying assets; it does not represent an immediate cash commitment, as the cash flow required to meet the £30.6m deficit relates to future pension payments. Nevertheless, it has been agreed to increase employer's pension contributions by £1m per annum at least until the results of the next triennial valuation are available. The valuation of the pension scheme's assets under FRS17 is different from the triennial actuarial valuation, which determines the pension contributions required to reduce the deficit. Current financial projections indicate that Oxfam will be able to make these contributions as they fall due. FRS17 requires that the pension deficit should be shown as a reduction in unrestricted funds. The defined benefit pension scheme was closed to new members during 2002/03.

### DESIGNATED FUNDS (UNRESTRICTED)

Designated funds are those unrestricted funds that have been allocated by the Trustees for particular purposes. The designated fund for fixed assets of £12.1m (2010/11: £11.8m) represents resources invested in the charity's fixed assets that are, therefore, not available for other purposes. Funds have also been designated to cover retained profits of the micro-credit scheme in Azerbaijan, which are available only in Azerbaijan and totalled £2.3m at the end of March 2012, along with the retained profit of Fripp Ethique SARL in Senegal of £0.2m. The Single Management Structure designated fund, established to cover anticipated additional costs in reorganising our overseas operations to improve the coordination of programme activity throughout the Oxfam International affiliation, has been reduced by associated costs incurred during the year and is planned to be fully utilised by March 2013. A new designated fund for strategic investments has been set up this year to enable the charity to ringfence funds for major strategic proposals

which enhance our ability to deliver against our charitable objectives. The designated fund for the Network Project remains in place. Further details of the designated funds and their movements during the year are shown in Note 19 of the accounts.

### RESTRICTED FUNDS

These funds are tied to particular purposes, as specified by the donor or as identified at the time of a public appeal. At 31 March 2012, unspent restricted funds were £39.1m (2010/11: £38.0m). The restricted fund balance includes total deficit balances of £16.4m (2010/11: £16.4m). These deficit balances have arisen on projects where total expenditure has exceeded income, and where the expenditure will be reimbursed by a government or other agency in the following accounting year (see Note 18 for further details).

### ENDOWMENT FUNDS

Endowment funds of £2.6m (2010/11: £2.5m) represent monies received from donors where there is some restriction on the use of the capital (see Note 17).

### FINANCIAL POSITION

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

### INVESTMENT POLICY AND PERFORMANCE

Oxfam's investments are held almost entirely in cash deposits, mainly with building societies and banks. During the year, the average return on these investments was 2.04% compared with a base rate of 0.50% throughout the period.

### FINANCIAL RISK MANAGEMENT

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

## GRANT-MAKING POLICIES

In 2011/12 we spent £90.6m (2010/11: £72.5m) in grants to international, national and local partner organisations. We made 1,296 grants to 873 organisations (2010/11: 1,563 grants to 1,077 organisations). The average grant per project was £70,000 (2010/11: £46,000) and per partner was £104,000 (2010/11: £67,000). The increase in average grant per partner was related to the increased use of cash programming through partners, and wider consortium programming. Oxfam works with and through others to take action to achieve common goals for overcoming poverty and injustice based on complementarity and respect for the contribution that each party brings. Oxfam's partner relations are informed by, and managed to, a set of clear principles. These five principles underpin our programme and partnership decisions in development, humanitarian and campaigns work at every level of activity.

We hold ourselves accountable to these principles and seek to be held accountable by partners, communities and other stakeholders with whom we and our partners work.

The five principles are:

- Complementary purpose and added value;
- Mutual respect for values and beliefs;
- Clarity on roles, responsibilities and decision-making;
- Transparency and accountability;
- Commitment and flexibility.

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

Grants are managed through specific agreements with partners, which set out the conditions of the grant, including reporting requirements, and when and how disbursement will happen. The agreement also outlines Oxfam's responsibilities in the partnership to ensure that it can be held to account by partners and other stakeholders (see Accountability update, pages 34–35). Grants are usually disbursed in instalments to ensure that agreed timings and results are being met and managed.

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

- Visits to the partners and beneficiaries;
- Formal evaluation processes such as impact assessment by Oxfam or a third party;
- Auditing of the project and/or the partner.

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

## AUDITORS

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

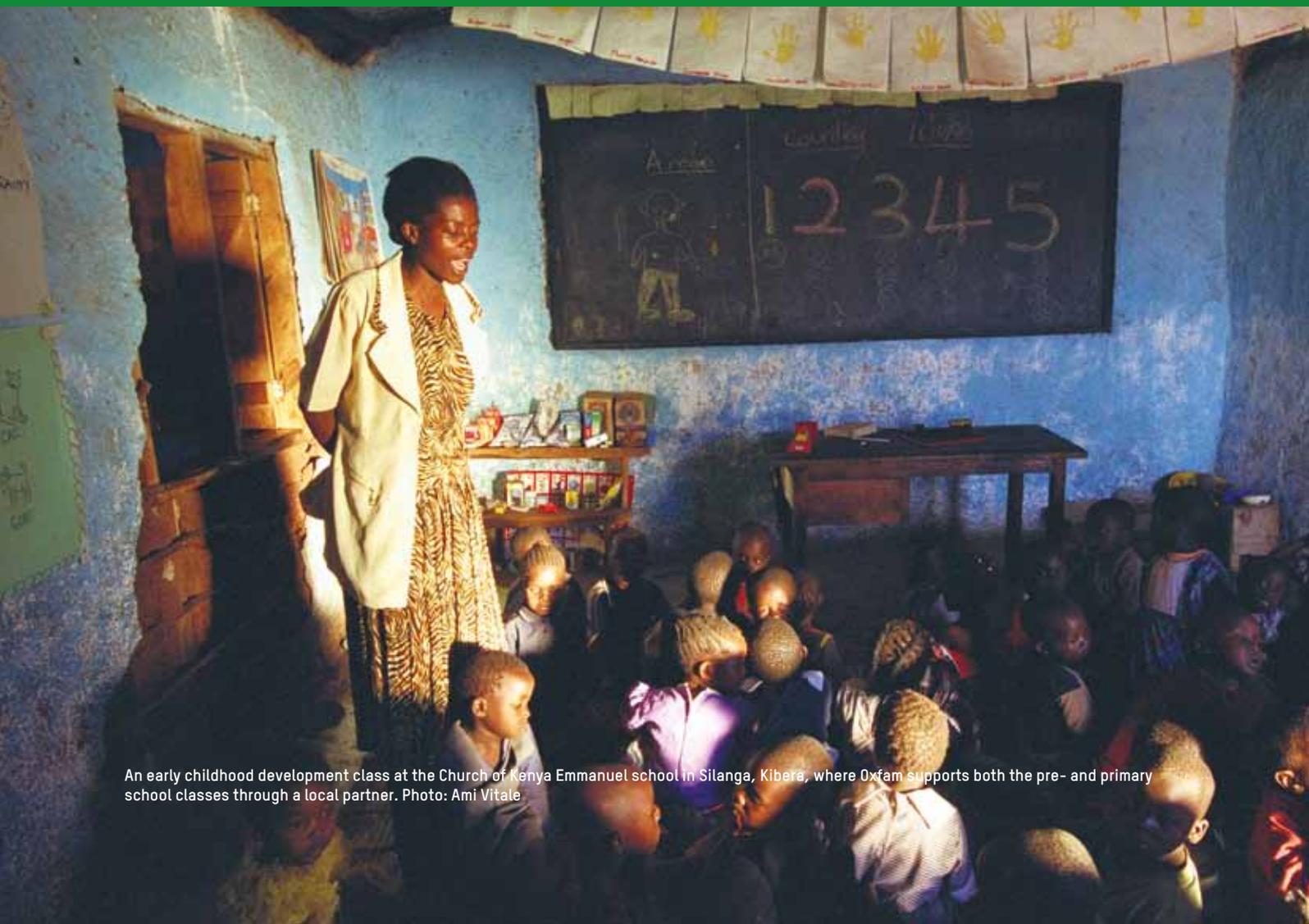
Approved by the Council of Trustees on 13 July 2012 and signed on its behalf by:



Karen Brown  
Chair of Oxfam  
13 July 2012

# ACCOUNTS

For the year to 31 March 2012



An early childhood development class at the Church of Kenya Emmanuel school in Silanga, Kibera, where Oxfam supports both the pre- and primary school classes through a local partner. Photo: Ami Vitale

## Independent auditor's report to the Members and Trustees of Oxfam

We have audited the financial statements of Oxfam for the year ended 31 March 2012, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Statutory Responsibilities set out on pages 30-31, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's Members and Trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012, and of the group's incoming resources and application of resources, including its income and expenditure and group's cash flows, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.



