

A close-up photograph of a woman with dark skin and short hair, wearing a dark purple short-sleeved shirt and a dark patterned skirt. She is looking down at a large, ripe pineapple she is holding in her left hand. Her right hand is positioned near the top of the pineapple, possibly adjusting the leaves. The background is a blurred outdoor setting, likely a pineapple plantation, with green leaves and a bright sky. The text 'OXFAM ANNUAL REPORT & ACCOUNTS 2017/18' is overlaid on the left side of the image.

**OXFAM**  
**ANNUAL**  
**REPORT &**  
**ACCOUNTS**  
2017/18



**OXFAM**

WE  
WON'T  
LIVE  
WITH  
POVERTY

This year Oxfam GB  
has helped

**14 million**

people to fight poverty  
right now and beat it  
in the long term





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. Some individuals will be supported in more than one area of our work and there may therefore be some overlap in the figures provided for the numbers of people we reach. We value your feedback on the information contained in this Annual Report. Please contact Emma Campbell ([ecampbell1@oxfam.org.uk](mailto:ecampbell1@oxfam.org.uk)) with any comments or suggestions you may have.

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# CORPORATE DIRECTORY

## Oxfam GB Council of Trustees (as at 31 March 2018)

Caroline Thomson (Chair) <sup>2, 3, 6</sup>	Kul Gautam <sup>4</sup>
Gavin Stewart (Vice Chair) <sup>2, 5, 6</sup>	Lois Jacobs
Steve Walton (Honorary Treasurer) <sup>1, 2, 6</sup>	Wakkas Khan <sup>5</sup>
Ken Caldwell <sup>4</sup>	Lidy Nacpil <sup>4</sup>
Professor Nic Cheeseman <sup>4</sup>	Tunde Olanrewaju <sup>1</sup>
Angela Cluff <sup>5</sup>	Katy Steward <sup>3, 6</sup>

Ruth Ruderham retired from Council on 7 July 2017. Karen Brown, David Pitt-Watson and Nkoyo Toyo retired from Council on 6 October 2017. Professor Nic Cheeseman, Angela Cluff and Tunde Olanrewaju were appointed to Council at the Annual General Meeting on 6 October 2017. Kul Gautam retired from Council on 4 October 2018.

## Non-trustee advisory members of committees (as at 31 March 2018)

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

Mark Hoble <sup>2</sup>	James Briggs <sup>5</sup>
Margie Buchanan-Smith <sup>4</sup>	Kate Hogg <sup>5, 7</sup>
Susan Cordingley <sup>1</sup>	Andy Parsons <sup>1</sup>
Ken Brotherston <sup>3</sup>	

Change taking place after 31 March 2018 (as at 4 October 2018): Mark Hoble resigned from the Remuneration Committee in June 2018; Andrew Mann was appointed as an additional non-trustee advisory member of the Fundraising Committee in July 2018.

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

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

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

<sup>4</sup> Member of Programme Committee

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

<sup>6</sup> Member of Trustee Safeguarding Group

<sup>7</sup> With an agreed temporary suspension of membership from June 2017 due to a potential conflict of interest arising from work commitment.

## Principal professional advisers

Oxfam GB's principal professional advisers include the following:

### Principal clearing bankers

The Royal Bank of Scotland Group, 9th Floor, 250 Bishopsgate, London EC2M 4AA

### Independent auditors

PricewaterhouseCoopers LLP, One Reading Central, 23 Forbury Road, Reading, RG1 3JH

### Principal solicitors

Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS  
Gowling WLG, 2 Snow Hill, Birmingham B4 6WR

## Leadership Team

Oxfam's Leadership Team comprises (as at 31 March 2018):

<b>Chief Executive:</b>	Mark Goldring
<b>Campaigns, Policy &amp; Influencing:</b>	Matthew Spencer
<b>Communications:</b>	Matthew Sherrington (interim)
<b>Fundraising:</b>	Nicola Tallett (interim)
<b>Finance &amp; Information Systems:</b>	Alison Hopkinson
<b>International:</b>	Nick Roseveare
<b>Gender Justice and Women's Rights:</b>	Nikki Van der Gaag
<b>Trading:</b>	Andrew Horton
<b>People:</b>	Tina Proudlock

Change taking place after 31 March 2018 (as at 4 October 2018): Steve Kingstone joined as Communications Director in September 2018, replacing Matthew Sherrington (interim); Jonathan Mitchell became the interim International Programme Director in June 2018, replacing Nick Roseveare.

# MESSAGE FROM THE CHAIR

## Preventing flooding in Pakistan, hygiene awareness in Zambia and supporting the Rohingya refugees



I am enormously proud to have been appointed Chair of Oxfam, a charity that has been a part of my life since I was 10 years old, when I used to go carol singing with an Oxfam collection box. Today, I am as honoured and as determined as ever to play my part in beating global poverty.

Every day gives me reason to believe that it is possible. I had the privilege of meeting a midwife called Raheema in the district of Badin in Pakistan, where Oxfam is building embankments to prevent flooding. Raheema has delivered up to 250 babies in her lifetime. She was so strong, but she said she felt even stronger now. On a visit to Zambia, I saw what that strength of humanity could do – a community celebrated one year without cholera, after Oxfam built latrines and started a hygiene awareness programme. At the Oxfam shop in Wigton, I volunteered over the busy Christmas period and met people who are giving their time and donations to help people all over the world. Support like this means that, now, over 230,000 Rohingya refugees have received life-saving aid such as clean water, food, solar lighting and safe and secure washing facilities. It means that 1.3 million people across three countries have had help to survive the East Africa drought. In Bolivia, more than 35,000 young people are coming together to prevent gender-based violence. Women farmers in places like Bangladesh, Tajikistan and Zambia are getting a fairer deal for their produce – and a real route out of poverty.

Altogether, we have reached approximately 14 million people this year.<sup>1</sup> This is a remarkable achievement, made possible by the collective acts of kindness of our volunteers, supporters and staff.

These actions demonstrate the values we share as a global community. A belief that there is more in common than that which divides us and that we should always be ready to help those in need. But also, that we can only root out the causes of poverty when the powerless gain the power to determine their own lives. I believe these values make humanity stronger, and I believe the world needs them now more than ever.

Events in Haiti in 2011, and our failings in how we handled them, struck at the very heart of what we believe in. These challenges are addressed separately by our Chief Executive, Mark Goldring, but I would also like to underline my personal commitment, with the support of the Board of Trustees and senior management, to ensure that Oxfam GB becomes a sector leader in safeguarding, accountability and transparency. Abuse should never have a place in what we do, and it is Oxfam's responsibility to make sure that it doesn't. The damage is considerable and there are no quick and easy fixes. However, I know I speak for the whole Council when I say we are committed to rebuilding public trust and our funding in the long-term interests of all those we exist to serve.

We have taken extensive measures this year to further strengthen our safeguarding processes, but our efforts will not end there. The Charity Commission and the Independent Commission on Sexual Misconduct, Accountability and Culture Change will make recommendations later this year, which we will learn from and act on – and we will be a stronger organisation for them.

Finally, I want to take this moment to pay tribute to the volunteers and staff who continue to do incredible work around the world. To the people who support Oxfam and make that work possible. And, most of all, to the people who are overcoming poverty for themselves and their families. I'm always amazed by your determination, courage and grit. You show the world what the power of people can do.

A handwritten signature in black ink, appearing to read 'Caroline Thomson', with a long horizontal flourish extending to the right.

**Caroline Thomson**  
Chair of Oxfam Great Britain

# LIVING OUR VALUES

## The challenges of Haiti 2011 and lessons for how we approach safeguarding



For Oxfam GB, this past year will be forever associated with a front-page story in *The Times* on 9 February 2018, which detailed shocking abuses by some of our own staff in Haiti in 2011. The revelations caused a political and public storm which has forced us to ask painful questions of ourselves, and had repercussions across the entire worldwide aid sector.

The abhorrent events in Haiti were an affront to the values that Oxfam holds dear. I want to take this opportunity to apologise again – for our failings at that time and subsequently. We are deeply sorry. All of us at Oxfam feel a deep responsibility to put things right. As an organisation which has worked for so long to support the struggle for women's rights, our first duty now must be to ensure that our vital work takes place in a safe and secure environment for those we serve. Only through decisive action can we restore confidence and win back their trust. It is in our own hands to ensure that 2017/18 is defined not solely by the news story but also by the strength and effectiveness of our response.

From 2011, we began to make improvements to our safeguarding practices but it is a matter of deep personal regret that we did not go far enough fast enough. There are no excuses. Since February, we have embarked on a process of deeper transformation to make our organisation a safer, more respectful place for everyone – from the people we exist to support to the people who work and volunteer with us. We

have tripled our safeguarding resources, set up a confidential whistleblowing hotline, changed the way we take references, and ensured that our leadership team and trustees have greater oversight of policy and practice.

The publicity we received in February has led to an increase in the number of people reporting abuse. I am grateful to all of those who have come forward and it is important that they feel able to do so. We will investigate their allegations carefully and thoroughly and wherever misconduct is found we will take decisive and appropriate action.

As the International Development Committee recently noted, these challenges stretch far beyond Oxfam GB. We are working closely with like-minded organisations to help prevent perpetrators of abuse from moving between agencies. With our colleagues at Oxfam International, we have appointed an independent commission to oversee improvements to our safeguarding practice. Its work is well under way and will include regular updates to the public on what has been achieved.<sup>2</sup>

But this is about more than process. This is about culture, too. Over the past twelve months, society as a whole has been forced to confront its failures to protect women and girls from violence and abuse. The #MeToo movement has already begun to make the world a safer place. And while we are devastated to have been on the wrong side of this story, we stand alongside the movement wholeheartedly. We will build on the best of our work to support women's leadership and combat attitudes that tolerate violence against women and girls.

It is an understatement to say that Oxfam has been shaken by these events. From February, we felt the impact of some supporters cancelling their contributions, while many institutional donors froze existing or new funding. Although most of these institutions have now resumed funding after conducting their own audits, there has been an inevitable and continuing effect on our capacity to carry out vital work. Wherever possible, we have sought to limit the impact on frontline programmes – the recent redundancies, beyond the timeframe of this Annual Report, have been a painful but important part of that effort. I would like personally to thank and pay tribute to the many dedicated colleagues who will be leaving us.

As the Charity Commission prepares to publish the results of its Statutory Inquiry into Oxfam's handling of events in Haiti, we are committed to turning its findings into positive action. We will act on any recommendations, and those of the earlier Select

Committee Report. We also look forward to playing an active role in the DFID-led Safeguarding Summit, working together with donors and those we operate alongside, to ensure that we can better protect the people we collectively serve.

Now more than ever, I am convinced that Oxfam's work must not stop, and I would like to take this opportunity to thank the vast majority of our supporters who have kept faith with us. Only a few weeks ago, I witnessed the positive difference that support makes when I travelled to Bangladesh and watched our teams working all hours to get urgently needed food, water and sanitation to Rohingya refugees. I saw 40,000 torches and solar lights being distributed, specifically as a response to women's concerns about safety at night. Our Oxfam colleagues helped identify the most vulnerable families requiring extra support, and worked with refugee leaders and camp authorities to address concerns about the security and well-being of individual women and children. It was a powerful reminder of what we admire and expect from Oxfam staff.

As I come towards the end of my own time with Oxfam GB, it is with a profound sense of hope that the lessons of the past are helping to build an even more formidable force united against poverty. Thank you to everyone who has continued to support this fight during difficult times – we are committed to proving ourselves worthy of your trust. With your help today, like every day, we can continue to make a real and positive difference to the lives of the world's poorest people.

*Mark Goldring has been the Chief Executive of Oxfam GB since April 2013. He will be leaving us at the end of 2018.*



Mark Goldring  
Chief Executive Officer  
Oxfam Great Britain

# THE STRATEGIC REPORT

An overview of who we are and what we do,  
a review of our achievements and performance  
in 2017/18, and a summary of our objectives  
for the coming financial year

# WHO WE ARE AND WHAT WE DO

Oxfam is a global movement of millions of people who share in the belief that, in a world rich in resources, poverty is not inevitable. We are all focused upon the same single aim: to end world poverty. Oxfam GB is one of the 20 affiliates that together make up the confederation of Oxfam International.

## Our vision

We believe in helping people today to cope with poverty. We also believe in rooting out the causes of poverty for tomorrow. We believe that to achieve this lasting change, influencing the powerful is just as important as planting seeds or drilling wells. We won't live with poverty, and we know that if everyone plays their part, we don't have to.