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

19 July 2012

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## Consolidated statement of financial activities

(including income and expenditure account)

Notes	Trading funds £ m	Unrestricted funds £ m	Restricted funds £ m	Endowment funds £ m	Year to 31 March 12 Total £ m	Year to 31 March 11 Total £ m
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
2a	-	78.3	51.3	0.1	129.7	138.4
2b	89.9	-	-	-	89.9	85.9
2c	-	1.1	0.1	-	1.2	0.9
<b>Incoming resources from charitable activities</b>						
2d	-	-	159.8	-	159.8	138.1
2d	-	2.6	-	-	2.6	2.4
2e	-	2.3	-	-	2.3	1.8
<b>Total incoming resources</b>						
	89.9	84.3	211.2	0.1	385.5	367.5
<b>Costs of generating funds</b>						
3a	-	19.2	3.8	-	23.0	20.8
2b	67.6	-	-	-	67.6	65.0
3b	-	0.1	-	-	0.1	0.2
<b>Net incoming resources available for charitable application</b>						
	22.3	65.0	207.4	0.1	294.8	281.5
	(22.3)	22.2	0.1	-	-	-
<b>Net incoming resources available for charitable application</b>						
	-	87.2	207.5	0.1	294.8	281.5
<b>Charitable activities</b>						
3c		46.7	98.8	-	145.5	128.1
3c		16.6	104.6	-	121.2	125.2
3c		16.7	3.0	-	19.7	19.4
<b>Total charitable activities</b>						
		80.0	206.4	-	286.4	272.7
3d		1.3	-	-	1.3	1.2
3e		0.3	-	-	0.3	1.2
<b>Total resources expended</b>						
		168.5	210.2	-	378.7	361.1
7						
<b>Net incoming resources before other recognised gains and losses</b>						
		5.6	1.1	0.1	6.8	6.4
<b>Other recognised gains/(losses)</b>						
9		-	-	-	-	0.4
20		(16.3)	-	-	(16.3)	8.3
<b>Net movement in funds</b>						
		(10.7)	1.1	0.1	(9.5)	15.1
<b>Reconciliation of funds</b>						
<b>Total funds brought forward at 1 April</b>						
		42.9	38.0	2.5	83.4	68.3
<b>Total funds carried forward at 31 March</b>						
		32.2	39.1	2.6	73.9	83.4

Total unrestricted incoming resources for the year amounted to £174.1m (2010/11: £169.3m).

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities. There is no difference between the net incoming resources before other recognised gains and losses above and the historical cost equivalent. All activities are continuing.

Oxfam uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate Income and Expenditure Account for Oxfam as a separate entity. The net income for Oxfam alone for the year ended 31 March 2012 was £6.3m (2010/11: net income £6.1m).

The notes on pages 47-67 form part of these financial statements.



## Consolidated cash flow statement

	Year to 31 March 2012		Year to 31 March 2011	
	£ m	£ m	£ m	£ m
<b>Net cash (outflow)/inflow from operating activities</b>		(11.7)		8.7
<b>Returns on investments and servicing of finance</b>				
Deposit interest received	1.1		0.9	
		1.1		0.9
<b>Capital expenditure and financial investment</b>				
Payments to acquire fixed asset investments	-		(0.1)	
Receipts from sales of fixed asset investments	0.7		0.1	
Payments to acquire tangible fixed assets	(3.8)		(3.5)	
Receipts from sales of tangible fixed assets	1.8		1.8	
		(1.3)		(1.7)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(11.9)		7.9
<b>Management of liquid resources</b>				
Cash withdrawn from short-term deposit	66.0		94.8	
Cash invested on short-term deposit	(61.0)		(93.8)	
		5.0		1.0
<b>Net cash inflow from management of liquid resources</b>		5.0		1.0
<b>Financing</b>				
Increase/(decrease) in borrowings	1.5		(0.7)	
		1.5		(0.7)
<b>Net cash inflow/(outflow) from financing</b>		1.5		(0.7)
<b>(Decrease)/increase in cash in the year</b>		(5.4)		8.2

### Notes

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

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
Net incoming resources before revaluations and investment asset disposals	6.8	6.4
Deposit interest and investment income receivable	(1.2)	(0.9)
Depreciation charge	3.5	3.9
Profit on disposal of fixed assets	(1.9)	(1.3)
Decrease/(increase) in stocks	0.1	(0.1)
(Increase) in debtors	(12.7)	-
(Decrease)/increase in creditors and provisions	(2.3)	3.4
FRS17 difference between pension contributions and current service costs	(4.0)	(2.7)
Net cash (outflow)/inflow from operating activities	(11.7)	8.7

#### b. Analysis of net funds

	At 1 April 2011 £ m	Cash flow movement £ m	At 31 March 2012 £ m
Cash at bank and in hand	32.7	(5.4)	27.3
Cash on short-term deposit	41.0	(5.0)	36.0
Debt due within one year	(2.4)	1.4	(1.0)
Debt due after one year	(1.5)	(2.9)	(4.4)
Net funds	69.8	(11.9)	57.9

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

	2012 £ m	2011 £ m
(Decrease)/increase in cash	(5.4)	8.2
Cash inflow from decrease in liquid resources*	(5.0)	(1.0)
Cash (inflow)/outflow from financing	(1.5)	0.7
Net funds at 1 April	69.8	61.9
Net funds at 31 March	57.9	69.8

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

## Notes to the financial statements

### 1. ACCOUNTING POLICIES

#### a. Accounting conventions

The Financial Statements are prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice 2005 (Revised 2008) ('the SORP'), and applicable accounting standards in the United Kingdom.

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

#### b. Basis of consolidation

The Financial Statements of Oxfam's trading subsidiary company, Oxfam Activities Limited, are consolidated with the accounts of Oxfam on a line-by-line basis.

Oxfam operates a micro-credit scheme, Finance for Development Limited, in Azerbaijan, which has been registered as a separate organisation. As a subsidiary of Oxfam, its accounts have been consolidated on a line-by-line basis. Details are given in Note 9.

Oxfam Activities Limited holds 100% of the shares in Fripp Ethique SARL, a company based in Senegal. The company is considered a subsidiary of Oxfam Activities Limited and has been consolidated in Oxfam's accounts on a line-by-line basis. Details are given in Note 9.

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

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

Just Energy Limited, a company limited by guarantee, is considered a subsidiary of Oxfam, since Oxfam controls the company through its 100% membership of the board of directors. The company is not consolidated since it had not commenced trading by 31 March 2012 and the pre-trading position of the company is not material to these Financial Statements.

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

#### c. Fund accounting

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

Designated funds are set aside at the discretion of the Trustees for specific purposes. However, under the definitions within the Charities SORP, they are still eligible to be included in the calculation of general reserves, where they represent funds which are readily accessible (ie. including cash set aside for purposes such as the Single Management Structure, but excluding fixed assets).

In accordance with FRS17-Retirements Benefits, a pension reserve is included within unrestricted funds representing the pension deficit.

Restricted and endowment funds are subject to specific restrictions imposed by the donor or by the nature of an appeal. A final review of the allocation of expenditure is performed after a project or contract has been completed, which can give rise to a transfer between funds.

#### d. Incoming resources

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

Grants from governments and other agencies have been included as 'Incoming resources from charitable activities' where these amount to a contract for services, but as 'Voluntary income' where the money is given in response to an appeal.

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

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

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

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

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

Income from 'Gift Aid' tax reclaims is recognised for any 'Gift Aid' certificates received up to a month after the year end, in relation to donations made prior to the year end.

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

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

#### e. Costs of generating funds

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

#### f. Charitable expenditure

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

Grants payable in furtherance of the charity's objects are recognised as expenditure when payment is due to the partner organisation, in accordance with the terms of the contract. Standard partner contracts are typically for a year's duration, but can span several years. The contracts contain conditions, the fulfilment of which is under the control of Oxfam. For contracts in place at the year end that include payments to be made in future years, these payments are disclosed in note 20 to the accounts as commitments.

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

#### g. Governance costs

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

#### h. Allocation and apportionment

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

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

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

#### i. Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses of acquisition.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost by equal annual instalments over their expected useful economic lives as follows:

Freehold land	Nil
Freehold buildings	50 years
Warehouse fittings and equipment	10 years
Computer infrastructure	10 years
Leasehold assets	5 years
Furniture, fixtures, and equipment in GB	5 years
Motor vehicles	4 years
Computer virtual servers	4 years
Other computer equipment	3 years
Furniture, fixtures, and equipment overseas	3 years

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

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

#### j. Fixed asset investments

Fixed asset investments include freehold properties that Oxfam is required to retain until conditions specified by the donor have been met. The consequence of these conditions is that it is unlikely that Oxfam will be able to realise its investment in the foreseeable future. Included in this are properties where the proceeds, once realised, will be used for charitable purposes, rather than reinvestment. These fall within the definition of current asset investments given in the SORP. However, due to the specific circumstances relating to these properties, the Trustees consider it more appropriate to classify them as fixed asset investments.

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

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

Gains or losses arising on revaluation of investments are credited or charged to the SOFA under 'Gains and losses on investment assets'.

#### **k. Stocks**

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

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

#### **l. Provisions**

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

#### **m. Foreign currencies**

Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Foreign currency balances are translated at the rate of exchange prevailing at the Balance Sheet date. Foreign exchange gains and losses incurred in respect of overseas operations are included in the SOFA within charitable activity expenditure for the period in which they are incurred. The net of all other foreign exchange gains and losses is included either in 'Other incoming resources' if it is a net gain or 'Other resources expended' if it is a net loss.

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

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

#### **n. Pension schemes**

Oxfam operates defined benefit and defined contribution pension schemes.

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

The pension liabilities and assets are recorded in line with FRS17, with a valuation undertaken annually by an independent actuary. FRS17 measures the value of pension assets and liabilities at the Balance Sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the SOFA, and the expected return on scheme assets and the interest cost on scheme liabilities are allocated across the appropriate incoming/outgoing resource categories. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members are recognised in the SOFA within actuarial gains/losses on defined benefit pension schemes. The resulting pension liability or asset is shown on the Balance Sheet. Quoted securities have been valued at current bid prices.

##### **Defined contribution scheme**

Pension contributions are charged to the SOFA as incurred.

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

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

Details of the micro-credit scheme, which is a locally registered organisation in Azerbaijan, are given in Note 9 to the accounts.

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

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

## 2. INCOMING RESOURCES

### a. Voluntary income

	Unrestricted £ m	Restricted £ m	Endowments £ m	Year to 31 March 2012 Total £ m	Year to 31 March 2011 Total £ m
Regular giving*	51.8	2.5	-	54.3	56.3
Legacies	14.2	0.8	-	15.0	14.1
Public donations, appeals, and fundraising events*	11.5	20.6	0.1	32.2	30.2
Disasters Emergency Committee (DEC) appeals	-	9.2	-	9.2	14.0
UK government: Department for International Development – Partnership Programme Arrangement	-	11.2	-	11.2	9.6
Gifts-in-kind	-	6.7	-	6.7	13.6
Donated services and facilities	0.8	0.3	-	1.1	0.6
	<u>78.3</u>	<u>51.3</u>	<u>0.1</u>	<u>129.7</u>	<u>138.4</u>

\* Includes related Gift Aid.

The value of gifts-in-kind not distributed at 31 March 2012 is £0.0m (2010/11: £0.1m).

At 31 March 2012, in addition to legacy income that has been included in the accounts, Oxfam expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. Oxfam's future income from these legacies is estimated at £7.9m (2010/11: £8.8m). Accrued legacy income included within the accounts amounts to £1.0m (2010/11: £0.6m).

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

	Oxfam £ m	OAL £ m	Frip Ethique £ m	Year to 31 March 2012 Total £ m	Year to 31 March 2011 Total £ m
Turnover from donated goods	72.8	5.0	1.8	79.6	74.7
Turnover from purchased goods	-	8.6	-	8.6	9.6
Other trading income	0.5	1.2	-	1.7	1.6
<b>Total trading sales</b>	<u>73.3</u>	<u>14.8</u>	<u>1.8</u>	<u>89.9</u>	<u>85.9</u>
Direct trading expenses – donated goods	49.6	3.2	1.6	54.4	52.5
Direct trading expenses – purchased goods	-	11.3	-	11.3	11.1
Support costs	1.9	-	-	1.9	1.4
<b>Total trading costs</b>	<u>51.5</u>	<u>14.5</u>	<u>1.6</u>	<u>67.6</u>	<u>65.0</u>
<b>Net trading income</b>	<u>21.8</u>	<u>0.3</u>	<u>0.2</u>	<u>22.3</u>	<u>20.9</u>
<i>In addition, the following other amounts were collected through the shops and are included in voluntary income.</i>					
Oxfam Unwrapped net income	1.5	-	-	1.5	1.7
<b>Net trading income including Oxfam Unwrapped</b>	<u>23.3</u>	<u>0.3</u>	<u>0.2</u>	<u>23.8</u>	<u>22.6</u>
Unrestricted donations	0.9	-	-	0.9	0.9
Restricted donations	0.8	-	-	0.8	0.6
<b>Total net trading income</b>	<u>25.0</u>	<u>0.3</u>	<u>0.2</u>	<u>25.5</u>	<u>24.1</u>

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

### c. Investment income

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
Deposit interest – unrestricted	1.1	0.7
Deposit interest – restricted	0.1	0.2
	<u>1.2</u>	<u>0.9</u>

#### d. Incoming resources from charitable activities

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

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
UK Government:		
DFID Resources for specific programmes	11.1	16.1
DFID Government and Transparency Fund	1.4	1.3
Other	0.1	0.3
European Union	49.8	40.0
UNHCR	4.3	3.4
Other UN agencies	18.1	13.8
Members of Oxfam International (see Note 3c)	31.6	34.5
Non-UK governments	28.8	16.3
Other international agencies	5.1	8.3
Big Lottery Fund	0.1	0.1
Other UK agencies	9.4	4.0
	<u>159.8</u>	<u>138.1</u>

Income from DFID by contract title	Country	Year to 31 March 2012 £'000	Year to 31 March 2011 £'000
<b>DFID – Resources for specific programmes</b>			
Flood Resistant Shelter for South-West Region in Bangladesh (FRESH)	Bangladesh	2,040	-
Somalia Emergency WASH & Livelihoods Project	Somalia	1,893	-
Freetown Public Health Consortium	Sierra Leone	1,319	902
Cap Haitian Cholera Response	Haiti	1,161	593
Support EFSL for vulnerable population and refugees in Eastern Liberia	Liberia	859	-
Emergency Public Health Response	Somalia	644	356
Hunger Safety Net Programme: management of the Administration Component	Kenya	562	962
WASH Response for Somali Refugees in Dadaab, Kenya	Kenya	500	-
Shiree Scale Fund (REE-CALL)	Bangladesh	458	-
INGO Partnership Agreement Programme	India	712	970
Post Gori livelihoods recovery, Kyaukpyu Township, Rakhine State	Myanmar	299	-
Theme C – Building the Evidence and Strengthening Policy Making (DRR)	UK	270	534
Climate Change Advocacy Officer Uganda	Uganda	264	153
Monitoring the impacts of the economic crisis and integration on poverty	Vietnam	156	34
The Arms Trade Treaty (ATT) and Sustainable Development (Phase II)	UK	115	224
Keeping the Heat on Health – Oxfam's Global Health Advocacy and Campaigns Project	UK	55	149
West Africa Strategic Humanitarian Partnership	West Africa	(39)	3,705
Humanitarian Response to Floods in Sindh Province	Pakistan	(184)	2,849
Humanitarian Response to Floods in Lower Sindh Province	Pakistan	-	1,815
Haiti Earthquake Response 2010	Haiti	-	500
Enhancing Livelihood and Food Security Resilience of Poor Households	Yemen	-	433
Emergency Public Health Response to Mogadishu Internally Displaced Persons (IDPs)	Somalia	-	429
Balaka Cash Transfer Response Project	Malawi	-	408
Emergency public health services for populations affected by conflict in Lubero	DRC	-	325
Integrated WATSAN and Livelihood Support for Resettlement of IDPs	Sri Lanka	-	300
Technical Advisory Support Team: Water and Sanitation Capacity Building	Chad	-	223
A Public Policy Forum for Development in Russia	Russia	-	135
Practical review of DRR investment results in recent natural disasters in Indonesia	Indonesia	-	55
Kulyab flood response 2010 – Rehabilitation	Tajikistan	-	50
Civil Society Mechanism – Committee on World Food Security (36th Session)	UK	-	30
CSO Mapping and Situational Analysis	Zambia	-	7
		<u>11,084</u>	<u>16,141</u>
<b>Governance and Transparency Fund</b>			
Raising Her Voice: Promoting Poor Women's Participation in Governance – Phase I	Global	1,075	1,299
Ensuring food and nutrition security in a time of volatility – research	Global	334	-
		<u>1,409</u>	<u>1,299</u>
<b>Partnership Programme Arrangement (see Note 2a)</b>			
Partnership Programme Arrangement (PPA)	Global	11,171	9,570