## Our purpose

Oxfam GB's purpose is to help create lasting solutions to the injustice of poverty. As stated in our Memorandum of Association, the objects for which Oxfam is established for the public benefit are:

- to prevent and relieve poverty and to protect vulnerable people, including through humanitarian intervention;
- to advance sustainable development; and
- 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.

## Our values

As we address our strategic goals, we strive to lead by example in demonstrating the same values that we wish to see in the people we work with and those we aim to influence.

- **Empowerment:** Our approach means that everyone involved with Oxfam, from our staff and our supporters to people living in poverty, should feel that they can make change happen.
- **Accountability:** Our purpose-driven, results-focused approach means that we take responsibility for our actions and hold ourselves accountable. We believe that others should also be held accountable for their actions.
- **Inclusiveness:** We are open to everyone and embrace diversity. We believe that everyone has a contribution to make, regardless of visible and invisible differences.

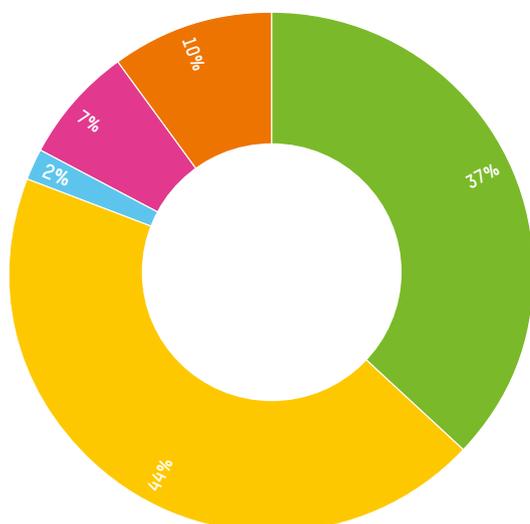
## Our global network: Oxfam International

Oxfam GB is an independent organisation, affiliated to Oxfam International, a global confederation of 20 independent national Oxfams. We share a single strategic plan, 'The Power of People Against Poverty' (see page 11), and we work together to build a fairer, safer world.

## Oxfam GB: What we do

In 2017/18, Oxfam GB spent £336.9m on charitable activities in three interconnected ways:

- **Humanitarian:** together with communities, we saved and rebuilt lives after disasters. We spent £173.2m on our humanitarian work.
- **Development:** we helped communities and families lift themselves out of poverty. We spent £151.6m on our development work.
- **Campaigning:** we used our influence to challenge the things that keep people poor. We spent £12.1m on our campaigning and advocacy work.



## How we spent our money in 2017/18

- Development
- Humanitarian
- Campaigning and advocacy
- Fundraising
- Control, compliance, support and other costs (this category includes the reallocation of support costs allocated to Development, Humanitarian and Campaigning and Advocacy. Other costs include Nursery and Defined Benefit Pension Scheme costs)

# THE OXFAM INTERNATIONAL STRATEGIC PLAN 2013-19: THE POWER OF PEOPLE AGAINST POVERTY

Oxfam International's Strategic Plan, *The Power of People Against Poverty*, sets out six goals to change the world and six goals to change the way that we work. These goals form the basis for the work done by all Oxfam affiliates.

## SIX GOALS TO CHANGE THE WORLD

### Goal 1: Active citizens

By 2019: More women, young people and other poor and marginalised people will exercise civil and political rights to influence decision making by engaging with governments and by holding governments and businesses accountable.

### Goal 2: Advancing gender justice

By 2019: More poor and marginalised women will claim and advance their rights through the engagement and leadership of women and their organisations; and violence against women will be significantly less socially acceptable and prevalent.

### Goal 3: Saving lives, now and in the future

By 2019: By reducing the impact of natural disasters, fewer men, women and children will die or suffer illness, insecurity and deprivation. Those most at risk will have exercised their right to have clean water, food, sanitation and other fundamental needs met, to be free from violence and coercion, and to take control of their own lives.

### Goal 4: Sustainable food

By 2019: More people who live in rural poverty will enjoy greater food security, income, prosperity and resilience through significantly more equitable sustainable food systems.

### Goal 5: Fair sharing of natural resources

By 2019: The world's most marginalised people will be significantly more prosperous and resilient, despite growing competition for land, water, food and energy sources and stresses caused by a changing climate.

### Goal 6: Financing for development and universal essential services

By 2019: There will be higher quality and quantity of financial flows that target poverty and inequality and empower citizens, especially women, to hold governments, donors and the private sector to account as to how revenue is raised and spent. More women, men, girls and boys will exercise their right to universal quality health and education services, making them full participants in their communities and strengthening the economic, social and democratic fabric of their societies.

## SIX GOALS TO CHANGE THE WAY WE WORK

### Goal 1: Creating a worldwide influencing network

By 2019: There will be profound and lasting changes in the lives of people living with poverty and injustice as a result of a worldwide influencing network united by a common vision for change. This will demonstrably amplify our impact, bolster our international influence and support progressive movements at all levels.

### Goal 2: Programme quality, monitoring, evaluation and learning

By 2019: Oxfam will be able to demonstrate that it has created a culture of evidence-based learning and innovation that has contributed to progressive improvement of programme quality and increased our accountability and our capacity to achieve transformational change in people's lives.

### Goal 3: Strengthening accountability

By 2019: Oxfam will be able to demonstrate that our commitment to strengthened accountability contributes to greater impact.

### Goal 4: Investing in people

By 2019: Oxfam will be an agile, flexible network of organisations with skilled and motivated staff and volunteers delivering the change goals.

### Goal 5: Cost-effectiveness

By 2019: Throughout the period of the Strategic Plan, Oxfam will be cost-effective in all aspects of its work. Savings released by cost-effectiveness measures will be reinvested in the achievement of the Strategic Plan goals.

### Goal 6: Income strategies

By 2019: A step-change in investment, fundraising and cooperation among affiliates will secure €100m-€300m more than our forecast income, and position us to match our future ambitions to increase significantly the scale and impact of Oxfam's work.

# OUR ORGANISATIONAL AND FINANCIAL STRATEGY: THE 'ONE OXFAM' MODEL

'One Oxfam' or 'Oxfam 2020' is the name of Oxfam International's new organisational structure. Under this new structure, in each country where Oxfam works, the individual Oxfam affiliates work together under a single management structure. This contrasts with the previous arrangements, where there were a number of Oxfam Country Directors in any one country, each managing individual affiliates' programme investments.

The move towards the One Oxfam model, which began in 2016/17, has required significant organisational changes across the confederation and also within Oxfam GB. The new One Oxfam model is designed to ensure that we:

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

As of 2017/18, all Oxfam affiliates contribute a significant proportion of their annual unrestricted programme funds to a confederation-wide account (Collective Resource Allocation – CRA), which funds the core costs of Oxfam programmes in more than 90 countries across the world.

In addition, all Oxfam affiliates raise restricted funds for country programmes from governmental, corporate and multilateral donors, an arrangement known as the 'Partner Affiliate' function. Through our role as a Partner Affiliate, Oxfam GB aims to add the maximum possible value to the Oxfam confederation and the networks within which Oxfam works.

Some Oxfam affiliates also provide underpinning systems and processes (such as HR, IT, finance and logistics) which enable country offices to operate effectively. This is known as the 'Executing Affiliate' function, and there is only one in each country where Oxfam works. Oxfam GB is the Executing Affiliate in 27 countries.

Oxfam GB has also continued to provide resources to the Oxfam International Secretariat to manage the change process underpinning the One Oxfam vision (£11.6m in 2017/18, compared with £10.4m in 2016/17 and £8.0m in 2015/16). We are confident that this additional investment will make us more effective and secure future cost efficiencies.

## Where our income came from in 2017/18

Oxfam GB has a wide range of income sources, including public fundraising, retail operations and grants and contracts from large governmental and multilateral organisations. In 2017/18, our total gross income from all sources was £427.2m. This is an increase of £18.6m on our income in 2016/17 and represents the highest income that we have ever achieved in a single year. This figure includes:

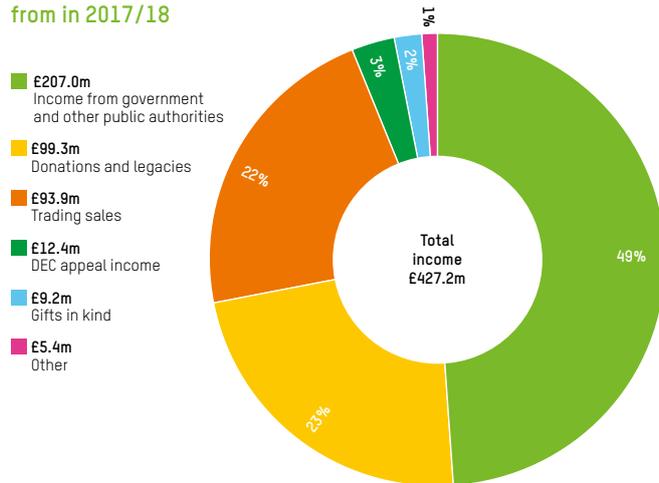
- £293.8m net income from our fundraising activities (including £207m from grants and contracts from governmental and multilateral organisations); and
- £18.9m net income from our shops.

## How we invested in programmes in 2017/18

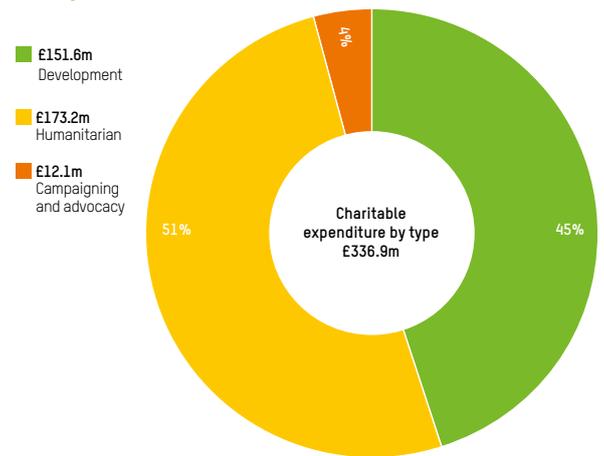
Oxfam's expenditure on charitable activities in 2017/18, at £336.9m, represented an increase of £33.4m on the previous year's spend (£303.5m). Breaking it down, 45% of our expenditure (£151.6m) was allocated to our development work, 51% (£173.2m) to our humanitarian response work and 4% (£12.1m) to our campaigns.

# INCOME AND EXPENDITURE HIGHLIGHTS

Where our funds came from in 2017/18



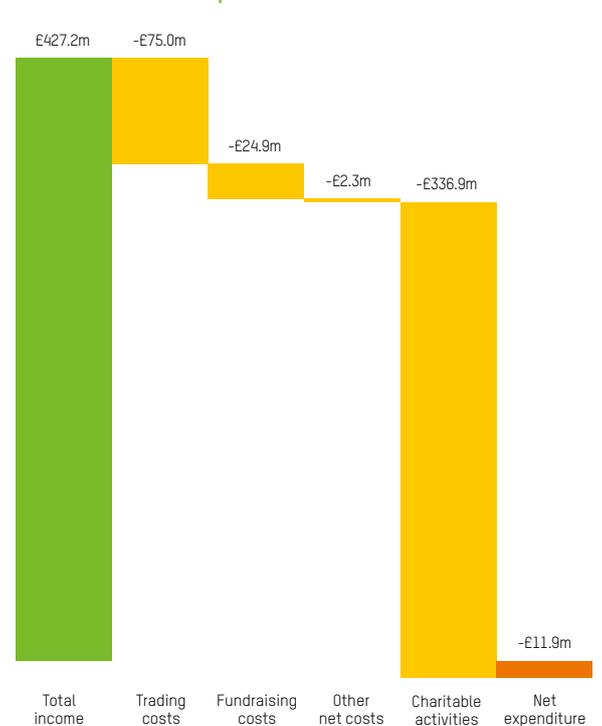
What we spent our charitable money on in 2017/18



Trading, fundraising net income in 2017/18



Total income less expenditure in 2017/18



# OUR IMPACT

Oxfam GB has been conducting impact evaluations, known as 'Effectiveness Reviews',<sup>3</sup> of individual programmes since 2011. These evaluations help Oxfam to understand and evidence whether its work is resulting in positive change. In 2017/18, for the first time, we had sufficient information to conduct analysis that combined all our Effectiveness Reviews, allowing us to demonstrate our impact across our entire portfolio of programme work, not just for individual projects and programmes.