**ii. Primary purpose trading**

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
<b>Income</b>		
Micro-credit schemes	2.4	1.9
Sale of humanitarian equipment	0.2	0.4
Sale of printed material	–	0.1
	<u>2.6</u>	<u>2.4</u>
<b>Costs included within charitable activities</b>		
Micro-credit schemes	(2.0)	(1.7)
Humanitarian equipment	(0.1)	(0.5)
Printed materials	–	–
	<u>(2.1)</u>	<u>(2.2)</u>
<b>Net income from primary purpose trading</b>	<u>0.5</u>	<u>0.2</u>

**e. Other incoming resources**

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
<b>Income</b>		
Gain on disposal of fixed assets	1.9	1.3
Nursery fees	0.2	0.2
Miscellaneous overseas income	0.1	0.2
Other	0.1	0.1
	<u>2.3</u>	<u>1.8</u>

**3. RESOURCES EXPENDED****a. Costs of generating voluntary income**

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

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
Regular giving	6.7	6.0
Legacies	0.2	0.2
Public donations, appeals, fundraising events and Disasters Emergency Committee (DEC) appeals	7.0	6.9
Income from government, institutional donors and other public authorities	1.4	1.4
Irrecoverable VAT	0.9	0.6
Support costs	2.4	1.5
Other*	4.4	4.2
	<u>23.0</u>	<u>20.8</u>

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

**b. Investment management costs**

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
Staff costs	0.1	0.2

**c. Charitable activities****i. Functional analysis**

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

	Activities undertaken directly £ m	Grant funding of activities £ m	Support costs* £ m	Year to 31 March 2012 Total £ m	Year to 31 March 2011 Total £ m
Humanitarian	69.3	35.4	9.8	114.5	111.6
Gifts-in-kind (mainly food aid)	6.7	-	-	6.7	13.6
Total humanitarian	76.0	35.4	9.8	121.2	125.2
Development	83.2	50.0	12.3	145.5	128.1
Campaigning and advocacy	10.3	5.2	4.2	19.7	19.4
	169.5	90.6	26.3	286.4	272.7

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

Oxfam's relief and development programmes can also be analysed as shown below. Many programmes achieve aims in more than one of these categories, but are analysed for these purposes under the principal aim only:

	Humanitarian £ m	Development £ m	Campaigning and advocacy £ m	Year to 31 March 2012 Total £ m	Year to 31 March 2011 Total £ m
Right to a sustainable livelihood	-	69.8	6.2	76.0	54.9
Right to essential services	-	21.6	3.0	24.6	23.7
Right to life and security	111.4	2.4	2.5	116.3	123.0
Right to be heard	-	15.0	1.7	16.7	18.8
Right to equity	-	24.4	2.1	26.5	28.4
Total costs of activities and grants	111.4	133.2	15.5	260.1	248.8
Support costs	9.8	12.3	4.2	26.3	23.9
Total charitable activities	121.2	145.5	19.7	286.4	272.7

**ii. Grants payable**

The top 50 financial grant recipients in the year to 31 March 2012 are listed below.

	<b>Name of Institution</b>	<b>No. of grants</b>	<b>£'000</b>	<b>Geographic region</b>
1)	Research and Development Foundation	5	4,596	Asia
2)	Concern Worldwide	7	3,601	Global
3)	Sindh Agricultural and Forestry Workers Coordinating Organization	4	3,254	Asia
4)	Wajir South Development Association	10	2,648	HECA
5)	Humanitarian Initiative Just Relief Aid	2	2,561	HECA
6)	Solidarités International	3	2,494	Global
7)	CARE International UK	6	2,244	Global
8)	ActionAid	2	1,856	Asia
9)	Islamic Relief (UK)	2	1,627	Asia
10)	Laar Humanitarian and Development Programme	2	1,483	Asia
11)	Agency for Technical Cooperation and Development	3	1,424	HECA
12)	Strengthening Participatory Organization	11	1,139	Asia
13)	Association Nigérienne pour la Dynamisation des Initiatives Locales	4	1,110	West Africa
14)	Rupantar	6	1,033	Asia
15)	Vétérinaires Sans Frontières – Dierenartsen Zonder Grenzen, Belgium	2	978	HECA
16)	LASOONA – Society for Human and Natural Resource Development	2	944	Asia
17)	Arid Lands Development Focus	7	930	HECA
18)	Action Contre la Faim	3	914	Global
19)	Vétérinaires Sans Frontières, Germany	2	882	HECA
20)	Fundación para el Desarrollo Participativo Comunitario	5	825	LAC
21)	Participatory Development Initiatives	10	821	Asia
22)	Horn of Africa Voluntary Youth Committee	6	708	HECA
23)	Social Action Bureau for Assistance in Welfare and Organizational Networking	3	672	Asia
24)	Tearfund	1	658	West Africa
25)	Vétérinaires Sans Frontières, Switzerland	2	634	HECA
26)	Rural Development Institute of Sultan Kuarat	3	608	Asia
27)	MA'AN Development Center – Gaza	6	597	MEEECIS
28)	Association pour la Redynamisation de l'Élevage au Niger	4	578	West Africa
29)	Save the Children UK	8	570	Global
30)	Organization of Human Welfare	4	500	Asia
31)	Community Research & Development Organization	1	496	Asia
32)	Sarvodaya	5	466	Asia
33)	Organización de Desarrollo Étnico Comunitario	6	375	LAC
34)	National Gender and Community Development Organisation	2	358	Asia
35)	District Pastoral Association	4	345	HECA
36)	Agency for Economic Development and Empowerment	1	336	West Africa
37)	Network Activities Group	8	307	Asia
38)	Projects Office – Blantyre Synod	4	299	Southern Africa
39)	Afar Pastoralist Development Association	1	294	HECA
40)	Veterimed	2	291	LAC
41)	Practical Action	6	285	Global
42)	Volunteers To Support International Efforts In Developing Africa	2	276	West Africa
43)	Asociación de Desarrollo Agrícola y Microempresarial	3	261	LAC
44)	Catalyst	1	261	West Africa
45)	Aran Humanitarian Regional Development Organization, Barda	5	260	MEEECIS
46)	Doaba Foundation	10	257	Asia
47)	Asociación de Servicios Comunitarios de Salud	2	256	LAC
48)	Centre de Promotion Socio-Sanitaire	4	249	HECA
49)	Federation of Chambers of Commerce and Industry of Sri Lanka	1	238	Asia
50)	Better Life Organization	8	235	Asia
			<b>49,034</b>	

Key to geographic regions:

HECA: Horn, East and Central Africa.

LAC: Latin America and the Caribbean.

MEEECIS: Middle East, Eastern Europe, and Commonwealth of Independent States.

Global: The grants apply to more than one region.

The grants made by Oxfam to other Oxfams in the year to 31 March 2012 are listed below.

<b>Name of other Oxfam</b>	<b>No of grants</b>	<b>£'000</b>	<b>Geographic region</b>
Oxfam America	5	209	West Africa
Oxfam Australia	1	68	Global
Oxfam Canada	1	25	Southern Africa
Oxfam France	2	53	Global
Oxfam Germany	1	43	Global
Oxfam India	3	1,243	Asia, Global
Oxfam Italy	3	67	Global
Intermôn Oxfam	14	2,860	LAC, Global, HECA, West Africa
Oxfam International*	6	3,260	Global
Oxfam Japan	2	423	Global
Oxfam New Zealand	1	548	Global
Oxfam Novib	9	3,051	Asia, Global, West Africa, MEEECIS
Oxfam Mexico	1	23	LAC
Oxfam Quebec	3	482	LAC, HECA, West Africa
<b>Total</b>		<b>12,355</b>	

\*Net of interest earned on funds held by Oxfam International of £1,112.

iii. Total value of 50 largest grants to other Oxfams in the year to 31 March 2012

	<b>Year to 31 March 2012 £'000</b>	<b>Year to 31 March 2011 £'000</b>
Total value of 50 largest grants	49,034	30,830
Total value of grants to other Oxfams	12,355	6,956
Other grants	29,236	34,672
Total grants payable in furtherance of the charity's objects	<u>90,625</u>	<u>72,458</u>
Total number of grants made	<u>1,296</u>	<u>1,563</u>

iii. The values of grants received by Oxfam from other Oxfams are listed below.

	<b>Year to 31 March 2012 £'000</b>	<b>Year to 31 March 2011 £'000</b>
Oxfam America	1,540	7,166
Oxfam Australia	5,114	8,903
Solidarité (Oxfam in Belgium)	2,628	1,073
Oxfam Canada	10,573	4,397
Oxfam France	3	83
Oxfam Germany	526	2
Oxfam Hong Kong	1,901	2,882
Intermôn Oxfam	456	577
Oxfam International	38	7
Oxfam Ireland	2,760	1,714
Oxfam Japan	276	121
Oxfam New Zealand	514	137
Oxfam Novib	5,156	7,053
Oxfam Quebec	151	374
<b>Total</b>	<u>31,636</u>	<u>34,489</u>

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

#### iv. Costs of activities

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

## v. Support costs

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

	Trading £ m	Fundraising £ m	Humanitarian £ m	Development £ m	Campaigning & advocacy £ m	Year to 31 March 2012 Total £ m	Year to 31 March 2011 Total £ m
Regional programme support	-	-	3.8	4.7	0.2	8.7	9.2
Central programme support	-	-	3.8	5.0	1.2	10.0	8.7
Exchange rate differences	-	-	0.7	0.8	-	1.5	0.6
Central finance	0.3	0.2	0.3	0.4	0.1	1.3	1.0
Central human resources	0.3	0.2	0.9	1.1	0.2	2.7	2.5
Corporate communications	1.3	2.0	0.3	0.3	2.5	6.4	4.8
Total support costs	1.9	2.4	9.8	12.3	4.2	30.6	26.8
Unrestricted	1.9	2.4	6.0	7.7	4.2	22.2	18.7
Restricted	-	-	3.8	4.6	-	8.4	8.1
	1.9	2.4	9.8	12.3	4.2	30.6	26.8

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

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

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
Finance, Trustees and legal costs	0.3	0.3
Audit fee	0.2	0.2
Internal audit	0.5	0.4
Directors' costs	0.1	0.1
Communications	0.2	0.2
	1.3	1.2

## e. Other resources expended

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
Net exchange losses	-	0.5
Other	0.3	0.7
	0.3	1.2

## 4. EMPLOYEES

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

Oxfam Group	Year to 31 March 2012	Year to 31 March 2011	Year to 31 March 2012	Year to 31 March 2011
<b>GB payroll</b>	<b>Headcount</b>	<b>Headcount</b>	<b>FTE</b>	<b>FTE</b>
Trading division	1,062	1,037	850	824
Marketing division	140	134	132	127
Corporate functions	237	222	210	196
Communications	78	64	74	60
Campaigns and Policy	185	167	173	157
Programme headquarters	307	228	287	213
Programme overseas	236	286	235	285
	2,245	2,138	1,961	1,862
<b>Overseas payroll</b>	2,930	2,835	2,924	2,827
	5,175	4,973	4,885	4,689

The staff numbers for Oxfam only are the same as above except that the Trading division includes 87 (2010/11: 89) OAL staff and Overseas payroll includes 93 (2010/11: 65) staff for the micro-credit scheme, Finance for Development Ltd and 44 (2010/11: 27) staff for Frip Ethique SARL.

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

## 5. STAFF COSTS

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
<b>GB payroll</b>		
Salaries	52.4	48.3
National Insurance	4.1	3.8
Pension contributions*	3.0	2.8
GB payroll staff costs	<u>59.5</u>	<u>54.9</u>
<b>Overseas payroll staff costs</b>	<u>42.3</u>	<u>41.6</u>
<b>Total staff costs</b>	<u>101.8</u>	<u>96.5</u>

\*The charge to the SOFA for the year was £2.5m (2010/11: £2.9m), representing pension contributions (£3.0m as above, 2010/11: £2.8m), adjusted following the defined benefit scheme actuarial valuation to reflect the actual service cost.

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

In addition, a great amount of time, the value of which is impossible to reflect in these accounts, is donated by more than 22,000 volunteers throughout Britain.

The table below shows the number of higher-paid staff with emoluments falling in the following ranges. Emoluments include salary and taxable benefits in kind and other payments to employees. The total emoluments of the Director (Chief Executive) for the year were £105,943 (2010/11: £107,006).

	Year to 31 March 2012 Number	Year to 31 March 2011 Number
£60,000 to £69,999	15	16
£70,000 to £79,999	9	11
£80,000 to £89,999	7	8
£90,000 to £99,999*	1	-
£100,000 to £109,999*	3	1

\*The employee in the £90,000 to £99,999 band and two employees in the £100,000 to £109,999 band work in countries with high tax regimes. The appropriate tax is included in their emoluments above.

Retirement benefits are accruing under a defined benefit scheme for 3 (2010/11: 5) higher-paid employees. In addition, Oxfam paid £105,512 (2010/11: £64,948) into a defined contribution pension scheme for 16 (2010/11: 11) higher-paid employees.

2011/12 represents the first full year in which a pension salary sacrifice scheme was introduced, which has reduced the number of staff paid between £60,000 and £89,999.

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

Members of Oxfam's Council of Trustees receive no remuneration for their services. Directly incurred expenses of the Trustees borne by the charity in 2011/12, paid to 14 Trustees (2010/11: 14), were £25,000 (2010/11: £25,000).

Directly incurred expenses of the Chief Executive in 2011/12 were £48,000 (2010/11: £35,000).

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

## 7. NET INCOMING RESOURCES FOR THE YEAR IS STATED AFTER CHARGING/(CREDITING):

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
Depreciation of tangible fixed assets	3.5	3.9
Gain on disposal of fixed assets	(1.9)	(1.3)
Hire of vehicles and equipment	5.1	4.3
Property rental	21.0	20.6
Auditor's remuneration – statutory audit (GB)*	0.2	0.2
Auditor's remuneration – other services (overseas)	0.1	-
Rental income	(0.6)	(0.5)
Exchange rate differences	0.9	1.4
Irrecoverable VAT	1.8	1.1

\* Auditor's remuneration includes £0.1m in respect of donated services.

The reported exchange rate loss was £0.9m (2010/11: loss £1.4m). This reported loss consists of two elements:

- i. Realised exchange gains/losses resulting from carrying out transactions in multiple currencies, receiving income predominantly in Sterling and Euros and incurring charitable expenditure in US Dollars and other foreign currencies (net gain £0.8m; 2010/11 net loss £0.9m).
- ii. Unrealised gains/losses resulting from the fluctuation in the Sterling value of assets and liabilities, mainly foreign currency bank account balances, held during the year (net loss £1.7m; 2010/11 net loss £0.5m).

## 8. TANGIBLE FIXED ASSETS

Oxfam	Freehold property £ m	Leasehold property £ m	Furniture, fixtures, equipment £ m	Motor vehicles £ m	Total £ m
<b>Cost</b>					
At 1 April 2011	6.6	9.1	32.4	3.8	51.9
Additions	-	1.4	1.2	0.8	3.4
Disposals	(0.2)	(0.4)	(0.9)	(0.3)	(1.8)
Transfers	-	0.6	-	-	0.6
At 31 March 2012	<u>6.4</u>	<u>10.7</u>	<u>32.7</u>	<u>4.3</u>	<u>54.1</u>
<b>Depreciation</b>					
At 1 April 2011	2.5	8.1	27.3	2.9	40.8
Charge for the year	0.2	0.3	2.3	0.4	3.2
Disposals	(0.1)	(0.4)	(0.8)	(0.3)	(1.6)
At 31 March 2012	<u>2.6</u>	<u>8.0</u>	<u>28.8</u>	<u>3.0</u>	<u>42.4</u>
<b>Net book value</b>					
At 31 March 2012	<u>3.8</u>	<u>2.7</u>	<u>3.9</u>	<u>1.3</u>	<u>11.7</u>
At 31 March 2011	<u>4.1</u>	<u>1.0</u>	<u>5.1</u>	<u>0.9</u>	<u>11.1</u>

Transfers represent assets transferred from Oxfam Activities Limited to Oxfam at net book value, which is considered to be equivalent to open market value, and a reclassification between leasehold property and furniture, fixtures and equipment.