Our analysis covered the key thematic areas of Women's Empowerment, Resilience, Livelihoods and Good Governance activities. The results confirmed an overall positive impact in all four areas. Credibly measuring the impact of our work remains a core priority for Oxfam GB, and we will use this new analysis to meet our accountability commitments and to strengthen our work going forward.

## Women's Empowerment

The analysis of our work on Women's Empowerment (published in the *Journal of Development Effectiveness*<sup>4</sup>) demonstrated that, overall, Oxfam's development projects have had a positive and statistically significant effect on women's empowerment, in particular in changing women's opinions regarding their economic role and in increasing women's participation in community groups and women's influencing in the community.

## Resilience

Oxfam GB defines resilience as 'the ability of women and men to realise their rights and improve their wellbeing despite shocks, stresses and uncertainty' (Jeans *et al.*,<sup>5</sup> 2016). Our analysis of Oxfam's work to increase resilience found that Oxfam projects have had a positive effect, although the impact varies in different regions of the world.

## Livelihoods

Overall, Oxfam projects have had a positive effect on household income. We estimate that Oxfam projects on average led to an approximate increase of 6.6% in household consumption. There were no clear differences in the average impact of projects between different regions of the world or between lower-income and middle-income countries.

## Good Governance

The analysis found that 15 out of 22 influencing initiatives (68%) successfully expanded civic space and that eight out of 15 influencing initiatives (53%) successfully changed government policy on a range of poverty-related issues (including health, gender equality climate change, and land rights). Among the 13 influencing initiatives which sought to expand civic space and change policy simultaneously, there was only one instance in which we successfully changed policy without also having expanded civic space. In other words, to change policy it helps to have first widened civic space. These are encouraging results given the well-known difficulties of changing government policy, the short duration of some of the initiatives (mostly 3-5 years) and the attacks on civic freedoms and human rights defenders experienced in some countries. Of the initiatives reviewed, seven (29%) were in countries categorised as having 'restricted' civic space, 10 (42%) were in countries 'in transition' and 7 (29%) were in 'open' countries.

The above analysis reflects the cumulative impact of Oxfam's programmes over a period of time, providing robust evidence that our work, across all four thematic areas, is effective. Within this wider context, the following pages focus in on Oxfam GB's work and achievements during 2017/18.

# OUR FOCUS IN 2017/18

In last year's Annual Report, we set out a number of objectives to increase our impact for the people we served during 2017/18. These included:

## Humanitarian – saving and rebuilding lives after disasters

- Through our support to the Oxfam-wide Global Humanitarian Team (GHT), ensure that our expenditure on humanitarian programmes delivers high-quality outcomes for people affected by humanitarian disasters.

## Development – helping people build better lives for the long term

- Through our new Partner Affiliate role, work with Oxfam country and regional offices to co-design and support the delivery of high-quality programmes.
- Successfully deliver our new Executing Affiliate support function to Oxfam country and regional programme teams.
- Finalise and implement the Partner Affiliate programme investment framework in order to ensure robust arrangements for tracking our programme investments under the new Oxfam 2020 operating model.

## Campaigns – speaking out together on the issues that keep people poor

- Shape the UK debate on global inequality.
- Help secure a strong global impact on supply chains through a campaign calling for changes in UK supermarket policies.
- Continue to advocate for refugees and for marginalised women in the UK.
- Contribute to the development and delivery of Oxfam as a worldwide influencing network.
- Respond to new threats to social justice values globally and in the UK, working with other organisations and our supporters to protect good aid.

## OUR REACH IN 2017/18

Throughout 2017/18, our humanitarian, development and campaigning work continued to change and save lives, and helped millions of people build a life free from poverty. In the 27 countries where Oxfam GB is the Executing Affiliate, approximately 14 million people were reached directly, including approximately 10.7 million people who were helped through our humanitarian work.<sup>6</sup> Of the total number of people reached directly in these countries, 54% were women.

These numbers do not include the millions of people who benefited from Oxfam's work in other countries where Oxfam GB contributes as Partner Affiliate. In addition, beyond the millions of people in poverty who benefited directly from our work were many more who were helped indirectly. This included whole villages who benefited from new policies introduced by governments thanks to our research, or communities and families who benefited from the business or disaster training we gave to individuals.

Last year, Oxfam GB supported people in poverty through programmes in more than 90 countries across the world, helping some of the world's poorest communities to build better lives, free from poverty. All of this life-changing work was possible thanks to the vital support we received from the public, our funders and our partners around the world.

In the pages that follow, we provide more detail on our Humanitarian, Development and Campaigns work and our success in achieving our objectives over the course of 2017/18.

# OUR PROGRAMMME IMPACT IN 2017/18

An overview of our humanitarian, development  
and campaigning work in 2017/18

# HUMANITARIAN: SAVING AND REBUILDING LIVES AFTER DISASTER

As set out in our 2016/17 Annual Report and Accounts, we set the following objective for our humanitarian work in 2017/18:

- Through our support to the Oxfam-wide Global Humanitarian Team, ensure that our expenditure on humanitarian programmes delivers high-quality outcomes for people affected by humanitarian disasters.

We achieved this with the following highlights:

- We set up over 500 water points and 3,000 emergency latrines and provided food vouchers for over 50,000 Rohingya refugees so they could buy food in local markets.
- We helped 1.3 million drought-affected people in desperate need across Ethiopia, Somaliland and Kenya.
- We provided essential emergency support to 750,000 people in the Democratic Republic of Congo.
- We provided life-saving aid to 1.35 million people suffering from cholera and hunger in Yemen.
- We helped over 1.5 million people in Syria, including providing food, clothing, water and hygiene items.

Crises in Syria, Yemen, Iraq, South Sudan and Nigeria continued to leave millions in desperate need. Some 687,000 Rohingya people fled violence in Myanmar for Bangladesh, and there was further conflict in the Democratic Republic of Congo (DRC) and drought in East Africa. Every time, Oxfam responded with life-saving support including clean water, latrines and food security. In countries where Oxfam GB is the Executing Affiliate, we gave urgent humanitarian assistance to approximately 10 million people<sup>7</sup> in 26 emergency situations.<sup>8</sup>

### Providing water, food and sanitation for Rohingya refugees

The autumn of 2017 saw the fastest movement of people fleeing a country in over 20 years.<sup>9</sup> On the border between Myanmar and Bangladesh, a sprawling, overcrowded and makeshift site rapidly became the largest refugee camp in the world. Oxfam GB set up over 500 water points 3,000 emergency latrines and provided food vouchers for over 50,000 Rohingya people so they could buy food in local markets. We also provided solar lighting in refugee camps so that women felt safer at night, and installed tiger worm toilets (where worms break down human waste, reducing the need to dig and empty latrine pits) to help prevent the spread of disease. Between the



Oxfam partners help deliver emergency food packs for Rohingya refugees in Bangladesh. By the end of March 2018, Oxfam had provided aid to more than 230,000 Rohingya refugees. Photo: Tommy Trenchard/Oxfam



Pastoralists like Hassana have suffered huge losses of livestock because of drought in Ethiopia. She is now taking part in an Oxfam project to learn new farming skills, grow drought-resistant crops and earn an income. Photo: Kieran Doherty

start of the crisis in autumn 2017 and the end of the financial year, Oxfam GB spent £4.2m to support more than 230,000 Rohingya refugees with water, toilets, shelter and food.

### **Saving lives in drought-hit East Africa**

Drought took further hold over Eastern Africa in 2017, leaving over 15 million people in need of emergency food, clean water and livelihoods support. It resulted in a surge in malnutrition, displacement, cholera and the deaths of livestock.

In Ethiopia, Oxfam GB spent over £20m, working with local partners to provide safe, clean water to more than 750,000 people and cash to 131,000 people, helping to save lives. We also provided urgent support to 250,000 people in Somaliland and over 250,000 people in Kenya. Overall, we helped 1.3 million drought-affected people in desperate need across the three countries.

### **Supporting people fleeing conflict in the Democratic Republic of Congo (DRC)**

Eastern DRC has been in crisis for decades, and Oxfam GB has already supported millions of people in dire situations there. In

2017, the continuing challenges for people were exacerbated when conflict broke out in the Kasai and Tanganyika regions. As a result, thousands fled their homes. There are now approximately 4 million people displaced internally in DRC, more than in any other country in the world.

Our teams provided 89,000 displaced people with vital, life-saving water, toilets and food in Kasai. We also set up water and sanitation facilities in camps in Tanganyika. In total, we gave essential emergency support to 750,000 people in DRC.

### **Combating cholera and hunger in Yemen**

Yemen reached the awful landmark of 1 million suspected cholera cases due to the impact of war. To bring the outbreak under control, we constructed latrines, organised promotion activities to improve hygiene practices and provided clean water to thousands of people.

Some 6.8 million people also continued to be in critical need of food. Our teams provided direct cash assistance, cash for work projects and support to help people rebuild their livelihoods, so



Five-month-old Khulood and her grandmother wait to be seen at Al-Saba'een Hospital in Sana'a, Yemen, after Khulood fell ill with acute diarrhoea. Oxfam is providing clean water to communities to stop the spread of cholera. Photo: Gabreez

they could buy food for their families. This was one of our largest country programmes, and Oxfam GB spent over £24m of valued donations to provide life-saving aid to 1.35 million people.

#### **Syria, seven years on**

In Syria, the conflict moved into its seventh year. In that time, more than 5 million people have fled the country and 7 million people have been displaced inside Syria. Fighting in Raqqa, Deir ez-Zor, rural Damascus and Aleppo caused further casualties and surges in displacement as people fled the violence.

To help families through the cold winter, Oxfam GB distributed clothing and food in Deir ez-Zor and provided water and hygiene items in rural Damascus and Aleppo. We repaired water systems and expanded our public health promotion work to prevent the spread of disease. In total, Oxfam GB helped 1.5 million people inside Syria through a £6.3m programme. We also continued to support refugees outside Syria, including 50,000 people in Za'atari camp in Jordan and 17,000 people in Lebanon.

#### **Responding to conflicts and natural disasters worldwide**

Large-scale crises in Iraq, South Sudan and Nigeria continued to hit millions of people. In Iraq, Oxfam GB focused on rebuilding vast swathes of the country post-ISIS, including setting up networks of water pipes and helping women to earn an income for their families. In South Sudan, we provided life-saving help including food to hundreds of thousands of people. We also created community vegetable gardens and provided business training for women, helping people to rebuild their lives in the long term. In Nigeria (where Oxfam GB is a Partner Affiliate), Oxfam provided frontline assistance to 238,000 people affected by conflict.

We also responded fast to a number of natural disasters in autumn 2017, including widespread floods across India, Bangladesh and Nepal, hurricanes in Cuba and the Dominican Republic, and an earthquake in central Mexico.

# DEVELOPMENT: HELPING PEOPLE BUILD LIVES FREE FROM POVERTY

**We established the following objectives for our development work in 2017/18, aimed at increasing our impact at scale:**

- Through our new Partner Affiliate role, work with Oxfam country and regional offices to co-design and support the delivery of high-quality programmes on women's rights, economic justice, water and inequality.
- Successfully deliver our new Executing Affiliate support function to Oxfam country and regional programme teams.
- Finalise and implement the Partner Affiliate programme investment framework in order to ensure robust arrangements for tracking our programme investments under the new Oxfam 2020 operating model.

**We have achieved these objectives with the following particular highlights:**

- Through the ACTÚA Campaign in Bolivia, we supported young people to help make violent behaviour socially unacceptable and to develop support networks for young women facing violence.
- We supported women and men in more than 100 communities in the Philippines and Zimbabwe to understand better the value of unpaid care work, to reduce the burden on women and to enable men to play a fuller part in family life.
- In Lebanon, we piloted an innovative project aimed at giving young women the opportunity and space to develop ideas for social change.
- In Bangladesh, Tajikistan and Zambia, we helped marginalised women and men to sell their goods, increase their incomes and cope with market and environmental shocks.
- We continued to lead the Sustainable WASH in Fragile Contexts (SWIFT) Consortium, reaching nearly 700,000 people in DRC with improved water, sanitation and hygiene services.
- In Kenya and Vietnam, we helped communities to influence local government budget processes and improve the quality of critical services such as healthcare.