Oxfam Group	Freehold property £ m	Leasehold property £ m	Furniture, fixtures, equipment £ m	Motor vehicles £ m	Total £ m
<b>Cost</b>					
At 1 April 2011	6.6	9.6	33.3	4.2	53.7
Additions	-	1.7	1.3	0.8	3.8
Disposals	(0.2)	(0.6)	(1.4)	(0.7)	(2.9)
Transfers	-	-	(0.1)	-	(0.1)
At 31 March 2012	<u>6.4</u>	<u>10.7</u>	<u>33.1</u>	<u>4.3</u>	<u>54.5</u>
<b>Depreciation</b>					
At 1 April 2011	2.5	8.3	27.9	3.3	42.0
Charge for the year	0.2	0.3	2.6	0.4	3.5
Disposals	(0.1)	(0.6)	(1.3)	(0.7)	(2.7)
Transfers	-	-	(0.1)	-	(0.1)
At 31 March 2012	<u>2.6</u>	<u>8.0</u>	<u>29.1</u>	<u>3.0</u>	<u>42.7</u>
<b>Net book value</b>					
At 31 March 2012	<u>3.8</u>	<u>2.7</u>	<u>4.0</u>	<u>1.3</u>	<u>11.8</u>
At 31 March 2011	<u>4.1</u>	<u>1.3</u>	<u>5.4</u>	<u>0.9</u>	<u>11.7</u>

The book value of land (which is not depreciated) included in freehold properties is £1.3m (2010/11: £1.3m). All tangible fixed assets are held for charitable use.

## 9. FIXED ASSET INVESTMENTS

<b>Oxfam</b>	<b>Freehold property £ m</b>	<b>Cash £ m</b>	<b>Unquoted* £ m</b>	<b>Investments Total £ m</b>	<b>Programme -related investments Unquoted £ m</b>	<b>Fixed asset investments Total £ m</b>
Market value:						
At 1 April 2011	0.8	2.5	1.6	4.9	-	4.9
Additions	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Disposals	(0.4)	-	-	(0.4)	-	(0.4)
At 31 March 2012	<u>0.4</u>	<u>2.5</u>	<u>1.6</u>	<u>4.5</u>	<u>-</u>	<u>4.5</u>

<b>Oxfam Group</b>	<b>Freehold property £ m</b>	<b>Cash £ m</b>	<b>Unquoted £ m</b>	<b>Investments Total £ m</b>	<b>Programme -related investments Unquoted £ m</b>	<b>Fixed asset investments Total £ m</b>
Market value:						
At 1 April 2011	0.8	2.5	-	3.3	0.1	3.4
Additions	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Disposals	(0.4)	-	-	(0.4)	-	(0.4)
At 31 March 2012	<u>0.4</u>	<u>2.5</u>	<u>-</u>	<u>2.9</u>	<u>0.1</u>	<u>3.0</u>

### a. Investments

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

Freehold investment properties with an original cost of £0.4m are included in the Balance Sheet at market value of £0.4m.

Investment properties have been valued by surveyors, all of whom are Associates of the Royal Institute of Chartered Surveyors and are employees of Oxfam. The valuation of assets is on an open market basis, in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors, and is carried out on an annual basis.

At 31 March 2012, Oxfam had an interest in the following subsidiary undertakings:

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

The aggregate total amount invested in all Oxfam's subsidiaries is £1.6m (2010/11: £1.6m).

The financial results of the subsidiaries for the year were:

	Oxfam Activities Ltd		Finance for Development Ltd		Frip Ethique SARL	
	Year to 31 March 2012	Year to 31 March 2011	Year to 31 March 2012	Year to 31 March 2011	Year to 31 March 2012	Year to 31 March 2011
	£m	£m	£m	£m	£m	£m
Income	15.7	15.2	2.4	1.9	1.8	1.6
Expenditure	(14.4)	(13.9)	(2.0)	(1.7)	(1.6)	(1.5)
Trading profit/(loss)	1.3	1.3	0.4	0.2	0.2	0.1
Loan interest paid to Oxfam	(0.1)	(0.1)	-	-	-	-
Profit Gift Aided to Oxfam	(1.3)	(1.2)	-	-	-	-
(Loss)/profit for the period	(0.1)	-	0.4	0.2	0.2	0.1
	<b>At 31 March 2012</b>	<b>At 31 March 2011</b>	<b>At 31 March 2012</b>	<b>At 31 March 2011</b>	<b>At 31 March 2012</b>	<b>At 31 March 2011</b>
	£ m	£ m	£ m	£ m	£ m	£ m
Net assets	-	0.1	2.3	1.9	0.2	-

Just Energy Ltd was dormant for both 2011 and 2012 and has no net assets.

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

Organisation name	Country of registration	Nature of business
Associacao Recife – Oxford para a Cooperacao ao Desenvolvimento	Brazil	As per Oxfam
Oxfam Great Britain	South Africa	As per Oxfam

## b. Programme-related investments

### Cafédirect plc

This comprises 903,000 ordinary shares of 25p each in Cafédirect plc, a company registered in Scotland, which represents a 10.8% (2010/11: 10%) interest in the company. The principal activity of the company is the promotion of fair trade through the marketing and distribution of coffee and tea.

### The Guardian Share Company Limited

Oxfam Activities Limited holds a 50% (2010/11: 25%) shareholding (one £1 ordinary share) in the Guardian Share Company Limited, a company registered in the UK. This company, which is jointly owned by two of the founding members of Cafédirect plc (including OAL), aims to promote fair trade through Cafédirect plc and, through its holding of one 25p special share, in Cafédirect plc.

### Micro-credit schemes

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

## 10. STOCKS

	Oxfam		Oxfam Group	
	2012 £ m	2011 £ m	2012 £ m	2011 £ m
Oxfam trading stocks	-	-	1.6	1.7
Humanitarian supplies	1.5	1.5	1.5	1.5
	<u>1.5</u>	<u>1.5</u>	<u>3.1</u>	<u>3.2</u>

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

## 11. DEBTORS

	Oxfam		Oxfam Group	
	2012 £ m	2011 £ m	2012 £ m	2011 £ m
<b>Amounts falling due within one year</b>				
Amount due from subsidiaries	-	0.2	-	-
Loans by micro-credit schemes	-	-	6.8	5.0
Other debtors	2.1	2.8	2.3	3.1
Prepayments	5.5	5.8	5.6	5.9
Accrued income	1.5	1.2	1.5	1.2
Tax recoverable	17.6	8.4	17.6	8.4
Amounts due from institutional donors	20.7	18.7	20.7	18.7
	<u>47.4</u>	<u>37.1</u>	<u>54.5</u>	<u>42.3</u>
<b>Amounts falling due outside one year</b>				
Loans by micro-credit schemes	-	-	0.6	0.3
Other debtors	1.2	0.9	1.2	0.9
	<u>1.2</u>	<u>0.9</u>	<u>1.8</u>	<u>1.2</u>
<b>Total debtors</b>	<u>48.6</u>	<u>38.0</u>	<u>56.3</u>	<u>43.5</u>

## 12. CASH AT BANK AND IN HAND

	Oxfam		Oxfam Group	
	2012 £ m	2011 £ m	2012 £ m	2011 £ m
Cash on short-term deposit	36.0	41.0	36.0	41.0
Cash and bank balances	26.6	31.9	27.3	32.7
	<u>62.6</u>	<u>72.9</u>	<u>63.3</u>	<u>73.7</u>

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

	Oxfam		Oxfam Group	
	2012 £ m	2011 £ m	2012 £ m	2011 £ m
Amounts due to subsidiaries	0.1	-	-	-
Trade creditors	6.3	8.7	6.7	9.1
Other tax and social security	0.4	0.3	0.4	0.3
Accruals	11.5	10.2	11.7	10.7
Deferred income*	0.7	0.5	0.7	0.5
Loans to micro-credit schemes**	-	-	1.0	2.4
Interest-free loans	-	0.1	-	0.1
	<u>19.0</u>	<u>19.8</u>	<u>20.5</u>	<u>23.1</u>

\* Deferred income of £0.7m arose in the period and £0.5m brought forward from 2010/11 was released.