Across the confederation, Oxfam works at grassroots level, promoting development, helping people to help themselves out of poverty and supporting their right to work and provide for their loved ones. Our long-term development work focuses on four priority areas: supporting women; generating economic opportunities; ensuring that people have sustainable access to water; and challenging the inequalities that keep people poor.

## WOMEN'S RIGHTS AND GENDER JUSTICE

The importance of women's rights and gender justice is at the heart of our development work and indeed, all of Oxfam GB's activity. While the world has made great progress towards ending poverty in the last few decades, many millions of women and girls are still trapped in lives of hardship and fear as a result of discrimination and abuse. We strive to help women to become full and equal members in their communities and to exercise their right to a life free from fear and violence. We believe that liberating and empowering women is vital to ending poverty. Some of our key activity in this area is described below.

### Combating gender violence in Bolivia

In Bolivia, we worked with partners to challenge and change negative social attitudes and traditions which underpin violence against women. Through the ACTÚA Campaign, we supported young people to develop circles of friends that help make violent behaviour socially unacceptable, and to develop support networks for young women facing violence. More than 35,000 young people have joined up, making it one of the most successful campaigns supported by Oxfam in Bolivia. Feedback indicates that it is helping young people reconsider their beliefs and behaviour, challenge others on their negative behaviour and, in some cases, leave situations of violence.

### Lifting the heavy workload of unpaid care and domestic work in the Philippines and Zimbabwe

Women all over the world do up to 10 times more unpaid care and domestic work than men, often on top of other paid work. This makes it less possible for them to play an equal role in the wider world of work. We supported women and men in more than 100 communities in the Philippines and Zimbabwe to understand better the value of unpaid care work and thus to reduce the burden on women and to enable men to play a fuller part in family life. As part of our Women's Economic Empowerment and Care (WE-Care) programme, we gave communities better access to water and laundry services and engaged local champions to model a more equal division of tasks. In total, more than 68,000 women, men, girls and boys engaged with our community activities.

We also achieved notable policy successes, including influencing local governments in Tacloban and Salcedo in the Philippines to enact three landmark pieces of local legislation on unpaid care. These obligate local governments to address unpaid care issues in their planning and budgeting and will help improve women's access to care-supporting infrastructure and services, including safe water systems and childcare centres.

### Improving the lives and rights of women in Lebanon

In Lebanon, our women's voice and transformative leadership programme is piloting the 'Roots Lab', an innovative project, in partnership with the Global Fund for Women, FRIDA The Young Feminist Fund and social innovation experts the Young Foundation. The project responds to the fact that deep-rooted gender inequality prevents millions of young women from making choices about and taking control of their own lives. Through the Roots Lab, we seek to equip young women who are most impacted by social issues to see themselves as social innovators and to realise their innovations. This includes structured support for young women to develop and test social innovations, such as tailored skills building and individual mentoring and peer-to-peer networks. The Roots Lab process supports young women (in teams and individually) to link with relevant stakeholders, including activists, women's human rights organisations, technical specialists, mentors, researchers and potential funders, allowing them to design and prototype their initiatives. Ten teams of young women

have so far been selected to test their ideas. For example, a group of Ethiopian migrant women in Lebanon recognised the need to create a women-led group to advocate for themselves and raise awareness about issues that deeply affect their daily reality (Ethiopian domestic workers in Lebanon are often excluded from labour law protections and subjected to racial discrimination and sexual abuse). Their initiative, being incubated by the Roots Lab, addresses gaps in awareness raising and capacity building for migrant domestic workers and limited access to resources, services and community support, as well as racist attitudes and negative social norms.

### WORK

#### Improving farmers' access to markets in Bangladesh, Tajikistan and Zambia

In Bangladesh, Tajikistan and Zambia we helped marginalised women and men to sell their goods, increase their incomes and cope with market and environmental shocks. Our four-year



Muchineripi and his daughter Sandra outside their home in Ture Village, Zimbabwe. Joining Oxfam's WE-Care programme has changed Muchineripi's view of family life. He plays a bigger role in housework and childcare, and works together with his wife Ulita to tend to their corn fields. Photo: Aurélie Marrier d'Unienville/Oxfam

Gendered Enterprise and Markets (GEM) programme in these countries came to an end in 2017/18, having demonstrably strengthened links between women farmers and their suppliers and buyers. Local private companies and others further afield have also adapted their services to support producers. In Zambia, for example, a number of soya processing companies expanded where they work, making it easier for producers to process their soya, and are also offering technical advice. As a result of the GEM programme, farmers have increased their incomes, and women say they have more influence over household economic decisions and feel better able to speak out in their communities.

#### Supporting sustainable businesses

In South-East Asia we helped small-scale producers of commodities such as palm oil, rice and shellfish and promoted businesses which benefit men and women equally while being environmentally, socially and financially sustainable. Our Gender Transformative and Responsible Agribusiness Investments in South East Asia (GRAISEA) programme reached

the end of its three-year first phase in June 2018 and has now supported over 250 companies. We secured funds for a complex and ambitious successor programme which will work with marginalised rice and shrimp producers, entrepreneurs and companies, and policy makers across Asia.

#### Helping people adapt to climate change

In semi-arid regions across Africa and Asia we worked with local communities and national and global bodies to strengthen people's understanding of climate risks and to promote effective responses. As a core partner of the Adaptation at Scale in Semi-Arid Regions research consortium (ASSAR), we supported women's community organisations, the media and local governments to help people develop alternative livelihoods so that they are better able to withstand climate-related shocks. We also trained national planning officers to include marginalised groups in their climate-related plans. Globally, we helped to shift the debate in forums such as the United Nations Framework Convention on Climate Change, to increase the influence of women and marginalised people.



Alem, a beekeeper from Ethiopia, has gained new skills in honey production and distribution with Oxfam. We are also providing numeracy and literacy classes to women like her, who have missed out on an education. Photo: Kieran Doherty

## WATER

### Securing water supplies in earthquake-hit Nepal

The 2015 earthquake in Nepal caused severe damage to essential water infrastructure across the region. We reconstructed seven water systems, which together serve more than 35,000 people, helping to keep people healthy, limit the spread of disease and reduce the distance people travel to fetch water.

### Providing sustainable water and more in Kenya and DRC

We continued to lead the Sustainable WASH in Fragile Contexts (SWIFT) Consortium, which has now reached almost 1 million people in DRC and Kenya. In previous years, we improved the water infrastructure in Kenya by drilling boreholes, improving pipe networks and installing solar pumping systems. In 2017/18 we built on this work, ensuring that the system is sustainable, working with water utility companies to design effective billing systems, improving water management systems and training people to deal with breakages and other

problems. We also worked through the consortium to reach nearly 700,000 people in DRC with improved and long-term water, sanitation and hygiene services.

## INEQUALITY

### Pushing for action on tax and public spending in Kenya and Vietnam

In Kenya and Vietnam, we supported marginalised men and women to make governments more accountable for how they raise and spend money. As part of our Fiscal Accountability for Inequality Reduction (FAIR) programme, we helped communities to influence local government budget processes and improve the quality of critical services such as healthcare. Civil society organisations now have the confidence to press their governments for action. In Vietnam, the government has introduced new regulations requiring multinational corporations to file country-by-country tax reports, helping to tackle tax avoidance and ensure that there is more money available to spend on essential services for the poorest people.



The people of Ghairung, Nepal take part in a cash for work scheme to rebuild a 5km trail devastated by the 2015 earthquake. The new trail will connect two villages, a health centre and a market. Photo: Kieran Doherty

# CAMPAIGNS: SPEAKING OUT ON THE ISSUES THAT KEEP PEOPLE POOR

## We set the following objectives for our campaigns work in 2017/18:

- Shape the UK debate on global inequality.
- Help secure a strong global impact on supply chains through a campaign calling for changes in UK supermarket policies.
- Continue to advocate for refugees and for marginalised women in the UK.
- Contribute to the development and delivery of Oxfam as a worldwide influencing network.
- Respond to new threats to social justice values globally and in the UK, working with other organisations and our supporters to protect good aid.

## We have achieved these objectives with the following highlights:

- We helped to push tax transparency and reform up the political agenda in the UK, building cross-party support, public awareness and momentum for change.
- We challenged six of the biggest UK food retailers to tackle inequality and poverty, so that those who produce the food we eat aren't forced to go hungry themselves. Some companies have already taken action, for example by publishing new information about how and from where they source the food we buy.
- Working with partners, we campaigned for the UK government to change the rules so that refugee families can be more easily reunited.
- Of the women who participated in our Future Skills programme in Glasgow, Manchester, Oxford, Cardiff and London, 69% went into employment, education, training or further volunteering.
- In Scotland, we successfully advocated for a new Poverty and Inequality Commission, which will be placed in statute in 2019.
- In Wales, we partnered with the Department for Work and Pensions to train 608 staff members so that they better understand the complex causes of poverty.

People living in poverty want justice not merely handouts. That is why, alongside long-term development and emergency work, we campaign for a more equal society and against poverty. We aim to harness advocacy and media coverage to raise public awareness and to create pressure for political and corporate action.

In 2017/18, this included: pushing businesses and governments to address economic inequality; exposing corporate tax avoidance which reduces the money available to fund essential services; and building public support for new rules so that more refugee families can be reunited in the UK.



Our Behind the Barcodes campaign is pushing supermarkets to help protect food workers like Melati, who faces impossible targets, chemical exposure and verbal abuse in the seafood factory where she works. Photo: Adrian Mulya The Sustainable Seafood Alliance Indonesia

## Pushing for action on inequality

Oxfam used the media focus on the World Economic Forum Annual Meeting in Davos in January 2018 to expose how extreme economic inequality undermines efforts to end poverty. Our report, *Reward Work, Not Wealth*, highlighted that 82% of all wealth created in the last year went to the top 1%, while nothing went to the bottom 50%. We called on governments to create a more equal society by prioritising ordinary workers and small-scale producers instead of the rich and powerful. Over 2,000 people signed up to join the movement to tackle inequality, around half of them new supporters of Oxfam.

## Pressing to make tax transparent

We pushed companies and the UK government to end the secrecy which enables corporate tax avoidance, and to show that it deprives society of vital funds that can be spent on essential services. Over 21,000 people signed a petition targeting the Chancellor, and more than 42,000 people supported our Twitter action and an e-petition run by one of



Campaigners hand in a petition to Downing Street, calling on the Chancellor to make UK businesses more transparent about where they pay tax and help poorer countries that lose billions to tax dodging. Photo: Jiri Rezac

our partners ahead of a European Union decision to adopt a blacklist of tax havens. Together, our activities helped to push tax transparency and reform up the political agenda, building cross-party support, public awareness and momentum for change.

#### Supporting human rights in global food supply chains

We assessed the sourcing and supply chain policies and practices of six of the biggest and fastest-growing UK food retailers, Asda, Morrisons, Sainsbury's, Tesco, Aldi and Lidl. We shone a spotlight on how they violate the working conditions and human rights of some of the world's poorest people, and how women in supply chains face specific abuses. Drawing on our experience and expertise in ethical trade, we challenged the companies to better tackle inequality and poverty, so that those who produce the food we eat aren't forced to go hungry themselves. Some companies have already taken action, for example by publishing new information about how and from where they source the food we buy.

#### Improving the lives of refugees forced to flee their homes

As part of a 20-strong coalition we fought to counter a rise in anti-refugee sentiment, sharing messages of positivity and hope and focusing on solutions instead of problems. Together, we campaigned for the UK government to change the rules so that refugee families can be more easily reunited. As a result, more than 17,000 people signed our petition calling for a new bill on family reunion. The bill proceeded with the support of 131 MPs.

At the same time, we called for a coordinated global response to the worldwide refugee crisis, recognising that no one country can solve it alone. We worked with Oxfam teams around the world, from Yemen to South Sudan, to advocate for the rights of displaced people in an increasing number of crises. We also continued to draw attention to the humanitarian crisis in Yemen and to campaign against UK arms sales fuelling the conflict.

### Making the case for international aid to reduce poverty

We have continued to ensure that development money is invested wisely to help the world's poorest people. As part of this, we have worked with other agencies to trial innovative and evidence-based ways to communicate the effectiveness of aid. Our advocacy was built on ensuring that aid remains squarely focused on what works to alleviate poverty, and on the need for all those spending official aid money to meet high standards of transparency and accountability.

### Fighting to end poverty wherever it exists, including in the UK

Following a successful pilot, we rolled out our Future Skills programme in Glasgow, Manchester, Oxford, Cardiff and London. Future Skills builds the skills and confidence of marginalised women by offering work placements in Oxfam shops, as well as mentoring and other support. Some 186 women participated in the six-month programme, and 69% of them went into employment, education, training or further volunteering.

In Scotland, we successfully advocated for a new Poverty and Inequality Commission, which will be placed in statute in 2019. We also pushed for changes to the Scottish Government's

National Performance Framework so that it better reflects the priorities of people in poverty across Scotland. In Wales, we supported 38 long-term unemployed Black and Minority Ethnic (BME) women to improve their livelihoods or find employment. We also partnered with the Department for Work and Pensions (DWP), training 608 staff members so that they better understand the complex causes of poverty and can use tools to implement a person-centred approach to service delivery. As a result of our campaigning and advocacy, the Welsh Government made a new commitment to conduct a gender analysis of its annual budget. We also pushed for the resettlement and support of refugees as part of the Welsh Refugee Coalition, resulting in concrete progress towards Wales becoming a Nation of Sanctuary.

### Worldwide Influencing Network

Finally, we have contributed to the development of the Oxfam confederation as a Worldwide Influencing Network, providing direct influencing support to 10 country programmes and multi-country and regional support to a further 47 countries. We have also provided leadership development for 77 Oxfam and partner staff members across the confederation.



We couldn't run our UK-wide network of shops without amazing volunteers like Gaspard, who works in our King's Road shop. Over 8,600 new shop volunteers have joined us over the year. Photo: Niall McDiarmid

# INCOME

As set out in our 2016/17 Annual Report and Accounts, we established the following objectives to increase and deepen our engagement with people in the UK and to achieve stretching income targets:

- Demonstrate the impact of our work, building understanding among the UK public of our core message about poverty and increasing the number of people supporting Oxfam.
- Deliver an ambitious programme of public engagement activities to increase the number of Oxfam supporters.
- In our fundraising work, seek to reach new audiences and create successful fundraising platforms for the future.
- Invest in supporting our shop staff and volunteers.
- Implement an Institutional Funding Strategy focused on the UK Government and European donors.
- Increase the rate of recovery of direct and indirect costs from institutional donors, and identify sources of lightly restricted income to displace unrestricted expenditure.

We have achieved these objectives with the following particular highlights:

- Our multi-award-winning film, *The Heist*, which was part of our campaign to expose tax dodging, was viewed by over 4 million people.
- The new Oxfam Lottery: we recruited 7,215 new lottery players in the year, with some 4,318 signed up by our face-to-face fundraising team, who also encouraged 7,820 people to support us with a regular gift.
- Our partnerships with philanthropists, companies and foundations, which raised £16.9m.
- Our fundraising in South Korea, which raised £5m.
- Our shops, which raised £18.9m in net income over the course of the year.
- The recruitment of over 8,600 new volunteers.
- Our relationships with institutional donors, which raised approximately £228m.

Our gross income in 2017/18, at £427.2m, represented the highest that we have ever achieved in a single year. This was an increase of £18.6m on last year's income. However, the outlook changed markedly in February 2018, following media reports of sexual misconduct by Oxfam staff in Haiti in 2011. This began to have a negative impact on our income in the final weeks of the financial year, some of which is detailed below. The longer-term consequences for Oxfam GB's finances will only become clear in future financial years.

## PUBLIC AND SUPPORTER ENGAGEMENT

Our public and supporter engagement seeks to inform supporters of the difference they make, inspiring existing supporters to continue in their commitment and new supporters to join the cause. We do that by ensuring that Oxfam demonstrates the progress being made to reduce poverty and by telling the stories of women and men, the challenges they face and the changes they are making to their lives.

Significant engagement initiatives over the last year have included our Stand As One campaign through the summer of 2017 in support of refugees in the UK, which was well received at festivals; Hope in Unexpected Places, a Christmas fundraising and trading venture that featured examples of programme impact in unexpected ways; and a multi-award-winning film, *The Heist*, viewed by over 4 million people as part of our campaign to expose tax dodging.

Throughout 2017/18 we worked hard to improve Oxfam's supporter engagement and participation. However, we recognise that levels of trust were significantly affected following media reports about our failings in Haiti in 2011. Some individual supporters cancelled their regular gifts but the vast majority stayed with us and we are hugely grateful to them for their continued belief in Oxfam. A key focus for the current financial year and beyond will be to restore confidence among our supporters.

## INCOME FROM OUR FUNDRAISING ACTIVITIES

Fundraising activity in 2017/18 resulted in £99.3m in donations and legacies. We are grateful to all those who have given in many ways, including SMS text donations, regular giving, fundraising through events such as Trailwalker and Oxjam or by buying Unwrapped gifts. Oxfam GB has also benefited from legacies and we are humbled by the £18m from gifts left to us in wills, and the 792 people who pledged a future gift in their will.

In 2017/18, we extended fundraising initiatives that were tested successfully in the previous year, including our 'direct giving' project, where we tell supporters exactly how their text donation has been spent. The new Oxfam Lottery, which gives supporters the opportunity to enter our weekly lottery at a cost of £1 per entry, has also proved successful. We recruited 7,215 new lottery players in the year, with some 4,318 signed up by our face-to-face fundraising team, who also encouraged 7,820 people to support us with a regular gift. In addition, we received more than £2.3m from the People's Postcode Lottery.

The 2017 festival stewarding season concluded with a number of notable successes, including the scale of our presence at Glastonbury, and excellent feedback from venues and

volunteers about their experience. We provided a total of 5,018 volunteer stewards across 16 music festivals in the year, and added four new festivals to our roster for 2018.

We have continued to develop opportunities to demonstrate to our supporters the positive difference they make, including through a 'See for Yourself' supporter visit to projects in Zambia, and a 'thank-a-thon' where staff from across Oxfam made phone calls to thank our supporters for their contribution.

Our partnerships with philanthropists, companies and foundations raised £16.8m over the course of the year. We were able to support a social empowerment project in Afghanistan and efforts in Italy to build community cohesion in areas affected by poverty, through our growing relationship with Burberry. Similarly, an exciting new partnership with the Poul Due Jensen Foundation is supporting thousands with safe water in Nepal and Bangladesh. We have also collaborated with

the Moomins, a series of children's books and TV programmes, to launch a special edition of a short story to fund work helping women to overcome violence, abuse and discrimination.

We have continued to fundraise outside the UK, with the income and expenditure consolidated into Oxfam GB's accounts under our fundraising division. There are now over 28,500 Oxfam supporters in South Korea who have donated, and who together gave £5m in 2017/18. Our development in Thailand did not progress at the rate we hoped, and we will not proceed with further fundraising investment there.

As mentioned above, the Haiti safeguarding case led to a downturn in Oxfam GB's fundraising income in the final weeks of 2017/18. The full impact remains to be seen, but we are very grateful to the vast majority of individual donors who continued, or even increased, their regular contributions to Oxfam GB.



Oxfam volunteer stewards play a huge role in running of major events like Glastonbury Festival. In return, organisers make a donation to Oxfam's work. A total of 5,018 volunteer stewards worked across 16 music festivals this year. Photo: Sam Baggette/Oxfam

### Responsible fundraising

We are committed to achieving the highest standards in fundraising. We are registered with the Fundraising Regulator and are a member of the Institute of Fundraising. We comply with the Fundraising Regulator's Code of Fundraising Practice and the Fundraising Promise, which set the standards for fundraising activity throughout the UK. We use the Fundraising Regulator logo on our fundraising materials to demonstrate that we are following these standards.

We aim to comply with UK data protection legislation. Throughout 2017/18 we implemented measures to ensure that we comply with the spirit and letter of the General Data Protection Regulation due in May 2018, and to keep in mind the key principle of 'privacy by design'.

Oxfam's approach to fundraising is driven by the three principles set out below:

- **Fairness:** We treat all members of the public fairly and respectfully.
- **Inclusiveness:** We are open to everyone and embrace diversity. We believe that everyone has a contribution to make change happen, regardless of visible and invisible differences.
- **Accountability:** Our fundraisers are required to take responsibility and care so that their fundraising is delivered to a high standard.

We work to ensure that our fundraising is not overly intrusive or persistent, and does not put members of the public under undue pressure to donate. We recognise that everyone has the right to support their favourite causes and charities and that we have an obligation to protect those who may be in vulnerable circumstances. We do this in a way which seeks to protect each person and their dignity while also being respectful of any desire they express to support Oxfam.

Some of our fundraising activity is carried out by Oxfam staff; some is delivered by external fundraising agencies and commercial entities. These third parties are subject to ongoing monitoring by Oxfam fundraising staff as well as other specialist external agencies to check that their fundraising continues to follow best practice. Our monitoring processes are reviewed and approved by our Internal Audit team.

Our aim in engaging with our supporters is always to provide them with a positive experience. However, our fundraising activity sometimes generates complaints. We log and respond to all complaints. Complaints are monitored by senior management and reported to trustees, both their volume and their cause. In 2017/18, the number of complaints related to fundraising activity was 468, compared with 846 in 2016/17, a reduction of 45%.

We encourage any supporters with questions or enquiries about our fundraising to contact us at any time, and we aim to be transparent about our fundraising at all times.

### INCOME FROM RETAIL

Trading has been challenging – particularly in the second half of the year, with the UK high street reporting lower footfall and tighter consumer spending. Overall, thanks to the generous donations of the public and the tremendous efforts of our volunteers, shop managers and support teams, our sales of donated items still matched last year's, both in store and online.

Christmas sales and the strong all-year performance of our 'Sourced by Oxfam' range of ethically sourced products lifted new goods sales by 7.5% year on year. As a result, total sales for our shop network ended almost 1% up on last year. Our online sales were also strong, in part thanks to our 'Click for Karma' advertising campaign, which boosted traffic to the Oxfam Online Shop by 17% in the run-up to Christmas.

Oxfam shops also continued to provide a way for the public to give generous support to Oxfam's work in ways other than shopping. Our teams collected nearly £1m in cash donations for emergency appeals, including substantial donations for the East Africa Food Crisis and the Rohingya Crisis.

The support of our longstanding corporate partners, including M&S and Sainsbury's, helped to maintain stock donation levels throughout the year. Oxfam ambassadors, photographer David Bailey and model Kate Moss, also showed their support with a photoshoot which boosted our fashion credentials. Finally, new partner Moomins brought further excitement to our 'Sourced by Oxfam' range with a bespoke tote bag and limited-edition book.

Volunteers are the backbone of our shops and we continued to invest in their recruitment. In total, over 8,600 new volunteers joined us in 2017/18 as a result of increased national marketing, partnerships with other volunteering organisations such as the Duke of Edinburgh's Award, and community initiatives supporting individual shops. We also invested in the ongoing training of our shop teams, focusing on safeguarding, leading successful teams, e-commerce, visual merchandising and gift aid procedures. We recruited new deputy shop managers for 201 shops, to support shop managers and to drive growth in priority areas such as gift aid, e-commerce and Sunday trading.

We continued our shop refresh programme to improve the shopping experience for our customers and the working environment for our shop teams. We made improvements to 41 shops and have 60 refurbishments planned for 2018/19. We also opened new shops in Ely and Eastbourne, and new bookshops in Lincoln and Ilkley.

Revelations about the 2011 Haiti safeguarding case emerged in the final weeks of the financial year and the impact upon Oxfam GB's retail income is not yet clear. This will be apparent in next year's Annual Report and Accounts.

## INCOME FROM INSTITUTIONAL DONORS

The greater part of 2017/18 was a particularly strong year for Oxfam GB in terms of institutional income received and new contracts awarded. However, the media reports towards the end of the financial year regarding Oxfam's handling of the Haiti safeguarding case in 2011 had an immediate impact on these donor relations and the previously anticipated year-end position.

Overall during 2017/18, we secured approximately £228m in direct income from a range of institutional donors – bilateral governments, multilateral agencies and international foundations around the world – including:

- £20.9m in direct income from the UK Department for International Development (DFID)
- £29.1m in direct income from the European Commission (across both their humanitarian and development directorates)
- Approximately £40m in direct income from key UN humanitarian agencies including the World Food Programme, the United Nations Children's Fund (UNICEF), the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) and the United Nations High Commissioner for Refugees (UNHCR).