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

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

	Oxfam		Oxfam Group	
	2012 £ m	2011 £ m	2012 £ m	2011 £ m
Deferred income*	-	0.3	-	0.3
Loans to micro-credit schemes**	-	-	4.4	1.5
	<u>-</u>	<u>0.3</u>	<u>4.4</u>	<u>1.8</u>

\* Deferred income of £0.3m brought forward from 2010/11 was transferred to creditors falling due within one year.

\*\* See Note 13.

## 15. PROVISIONS FOR LIABILITIES AND CHARGES

	End of contract £ m	Dilapidations £ m	Other £ m	Oxfam Total £ m	Oxfam Activities Limited Total £ m	Oxfam Group Total £ m
At 1 April 2011	5.8	2.2	0.6	8.6	0.3	8.9
Arising in the year	1.7	0.1	0.7	2.5	-	2.5
Released in the year	(1.7)	(0.8)	(0.7)	(3.2)	(0.1)	(3.3)
At 31 March 2012	5.8	1.5	0.6	7.9	0.2	8.1

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

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

## 16. CONTINGENT LIABILITIES

The following contingent liabilities existed at 31 March 2012: Asia Regional Centre – potential tax liability pending the outcome of a court case (£0.6m); HECA Regional Centre – potential tax arrears and penalties (£0.2m); other overseas contingencies (£0.3m).

Members of Oxfam's defined benefit scheme are entitled to join a Pensions Trust Growth Plan into which they can pay additional voluntary contributions to fund additional benefits. Oxfam does not make employer contributions into the Plan, but under government regulations which came into force in September 2005 there is a potential employer liability on withdrawal from the plan or in the event of the Plan winding up when it is not fully funded on a buy-out basis. The amount of employer liability on withdrawal for Oxfam as at 30 September 2011 has been calculated as £1.0m (2010/11: £1.0m). However, Oxfam has no intention of withdrawing from the Plan and at this moment in time the Trustees of the Plan have no intention of winding it up; it is therefore unlikely that the liability will crystallise in the foreseeable future.

## 17. ENDOWMENT FUNDS

	Oxfam and Oxfam Group			
	At 1 April 2011 £ m	Income in year £ m	Unrealised gain in year £ m	At 31 March 2012 £ m
<b>Permanent endowment funds</b>				
The Mary & Henry Makinson Spink Memorial Fund	1.4	-	-	1.4
The Ellen & Ronald Carr-Webb Memorial Trust Fund	1.0	-	-	1.0
Other permanent endowment funds	0.1	0.1	-	0.2
	2.5	0.1	-	2.6

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

## 18. RESTRICTED FUNDS

	Oxfam and Oxfam Group			
	At 1 April 2011 £ m	Income £ m	Expenditure £ m	At 31 March 2012 £ m
<b>Regional funds</b>				
Asia	12.1	43.3	(50.3)	5.1
LAC	(1.7)	18.8	(16.3)	0.8
HECA	9.1	61.2	(59.5)	10.8
West Africa	2.5	17.4	(19.8)	0.1
Humanitarian	0.1	11.7	(8.6)	3.2
MEEECIS	2.2	11.7	(10.8)	3.1
Southern Africa	0.6	8.1	(8.9)	(0.2)
UK Poverty Programme	0.2	0.5	(0.5)	0.2
Campaigns and Policy	1.5	3.4	(3.2)	1.7
Goods and services in kind	-	7.0	(7.0)	-
Oxfam Unwrapped	2.8	3.1	(3.1)	2.8
Other funds	2.2	4.9	(3.0)	4.1
DFID – Partnership Programme Arrangement	-	11.2	(10.4)	0.8
<b>Appeals</b>				
Pakistan conflict	0.3	-	-	0.3
East Africa food crisis	0.3	8.0	(5.7)	2.6
East Asia Appeal	0.2	-	(0.2)	-
Haiti earthquake	0.4	-	(0.4)	-
Pakistan floods	4.7	0.5	(1.8)	3.4
West Africa food crisis	0.2	0.4	(0.3)	0.3
Other appeal funds	0.3	0.1	(0.4)	-
	<u>38.0</u>	<u>211.3</u>	<u>(210.2)</u>	<u>39.1</u>

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency but where, at the end of the financial period, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some project funds. The total deficit fund balances amounted to £16.4m (2010/11: £16.4m). The Trustees consider that the likelihood of reimbursement is of sufficient level to justify the carrying of these deficit funds at the end of the year.

## 19. UNRESTRICTED FUNDS

Movements on unrestricted funds are as follows:

<b>Oxfam</b>	<b>General reserves £ m</b>	<b>Designated fund fixed assets £ m</b>	<b>Revaluation reserve £ m</b>	<b>Designated fund other £ m</b>	<b>Pension reserve £ m</b>	<b>Total £ m</b>
At 1 April 2011	41.4	11.8	0.4	5.6	(18.3)	40.9
Surplus/(deficit) for the year	6.2	(1.2)	(0.4)	-	0.5	5.1
Gains and losses	-	-	-	-	(16.3)	(16.3)
Transfers between funds	(8.4)	1.5	-	3.4	3.5	-
At 31 March 2012	<u>39.2</u>	<u>12.1</u>	<u>-</u>	<u>9.0</u>	<u>(30.6)</u>	<u>29.7</u>

<b>Oxfam Group</b>	<b>General reserves £ m</b>	<b>Designated fund fixed assets £ m</b>	<b>Revaluation reserve £ m</b>	<b>Designated fund other £ m</b>	<b>Pension reserve £ m</b>	<b>Funds held in non-charitable subsidiary £ m</b>	<b>Total £ m</b>
At 1 April 2011	41.4	11.8	0.4	7.5	(18.3)	0.1	42.9
Surplus/(deficit) for the year	6.2	(1.2)	(0.4)	0.6	0.5	(0.1)	5.6
Gains and losses	-	-	-	-	(16.3)	-	(16.3)
Transfers between funds	(8.4)	1.5	-	3.4	3.5	-	-
At 31 March 2012	<u>39.2</u>	<u>12.1</u>	<u>-</u>	<u>11.5</u>	<u>(30.6)</u>	<u>-</u>	<u>32.2</u>

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

	<b>At 1 April 2011 £ m</b>	<b>Net income/ (expenditure) in the year £ m</b>	<b>Transfers between funds £ m</b>	<b>At 31 March 2012 £ m</b>
Micro-credit scheme retained reserves	1.9	0.4	-	2.3
Frip Ethique SARL retained reserves	-	0.2	-	0.2
Single Management Structure (SMS)	2.6	-	(1.1)	1.5
Network Project	3.0	-	-	3.0
Strategic Investment Fund	-	-	4.5	4.5
<b>Oxfam and Oxfam Group</b>	<u>7.5</u>	<u>0.6</u>	<u>3.4</u>	<u>11.5</u>

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

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

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

The Strategic Investment Fund represents funds set aside for specific investment proposals which will improve delivery of our aims.

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

## 20. COMMITMENTS

### a. Capital

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

	<b>Oxfam</b>		<b>Oxfam Group</b>	
	<b>At 31 March 2012 £ m</b>	<b>At 31 March 2011 £ m</b>	<b>At 31 March 2012 £ m</b>	<b>At 31 March 2011 £ m</b>
Within one year	<u>0.2</u>	<u>-</u>	<u>0.2</u>	<u>-</u>
	0.2	-	0.2	-

**b. Financial**

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

	Oxfam		Oxfam Group	
	At 31 March 2012 £ m	At 31 March 2011 £ m	At 31 March 2012 £ m	At 31 March 2011 £ m
Within one year	19.9	18.1	19.9	18.1
Between two and five years	4.9	5.1	4.9	5.1
	<u>24.8</u>	<u>23.2</u>	<u>24.8</u>	<u>23.2</u>

**c. Operating leases**

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

	Oxfam		Oxfam Group	
	At 31 March 2012 £ m	At 31 March 2011 £ m	At 31 March 2012 £ m	At 31 March 2011 £ m
<b>i. Land and buildings</b>				
Operating leases which expire:				
Within one year	2.2	2.1	2.2	2.1
In the second to fifth years inclusive	10.2	9.8	10.2	9.8
After five years	1.0	1.7	1.0	1.7
	<u>13.4</u>	<u>13.6</u>	<u>13.4</u>	<u>13.6</u>
<b>ii. Vehicles</b>				
Operating leases which expire:				
Within one year	0.1	0.1	0.1	0.1
In the second to fifth year inclusive	0.3	0.3	0.3	0.3
	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>

**d. Pension scheme commitments**

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

**i. Defined benefit pension scheme**

The assets of the pension scheme are held separately from those of Oxfam and are administered by The Pensions Trust. The pension cost is determined on the advice of independent qualified actuaries. An actuarial valuation was carried out at 31 March 2012 by a qualified independent actuary, based on the amendment to the provisions of FRS17 (issued December 2006).