Up to February 2018, we continued to grow, diversify and deepen our relations with a wide range of institutional donors:

- 71% of our institutional donor income was for humanitarian response;
- 25% of donor income was for longer-term development programmes;
- approximately 4% of donor income was for advocacy and campaigning-related activity.

We also:

- successfully re-contracted for a further four years our Humanitarian Partnership Agreement with the Swedish International Development Cooperation Agency (Sida);
- secured over £11m in various contracts from the Office of US Foreign Disaster Assistance (OFDA) for humanitarian responses in, among other countries, Iraq, Ethiopia, Zimbabwe and Malawi;
- secured over £27m in European Civil Protection and Humanitarian Aid Operations (DG-ECHO) contracts for humanitarian activity in various countries;
- secured a further £12m from DFID for humanitarian and resilience development in Yemen;

- secured £12.4m from the UK-based Disasters Emergency Committee (DEC) for emergency responses in Yemen and East Africa and to the Rohingya crisis.

We continued to invest in and collaborate with other Oxfam affiliates and their donor governments, from which we secured approximately 29% of our total institutional income in 2017/18. This included the Australian Department of Foreign Affairs and Trade (DFAT), Global Affairs Canada (GAC) and the Dutch Ministry of Foreign Affairs (MOFA).

However, when the first story about the 2011 Haiti safeguarding case was published on 9 February, a number of Oxfam GB's key institutional donors responded immediately. For example, on 16 February the UK's International Development Secretary, Penny Mordaunt, publicly announced that Oxfam GB had agreed to withdraw temporarily from bidding for any new UK Government funding. Some of Oxfam's other key institutional donors responded with their own measures, many, for example, temporarily suspending the award of new contracts pending their own reviews. In the weeks and months that have followed, we have worked closely with our institutional donors to respond to their concerns, and to answer their questions regarding our safeguarding policies and practices. Many of those donors have since lifted their temporary measures and have resumed their award of new contracts. At the time of writing, the agreed withdrawal from applying for any new UK Government funding remains in place.

Despite these challenges, over the whole year to 1 April 2018 we signed a record 437 new contracts worth a lifetime value of £248m – an increase of more than 25% on the previous three years' average total value and volume of contract awards. We therefore carried into the new financial year more than £105m of 2018/19's institutional donor income already secured. This includes:

- a new three-year DFID contract for humanitarian WASH work in Myanmar;
- a four-year Danish Government-funded grant for market development in the Occupied Palestinian Territories and Israel;
- a two-and-a-half-year grant from the EC's DG DEVCO to support social entrepreneurs in Lebanon;
- a five-year EU food security programme supporting bee-keepers in Ethiopia.

We continue to work with our all our institutional donors, providing further information and assurances on current and future safeguarding practices as requested. There will, however, be a continued impact on our institutional funding for some time to come, the full magnitude of which will not be clear until next year and beyond.

# SUPPORT FOR OUR PROGRAMMES

As we described in our 2016/17 Annual Report and Accounts, we set the following 2017/18 objectives to support our staff and to be efficient and accountable in our use of the funds entrusted to us:

- Deliver the One Oxfam organisational change programme, building new capabilities and ways of working, ensuring that Oxfam GB is more agile, better able to act on learning, and more clearly accountable.
- Ensure that all staff employed by Oxfam GB feel valued, informed and supported through the changes required by Oxfam 2020.
- Increase the effectiveness of risk management throughout Oxfam.
- Successfully deliver high-priority information services investments.
- Review Oxfam GB's core business processes to improve clarity, simplicity, agility and leanness.

**We have achieved these objectives with the following highlights:**

- The annual staff survey, which was conducted before the first reports about Haiti were published, found that higher numbers of staff 'felt connected', 'felt valued and respected' and 'felt that they had a voice' than in the previous year.
- We implemented a confederation-wide integrated risk management framework and a regulatory compliance framework.
- We successfully delivered our key information services projects on time and within budget.

Across the world, our skilled, committed and professional teams are working to transform the lives of people in poverty. Most obviously, this includes our programme staff, who respond directly to the needs of those we serve. It also covers a range of other professionals, such as our logistics experts who ensure that supplies reach the people in need of them, finance officers who make sure we get the best value for money, or legal experts who ensure we comply with regulations.

## SUPPORTING OUR STAFF AND VOLUNTEERS

### Staff

As at 31 March 2018, Oxfam GB employed 5,274 staff (see detailed breakdown below), an increase of 3.8% on the number of people we employed at 31 March 2017 (5,083 staff). The increase in staff numbers during 2017/18 was due primarily to our recruitment of a significant number of new deputy shop managers and to organisational changes relating to the new Oxfam 2020 structure.

A major focus of the One Oxfam organisational change programme has been to ensure that our workforce feels supported and valued. The staff engagement strategy in 2017 focused on three areas: staff feel connected to our cause, staff are valued and respected, and staff have voice with impact. The staff engagement network worked alongside directors to shape engagement activities in each division. In the annual staff survey released in early 2018, we found that higher numbers of staff 'felt connected', 'felt valued and respected' and 'felt that they had a voice' than in 2016/17. For example, 91% of staff who took part in the survey agreed with the statement 'I am proud to work for Oxfam', an increase of 2% on the previous year; and 77% agreed with the statement 'I am treated with fairness and respect in Oxfam', an increase of 3% on the previous year.

We have a strong commitment to equal opportunity. This includes encouraging applications from disabled people, developing their skills and taking every reasonable measure to adapt our premises and working conditions to enable disabled people to work or volunteer with us. As at 31 March 2018, the representation of women in our total workforce was 49.9%, a very small decrease on the 50% reported at 31 March 2017. The percentage of women represented at different grades is set out in the table below. The percentage of staff from an ethnic minority was 11.1% of the total workforce for whom their ethnic origin is known.

**EMPLOYEES BY GRADE IN UK OPERATIONS**(includes staff in UK Divisions supporting International Programmes<sup>10</sup>)

	2016/17		2017/18	
Director	8	0.4%	9	0.4%
A	32	1.6%	31	1.4%
B	260	13.0%	278	12.5%
C	482	24.0%	539	24.2%
D	212	10.6%	244	10.9%
E	274	13.7%	444	19.9%
F	76	3.8%	65	2.9%
Shop Managers	657	32.8%	619	27.8%
Other	1	0.1%	1	0%
<b>Total</b>	<b>2,002</b>	<b>100.0%</b>	<b>2,230</b>	<b>100.0%</b>

**EMPLOYEES BY GRADE IN INTERNATIONAL PROGRAMMES**

(including the Global Humanitarian Team)

	2016/17		2017/18	
Oxfam International Country/Regional Directors (US\$ paid <sup>11</sup> )	31	1.0%	29	1.0%
A (including Regional Directors)	10	0.3%	7	0.2%
B (including Country Directors)	101	3.2%	82	2.7%
C (including Country Directors)	796	25.9%	747	24.5%
D	1,089	35.4%	1,116	36.7%
E	582	18.9%	662	21.7%
F	470	15.3%	393	12.9%
Other	2	0.1%	8	0.3%
<b>Total</b>	<b>3,081</b>	<b>100%</b>	<b>3,044</b>	<b>100.0%</b>

**EMPLOYEES BY GENDER**

	Total	Female	Female %
UK Operations	2,048	1,361	66.5%
Staff in UK Divisions supporting International Programmes	182	126	69.2%
International Programmes	3,044	1,145	37.6%
<b>Total</b>	<b>5,274</b>	<b>2,632</b>	<b>49.9%</b>

**EMPLOYEES BY ETHNICITY<sup>12</sup>**

(data available for staff in UK operations only, including staff supporting International Programmes)

	2016/17			2017/18		
	Headcount	% of total headcount	% of known headcount	Headcount	% of total headcount	% of known headcount
Ethnic Minority	191	9.5%	12%	186	8.3%	11.1%
White	1,400	69.9%	88%	1,485	66.6%	88.9%
Unknown	411	20.5%	0%	559	25.1%	0%
<b>Total</b>	<b>2,002</b>	<b>100%</b>	<b>100%</b>	<b>2,230</b>	<b>100%</b>	<b>100%</b>

**EMPLOYEES BY NATIONALITY**

(OECD/non-OECD) [data available for senior International Programmes and UK-based staff supporting international programmes only]

	2016/17			2017/18		
	Total	Non-OECD	Non-OECD as % of total	Total	Non-OECD	Non-OECD as % of total
OI paid (paid in US\$)	33	18	54.5%	29	18	62.1%
Director	1	1	100%	1	0	0.0%
A (including some Regional Directors)	13	1	7.7%	11	2	18.2%
B (including some Country Directors)	169	50	29.6%	156	38	24.4%
C (including some Country Directors)	847	669	79%	814	653	80.2%
<b>Total</b>	<b>1,063</b>	<b>739</b>	<b>69.5%</b>	<b>1,011</b>	<b>711</b>	<b>70.3%</b>

### Providing high-quality information services

We have made significant progress in delivering our key information services investments during 2017/18. These include our 'Cloud' migration project, which we completed on time and within budget and our ongoing Customer Relationship Management project, which is similarly on time and within budget. Our business process improvement initiative was put on hold in February of this year because of the need to refocus our resources in response to the 2011 Haiti safeguarding case. We are now resuming this work

## BEING ACCOUNTABLE

### Safeguarding

Following the reports in February 2018 about sexual misconduct by former Oxfam staff in Haiti in 2011, we acknowledged serious failings in our handling of that case. We also encouraged people to come forward with safeguarding concerns and allegations, both current and historical. We are indebted to all those who contacted us, as this will help to make Oxfam a safer place for everyone who works or volunteers with us or who receives support from us.

We are committed to doing all that we can to prevent, investigate and address unacceptable behaviour wherever it may occur and to putting the rights of victims and survivors at the centre of our work.

We will continue to encourage people to report whenever they have a concern and we will ensure a safe environment for them to do so. Since February, as part of our comprehensive action plan to improve our safeguarding, we have tripled funding for safeguarding, established an external whistleblowing helpline and appointed an Independent Commission to review our culture and practices.

Along with other members of the Oxfam confederation, we have also committed to publishing twice-yearly data on all completed safeguarding cases. This is in addition to the figures below which cover Oxfam GB for the period 1 April 2017 to 31 March 2018.

In 2017/18, Oxfam GB's Safeguarding Team recorded 155 reports, a significant increase on the 87 reports received in 2016/17. Of these, 82 reports were received prior to the publication of the first media story about Haiti on 9 February 2018. A further 73 reports were received between 10 February and 31 March 2018. A number of these cases were historical, dating back to the 1990s, including some cases which were reported for the first time.

We include in these figures all incidents or issues reported to the Safeguarding Team whether or not they are substantiated, or involve Oxfam staff or volunteers as well as any reported

concerns about the well-being of staff and volunteers, outside of the workplace.

Of the 155 reports received in 2017/18, 66 related to Oxfam GB's international programmes, 69 related to the Trading Division and 20 related to other Oxfam GB divisions or partner organisations in the UK.

Of the 155 reports, 111 were complaints which resulted in internal investigations by Oxfam GB. Due to the high number of complaints received in a short period, we brought in additional resources and prioritised the most serious and urgent cases for investigation. For the less urgent cases awaiting investigation, we offered support or counselling depending on the case and what the complainant wanted to do.

Of the 111 internal investigations, 40 have been completed (as of 20 August 2018). Twenty-three of the completed investigations upheld or partially upheld allegations, resulting in disciplinary action ranging from written warning to termination. Seventy-one investigations of incidents reported during 2017/18 are ongoing.

Twenty-three of the 155 reports involved Oxfam staff or volunteers outside their work (for example, problems experienced at home) or committed by members of the public on Oxfam premises. 13 of these reports were investigated by Oxfam. Where appropriate in the other 10 cases, Oxfam offered support and advice, including referring and signposting to other support services.

A number of the reports were the subject of investigation by the police, either as a result of information provided by Oxfam or because the police had been notified separately. In 11 of these cases, Oxfam did not conduct an additional internal investigation.

For 23 reports, after an initial determination, it was decided not to proceed to full internal investigation. The three main reasons for this were: the alleged victim did not wish to take the matter forward; an investigation had already been completed into the allegation; or, in less serious cases, the issue was addressed through training, advice or performance management.

### Fraud prevention

We are clear that we do not tolerate fraud and corruption. Oxfam has a dedicated Counter Fraud team which works to prevent, deter, detect and respond to incidences of fraud, theft and corruption. Our approach and policies aim to make the honest majority feel empowered to tackle fraud and corruption.

In 2017/18, recorded suspicions of fraud and corruption rose by 18% on the previous year, from 296 cases in 2016/17 to 348 this year. Not all of these cases were proven, but all were responded to by Oxfam or passed to the relevant authorities.

The total confirmed loss detected for 2017/18 was £1,044,293 – 0.24% of Oxfam's total income – compared to 2016/17 when the total confirmed loss detected was £547,000 or 0.13% of total income. We attribute this rise in identified cases of fraud to improvements in the nature and reach of anti-fraud awareness as well as the fact we are responding to so many emergencies across the world. We are also working to recover losses. In 2017/18, we recovered £175,864 from previous fraud cases and other cases are still ongoing.

The majority of loss detected occurred during major humanitarian emergencies, where we have a moral imperative to save lives and often have to scale up our response rapidly in challenging and often hostile environments. By its very nature, such work brings exposure to a higher degree of fraud and corruption risk.

However, our efforts to eradicate fraud continue unabated and consequently, in 2017/18, we extended our programme of fraud and corruption awareness workshops to including staff and partners in 12 high-risk programmes, including in Jordan, Mali and Lebanon. As a result, programme teams carried out risk assessments covering fraud, bribery and aid diversion. To further prevent fraud, we focused on minimising opportunities through internal controls and procedures, including improvements in our procurement process. We also appointed 45 counter-fraud 'champions' to promote a robust anti-fraud culture through inductions and additional awareness workshops. We will also launch a new e-learning programme to increase the reach of our fraud prevention training for Oxfam staff.

#### Vehicle accidents

In 2017/18, Oxfam GB experienced a total of 28 vehicle accidents (compared with 39 the previous year),<sup>13</sup> of which eight were the most serious 'tier 3' accidents. Fortunately, we experienced no fatalities as a result of road accidents in 2017/18. There were, however, a number of instances of vehicles rolling over, some of which resulted in serious injury. We have identified rollover as a particular risk, which we are working hard with country offices to reduce, including through awareness raising and instructional videos for drivers.

A high proportion of accidents in 2017/18 involved people not employed by Oxfam as drivers. Of total accidents 40% involved professional Oxfam drivers; 24% involved Oxfam staff other than drivers (e.g. programme staff); and 36% involved rental car drivers. We continue to target these non-professional drivers with our road safety messages.

## UPHOLDING OUR ETHICAL AND ENVIRONMENTAL STANDARDS

We take corporate responsibility seriously and all Oxfam GB directors play a part in our corporate responsibility governance structure. We have also expanded the scope of our work to include partnerships in addition to our own operations and supply chains.

### Gender pay gap

The term 'gender pay gap' refers to the difference in average earnings between women and men. This year Oxfam GB published its gender pay gap for the first time. At 12.5%, it is lower than the 18.4% UK average and is comparable with other large UK charities.<sup>14</sup> The gender pay gaps within each of our two organisational models (our retail business and our campaigning, development and humanitarian organisation), however, are much lower: in our charity retail business, the gap is 2% and in our international non-government organisation (INGO), it is 9.6%.<sup>15</sup>

The reason that our overall gender pay gap is greater than that of our parts lies in the differences between the two parts of the organisation. Around 40% of our total UK staff are shop employees, and while we pay all staff at least the Living Wage Foundation Rate and pay for Oxfam shop roles is above average for the charity sector, the pay for shop employees sits within the lower half of Oxfam pay brackets. In all, 72% of our shop managers are women. The roles in the INGO are generally higher paid than those in our shop network, in addition to which the percentage of roles undertaken by women is 50% and therefore lower than the proportion of women in shop management roles. When the two organisational models are brought together therefore, the overall gender pay gap is increased to 12.5%.

As an organisation working around the world to enable women to realise their rights, Oxfam should not have a gender pay gap. However, gender pay gaps are caused by many factors, some of which are within Oxfam's control and some of which are embedded in wider society. Our work to address our gender pay gap within the next two years includes, but is not limited to, the following commitments:

- We will work towards a 50:50 representation of women on our leadership team, with an aim to maintain female representation of between 35% and 65%.
- For any new vacancies on our leadership team, at least 50% of shortlisted candidates will be women.
- We will introduce enhanced shared parental pay for partners from April 2018, to encourage more men/partners to take time out for childcare responsibilities.
- We will ensure that 70% of participants on our leadership development courses are women.
- We will continue to influence more widely to address the policies and practices that perpetuate the gender pay gap in the UK.

### Modern slavery

In September 2017, we published our second modern slavery statement, and stated clearly our zero tolerance to inaction on addressing modern slavery. While we have not found an incident of modern slavery to date, like many other large organisations we recognise that this often hidden abuse of human rights is pervasive across all sectors in the form of trafficked and forced labour. Our statement, which outlines the preventative measures Oxfam is taking with our supply chains and in business, reported progress against our two-year objectives. This included:

- Creating a high-level corporate responsibility governance structure
- Increasing the capacity of our corporate responsibility team to support senior management corporate responsibility leads to manage risks and enable a good practice approach
- Providing staff training and communications to ensure that stakeholders now have a better understanding of our commitment to address this complex and often hidden issue.

Since publishing our last Modern Slavery Statement, we have formed an advisory group including members from Anti-Slavery International and the Business and Human Rights Resource Centre. We have also developed our human rights due diligence framework and identified priority areas of focus based on risks to workers. More information is included in our 2017/18 Modern Slavery Statement, published in September 2018. We continue to be an accredited Living Wage Foundation employer.

### The environment

In 2017/18, carbon emissions from our UK-based activities were down 13% compared with 2016/17 and down 23% compared with 2011/12.<sup>16</sup> This downward trend is largely explained by a combination of lower usage and the fact that 2017/18 has lower carbon conversion emission factors for building energy than 2016/17.<sup>17</sup>

In 2014, we set an absolute carbon reduction target of 30% (from our 2011/12 baseline) for our building energy in shops and our transport logistics to be achieved by 2020. Emissions

from our building energy were down 19% compared to 2016/17 and 32% compared to 2011/12. However, if we address the difference in conversion factors between 2011 and 2017/18, our progress is more modest, with emissions down 6% and 15% respectively.<sup>18</sup> This has been driven in part by reduced usage, including shop closures and the results of our shop refit programme. For example, we fitted 40 stores with energy-efficient window lighting, with the fit-out of 60 stores planned for 2018/19.

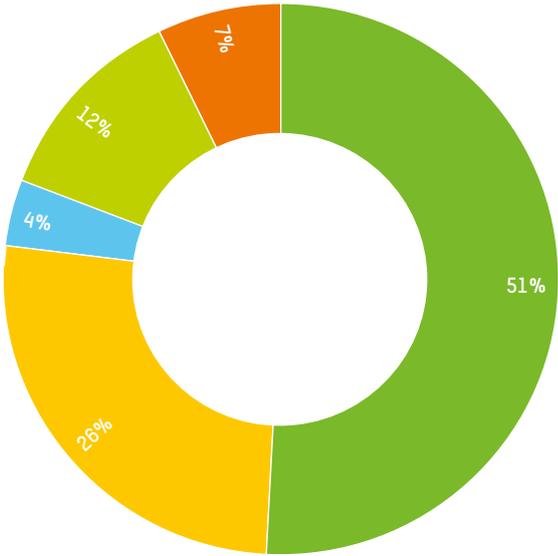
Our progress to reduce consumption was slower than we had hoped. The most significant challenges were securing capital for investment in particular areas, such as heating, and the quality of the data, which did not give us the information required to understand how best to drive more reductions. However, we remain absolutely committed to reducing our consumption and we will launch an Ethical and Environmental Strategy for our shops in 2018 which will include reducing future consumption. Our electricity contract continues to be focused on renewables and forms part of our commitment to address our environmental impact.

For transport logistics a range of initiatives, including increased use of more efficient vehicles and improved loading, contributed to a 7% reduction in emissions compared with 2016/17 (and 11% down on 2011/12) despite a 3% increase in mileage.<sup>19</sup> We acknowledge that we are still far from our 30% target. Balancing the need for cost-effective shop collections (the transport of goods donations) while finding the most environmentally efficient solutions is a key challenge, but we remain committed to reducing our impact.

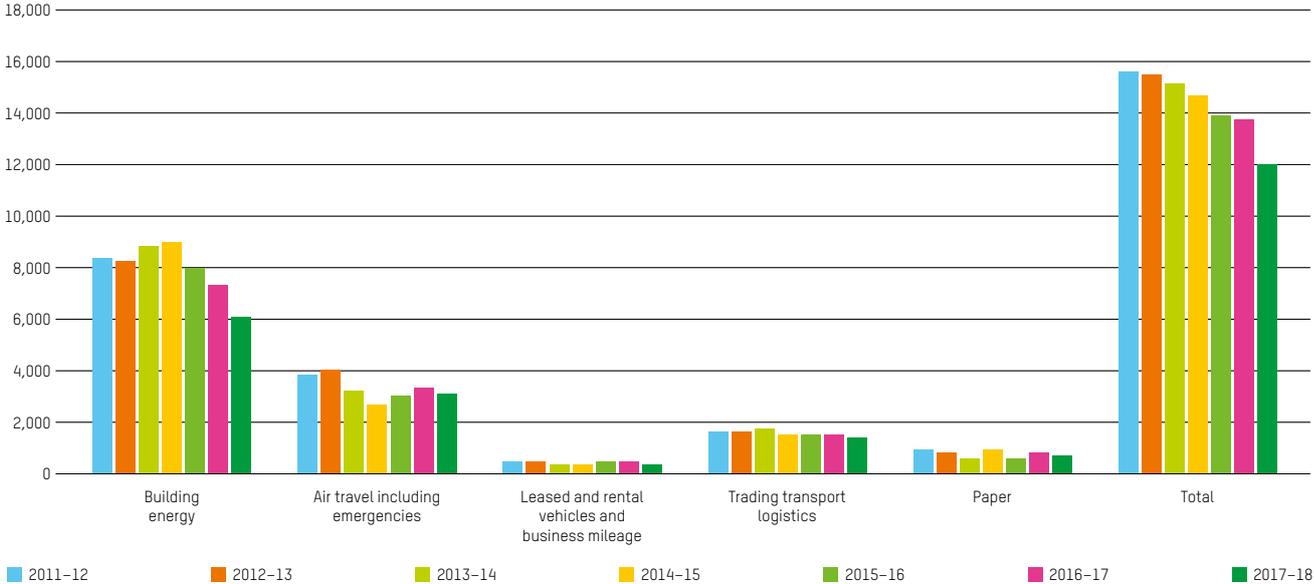
Our air travel, which had been increasing since 2014 partly because of increased activity to support Oxfam's new global structure, decreased in 2017/18 compared with 2016/17, with emissions and distances travelled both down by 9%, or 11% excluding emergency air travel. Compared with 2011/12, our total air emissions were down 5%, excluding emergency flights.<sup>20</sup> This is an area where we need to improve. We are using the review of our policy as an opportunity to identify where we can make positive changes in practice.

Distribution of emissions 2017/18

- Building energy
- Air travel including emergencies
- Leased and rented vehicles and business mileage
- Trading transport logistics
- Paper



Carbon emissions (CO<sub>2</sub>e tonnes) by reporting category 2011–2018



# PRINCIPAL RISKS AND UNCERTAINTIES

Oxfam GB works to alleviate poverty across the world. We operate in inherently unstable environments, often in the face of difficult security, communications, logistics and financial challenges. We are risk-taking in order to prioritise the needs of poor people. Our work in this area was brought into even sharper focus by the reports in the media in February 2018 about sexual misconduct by former Oxfam staff in Haiti in 2011 and Oxfam's failure to deal with the case effectively. We recognise that we have not always done enough to put people first, and the lessons that we have learned from this challenging case will inform our approach going forward.

In December 2017–January 2018, we undertook a review of our approach to risk. Based on this review, we designed a new assurance-based approach to risk management, which was approved by the Council of Trustees in March 2018. This approach was developed with the help of Sayer Vincent, a consultancy firm specialising in risk and assurance for non-profits.

Our new assurance-based approach is about every single manager knowing what they are responsible for, doing those things right, and then giving visibility and assurance of those things having been done right to senior management. This means that senior management, the leadership team and Trustees have visibility of all risk management across the organisation and improved assurance that the basics are being done well.