The scheme was closed to new members on 31 January 2003. As a result, under the 'attained age' method of valuation, the current service cost increases as the members of the scheme approach retirement. The scheme is funded and the employer's contribution is 10.0% of pensionable pay (2010/11: 10.0%). The employees' contribution is 7.0% of pensionable pay (2010/11: 7.0%). The pension costs for this scheme for the year were £0.9m (2010/11: £1.5m). Contributions paid by Oxfam GB during the year were £4.9m (2010/11: £4.0m). In addition, Oxfam Ireland and Oxfam International paid £0.1m (2010/11: £0.2m) of contributions into the scheme for their employees.

The best estimate of contributions expected to be paid to the scheme by Oxfam for the year to 31 March 2013 is £4.9m.

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

**Financial assumptions**

	31 March 2012 %	31 March 2011 %
Rate of increase in salaries	2.60 – 3.10	3.40
Rate of increase of pensions (deferred and in payment)	3.10	3.40
Rate of inflation	3.10	3.40
Rate used to discount scheme liabilities*	4.70	5.50

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

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

	At 31 March 2012 Years	At 31 March 2011 Years
<b>Non-pensioners:</b>		
Males	25.4	23.9
Females	26.8	25.4
<b>Pensioners:</b>		
Males	23.1	22.1
Females	24.9	23.8

**Scheme assets and expectation of return**

	At 31 March 2012 £ m	At 31 March 2011 £ m	At 31 March 2010 £ m	At 30 April 2009 £ m	At 30 April 2008 £ m
Equities	57.3	54.5	50.6	39.4	44.0
Government bonds	28.7	24.7	21.4	13.7	18.6
Property	5.3	4.9	4.5	3.9	4.9
Cash	0.7	0.7	0.6	0.6	0.6
Total fair value of assets	92.0	84.8	77.1	57.6	68.1
Present value of scheme liabilities	(122.6)	(103.1)	(106.4)	(82.1)	(81.1)
Net pension liability	(30.6)	(18.3)	(29.3)	(24.5)	(13.0)
	<b>Expected rate of return at 31 March 2012</b>	<b>Expected rate of return at 31 March 2011</b>			
	<b>%</b>	<b>%</b>			
Equities	8.00	8.40			
Bonds	5.10	5.10			
Property	7.00	7.40			
Cash	0.50	0.50			
<b>Total</b>	<b>7.04</b>	<b>7.37</b>			

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

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

	Year to 31 March 2012 £ m	Year to 31 March 2011 £ m
Current service cost	1.4	1.4
Interest cost on scheme liabilities	5.6	5.8
Expected return on assets in the scheme	(6.1)	(5.7)
Net finance charge	(0.5)	0.1
Actual return less expected return on pension scheme assets	(1.3)	(0.7)
Experience gains on liabilities	0.1	2.5
Changes in assumptions underlying the present value of scheme liabilities	(15.1)	6.5
Total actuarial (loss)/gain recognised	(16.3)	8.3

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since 1 May 2004 is a loss of £30.8m (2010/11: £14.5m loss).

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

£ m	2012 £ m	2011
Scheme liabilities at the start of the year	103.1	106.4
Current service cost	1.4	1.4
Interest cost	5.6	5.8
Contributions by scheme participants	0.2	0.4
Actuarial loss/(gain)	15.0	(9.0)
Benefits paid	(2.7)	(1.9)
Scheme liabilities at the end of the year	122.6	103.1

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

	2012 £ m	2011 £ m
Scheme assets at the start of the year	84.8	77.1
Expected return on scheme assets	6.1	5.7
Actuarial loss	(1.3)	(0.7)
Contributions by employer	4.9	4.2
Contributions by scheme participants	0.2	0.4
Benefits paid	(2.7)	(1.9)
Scheme assets at the end of the year	92.0	84.8

The actual return on scheme assets for the year was a gain of £4.8m (2010/11: £5.0m gain).

**History of experience gains and losses**

	2012	2011	2010	2009	2008
Difference between the expected and actual return on scheme assets (£m)	(1.3)	(0.7)	12.5	(18.4)	(7.9)
As % of scheme assets	(1.4%)	(0.8%)	16.2%	(32.0%)	(11.6%)
Experience gains on scheme liabilities (£m)	0.1	2.5	-	-	1.6
As % of liabilities	0.1%	2.4%	0.0%	0.0%	2.0%

**ii. Growth Plan**

As noted in Note 16, Oxfam participates in The Pensions Trust's Growth Plan, a multi-employer pension plan. Based on the latest triennial valuation of the scheme carried out on 30 September 2011, the scheme assets amounted to £780m, while liabilities were £928m, resulting in a deficit of £148m. A ten-year deficit recovery plan has been put in place which will require Oxfam to make annual payments commencing on 1 April 2013 of £79,318 per annum. In accordance with the provisions of FRS17, these contributions will be reflected in the SOFA as they fall due.

**iii. Defined contribution pension scheme**

For employees not in the defined benefit scheme, Oxfam operates a Stakeholder Pension Scheme. This is a unit-linked money purchase scheme from Norwich Union. From 1 January 2003 Oxfam has contributed double the employee contributions up to a maximum of 10% of pensionable pay. Oxfam contributed £2.1m (2010/11: £1.6m) to this pension scheme in relation to the year to 31 March 2012.

**iv. Alternative pension arrangements**

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

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

	Unrestricted funds £ m	Restricted funds £ m	Endowment funds £ m	Total funds £ m
<b>Oxfam</b>				
Fund balances at 31 March 2012 are represented by:				
Tangible fixed assets	11.7	-	-	11.7
Investment assets	1.9	-	2.6	4.5
Current assets	73.6	39.1	-	112.7
Current and long-term liabilities and provisions	(26.9)	-	-	(26.9)
Pension liability	(30.6)	-	-	(30.6)
Total net assets at 31 March 2012	<u>29.7</u>	<u>39.1</u>	<u>2.6</u>	<u>71.4</u>
<b>Oxfam Group</b>				
Fund balances at 31 March 2012 are represented by:				
Tangible fixed assets	11.8	-	-	11.8
Investment assets	0.4	-	2.6	3.0
Current assets	83.6	39.1	-	122.7
Current and long-term liabilities and provisions	(33.0)	-	-	(33.0)
Pension liability	(30.6)	-	-	(30.6)
Total net assets at 31 March 2012	<u>32.2</u>	<u>39.1</u>	<u>2.6</u>	<u>73.9</u>

**22. RELATED PARTY TRANSACTIONS**

There were no material related party transactions during the year (2010/11: none).

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

## ACKNOWLEDGEMENTS

Central to Oxfam's way of working are our relationships with numerous local partners and donors worldwide. Our sincere thanks to the many organisations and individuals who make our work possible.



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Australian Agency for International Development (AusAID)  
Bureau of Population, Refugees, and Migration (BPRM)  
Canadian International Development Agency (CIDA)  
Celtic Charity Fund  
Comic Relief  
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<sup>1</sup>Spend: Refugee and Asylum Seeking Women in Wales: £48,626. Roars not Whispers in Scotland: £39,960



Cover photo: A young girl waits at an Oxfam cash grant distribution in Al Hodeidah, Yemen. In response to widespread hunger and malnutrition, we distributed cash transfers to 12,000 households in the region, enabling around 100,000 people to buy food. Photo: Wolfgang Gressmann

Inside cover: Herding communities of Turkana, northern Kenya, rely on their animals for their living. But years of successive drought have turned the district's once rich pastures to dust. In addition to providing food, Oxfam has helped a million people across the area through a 'de-stocking' programme, buying the weakest animals to provide owners with an income. Photo: Rankin

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