The approach requires each division (and each team within each division) to provide assurance reports to senior management. Assurance reporting is now being rolled out across the whole organisation and will provide Trustees and senior managers with clear lines of sight over the management of operational risk. Even though we work in complex environments, getting the basics right is the cornerstone of better risk management.

## Risk management framework

Oxfam GB operates within the framework agreed with the Oxfam International confederation in November 2016 and implemented from April 2017. The new assurance-based approach will build on the existing framework and develop it further.

During 2017/18, Oxfam GB implemented a regulatory compliance framework to improve the quality of compliance across all parts of the organisation, providing more training and specialist leads within departments. As well as legal requirements, Oxfam GB complies with various donor requirements and is committed to using these standards to drive up performance.

The Trustees Audit and Finance Group (TAFG) provides regular oversight over the major risks and how these are being managed. The TAFG meets as often as necessary. Oxfam GB has a team of qualified internal auditors and anti-corruption specialists who report regularly to the TAFG and who have an independent line to the Chair of the Council of Trustees. The internal audit team undertakes audits of the international programme as agreed with the TAFG, as well as undertaking special investigations and responding to incidents. The TAFG regularly updates Council on its view of the control environment within Oxfam GB.

The Council of Trustees additionally receives the corporate risk register at least twice yearly, as well as discussing key strategic risks in the course of normal meetings.

## Control Framework

On a twice-yearly basis, the major strategic and operational risks that Oxfam faces – and the ways in which these are being monitored, managed and mitigated – are assessed by Oxfam's Leadership Team and considered by Council. During 2017/18, the control framework approved by Council was subject to the following review and testing:

- The Internal Audit department carried out a programme of audits across all operations and activities, which was approved by the TAFG, and was based on an agreed cycle of audits of the international programme and the major risk areas as identified by the Leadership Team and Council.
- The Head of Internal Audit submitted regular reports to the TAFG on audits conducted, risks identified and management's response to their findings, as well as his independent annual opinion on internal control.
- The TAFG provided regular updates to Council on its view of the control environment within Oxfam.

## GDPR

In 2017/18, we implemented a raft of measures across Oxfam GB aimed at achieving compliance with the General Data Protection Regulation (GDPR) before its provisions became law on 25 May 2018. These measures included a stream of divisional readiness tasks, aligned with our compliance model, in which the central GDPR programme team supported divisions to identify areas of risk and what tasks they needed to carry out to become compliant. In addition, organisational tasks were implemented to put in place structures required more broadly to introduce a culture of privacy management, address organisational compliance and fulfil the broader duties that Oxfam GB has as a Data Controller. E-learning training has been provided to staff. We are also working on an approach to privacy overseas, including developing training for our staff and mapping what data we have.

### Major risks

The following major risks were identified at an organisational level in 2017/18. For each risk, specific actions and performance indicators relating to them were monitored by the TAFG.

Risk	Management actions in 2017/18
<p><b>Safeguarding</b></p> <ul style="list-style-type: none"> <li>• Failure to protect staff and/or beneficiaries and/or children and adults at risk in the countries where we operate</li> <li>• Failure to protect staff and/or children and adults at risk, including those who volunteer in our shops</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of a Trustee-level safeguarding committee to review and monitor safeguarding risks and oversee the implementation of our safeguarding strategy</li> <li>• Introduction of an external whistleblowing hotline and case management system to encourage staff to report safeguarding concerns and to enable stronger management of them</li> <li>• Review of safeguarding policies and processes undertaken by an external team, reporting to the Charity Commission</li> <li>• Investment in Safeguarding resources, including new Safeguarding Advisors, ensuring the the Safeguarding Team is adequately equipped to review and mitigate risks</li> </ul>
<p><b>Security risks, compliance and fraud</b></p> <ul style="list-style-type: none"> <li>• Heightened security risks and/or inconsistent compliance, leading to poor delivery, fraud, losses and donor disallowances</li> </ul>	<ul style="list-style-type: none"> <li>• Continue a crisis intervention approach that balances capacity and risk management against action</li> <li>• Continuous monitoring of political context on a country-by-country basis</li> <li>• A suite of policies and procedures designed to manage operational risks in country programmes which are monitored, audited and reported on</li> <li>• Organisational focus on improving operational and regulatory compliance</li> <li>• Enhanced due diligence and adapted operating procedures for working in remote contexts that are subject to continuous monitoring and review</li> <li>• Continuous fraud risks awareness raising and assessments on programmes</li> </ul>
<p><b>GDPR</b></p> <ul style="list-style-type: none"> <li>• Failure to comply with new Regulation</li> <li>• Data breach or security incident outside the EEA</li> </ul>	<ul style="list-style-type: none"> <li>• Appointment of a Data Protection Officer to lead on GDPR</li> <li>• Introduction of a programme to enable the organisation to be able to demonstrate compliance with the spirit and intention of GDPR</li> <li>• Implementation of organisational tasks to introduce required structures to manage GDPR risks</li> <li>• Introduction of a culture of data privacy management</li> <li>• Establishment of Data Protection Working Group, which facilitates progress including establishing responsibility for data, mapping data, analysing risks associated with data, producing risk registers and remediation and integration of governance of these risks into daily management</li> <li>• 2018/19 soft roll-out of similar approach to the UK in the 27 countries where Oxfam GB is the Executing Affiliate</li> </ul>

Risk	Management actions in 2017/18
<p><b>Aid diversion</b></p> <ul style="list-style-type: none"> <li>Oxfam works in conflict zones where proscribed groups operate and in countries which are subject to international sanctions</li> <li>The external risk environment is constantly changing, due to continuous changes in the operating environment on the ground, as well as changes in the regulatory environment and in donor and key business partner expectations with regard to risk management</li> </ul>	<ul style="list-style-type: none"> <li>A review of the Aid Diversion policy took place during the year and the revised policy was agreed by all Oxfam confederation members as a significant move to harmonising risk assessment and response across the confederation</li> <li>Oxfam GB extended the range of screening of partners and suppliers against lists of sanctioned and proscribed entities using the Thomson Reuters World Check One screening system</li> <li>Oxfam GB designed and began roll-out of face-to-face training for staff and management in high-risk countries</li> <li>Oxfam staff were actively engaged with regulators, donors, banks, etc. on policy issues relating to risk management and legal liability for humanitarian agencies such as the tripartite Home Office Working Group</li> </ul>
<p><b>Fundraising</b></p> <ul style="list-style-type: none"> <li>Income uncertainty due to downward trend in high street income and reduction in regular giving and legacy income</li> <li>Growing regulatory scrutiny around fundraising operations leading to increased need to demonstrate compliance</li> </ul>	<ul style="list-style-type: none"> <li>Continuous review of fundraising strategy by the Fundraising Committee</li> <li>Begin implementation of new 'customer relationship management' system</li> </ul>
<p><b>Country/programmes</b></p> <ul style="list-style-type: none"> <li>Risks relating to management of contracts</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of Oversight Team of Senior Grant Managers and Team Leader to help manage all contract risks, in collaboration with other stakeholders</li> <li>Deployments of Senior Grant Managers to Nigeria and South Sudan to support management of contract risks</li> <li>Enhanced support provided to Ethiopia, Afghanistan, Nigeria, South Sudan, Mali and multi-country programmes such as GRAISEA and WE-Care</li> </ul>
<p><b>Operational</b></p> <ul style="list-style-type: none"> <li>Inconsistent compliance (e.g. in partner management) and challenges in maintaining effective 'business as usual' lead to poor programme delivery/quality</li> </ul>	<ul style="list-style-type: none"> <li>Increased focus on compliance in new One Oxfam management structures</li> <li>Embedding of Quality Management Review process within Oxfam International</li> </ul>
<p><b>2020 and transition</b></p> <ul style="list-style-type: none"> <li>Operational issues falling between gaps as existing structures, people and processes transition to new state</li> </ul>	<ul style="list-style-type: none"> <li>Continued dialogue with Oxfam International regarding roles and responsibilities</li> <li>Executing Affiliate Working Group meetings regularly with all affiliates participating</li> <li>Key decision matrix issued, providing clarity on roles and responsibilities</li> </ul>

# OUR PLANS FOR 2018/19

The Oxfam International Strategic Plan (see page 11) sets out the confederation's plans for making progress towards six External and six Enabling Change Goals. In addition, every year we set more detailed objectives for specific areas that Oxfam GB will focus our resources on. In 2018/19, these are:

## People and accountability

**We will learn from the Haiti crisis, deliver on our commitments and begin building a stronger, more effective and sustainable Oxfam for the future.**

- Deliver a safeguarding strategy and culture for Oxfam GB and contribute to Oxfam International's safeguarding strategy.
- Develop and implement a medium-term change process which enables a sustainable organisational and financial position, and build on this to develop Oxfam GB's longer-term strategic planning.
- Work together to change culture, enhance meaningful engagement and renew our commitment to make Oxfam GB a great place to work – an organisation where we value and respect each other, where our contributions are recognised, where gender equality is embraced and valued, and where there is zero tolerance of sexual harassment, exploitation or abuse.
- Review and implement a revised approach to the management of Oxfam GB's risks, with particular focus on safeguarding, anti-corruption, regulatory compliance and management of resources.

## Programme impact and quality

**We will secure impact at scale for people living in poverty through our role as an investor and advisor in direct programming, through campaigning and through government and business advocacy and dialogue.**

- Focus Oxfam GB's country programme investments and work with Oxfam International and other affiliates to ensure coherent decisions within our reduced resources.
- Increase Oxfam GB's effectiveness in putting women's rights and gender justice at the heart of all programmes and campaigns.
- Improve Oxfam GB's influence on private sector practice by engaging more effectively with companies, including through campaigns and programmes.
- Identify and address systemic programme performance weaknesses and strengthen incentives to ensure that Oxfam delivers safe, impactful programmes.

**We will deliver safe, appropriate and dignified support to respond 'faster, better and stronger' to humanitarian emergencies, ensuring that we are truly responsive to the needs of affected communities.**

- Speed and scale: accept well-assessed risk and invest resources to maximise our ability to respond to humanitarian emergencies.
- Become more responsive to feedback from the people we serve and put gender-sensitive measures in place to ensure that we hear the voices of the most vulnerable groups.
- Support the Oxfam International Rights in Crisis campaign to create UK and international pressure for change in up to two countries where international humanitarian law is threatened.

**We will work across the confederation to ensure that Oxfam country offices receive high quality programme support and manage our programme risks effectively.**

- As an Executing Affiliate, equip Oxfam country offices with the business support they need to deliver effective and accountable programmes.
- As a Partner Affiliate, invest unrestricted resources (funds and advisory time) in business development and programme design, providing support to programme country teams and partners to design and deliver safe, impactful and transformative programmes.

## Public engagement and income

**We will engage with key audiences more effectively.**

- Using appropriate channels for each individual supporter, communicate Oxfam's mission and purpose more clearly to inspire our existing supporters and to attract new supporters.
- Issue regular and transparent updates on our progress on safeguarding to rebuild confidence among our supporters following the Haiti crisis.
- Deliver the technology, business change and benefits planned through our Customer Relationship Management project.

**We will maintain financial stability and seek to accelerate financial recovery in line with targets set on a quarterly basis.**

- To manage expenditure in line with quarterly budgets.
- To achieve quarterly income contribution from institutional donors.
- To achieve quarterly income contribution from supporter engagement.
- To achieve quarterly income contribution from trading.

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

- The number of people who we provide with appropriate humanitarian assistance
- The change in the average household income of those communities where our interventions are focused
- The extent to which our programmes meet their milestones
- The degree to which our programmes meet our programme quality standards
- Changes in public opinion, measured through audience polling
- Targets for the numbers of people who we hope to engage to sign our petitions, donate through a regular gift or intend to leave a legacy
- Targets for profits from our shops, e-commerce operations or for generating gift aid
- The number of donor contracts that are secured, or donor reports submitted on time
- Financial health ratios
- Improvements in staff satisfaction metrics taken from our regular surveys of staff.

# FINANCIAL REVIEW

## INCOME

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

	2017/18	2016/17
	£m	£m
Trading sales	93.9	90.9
Trading costs	(75.0)	(71.8)
Trading net income	18.9	19.1
Trading profit margin	20%	21%
Fundraising and institutional income	318.7	299.9
Fundraising and institutional costs	(24.9)	(26.2)
Fundraising and institutional net income	293.8	273.7
Fundraising and institutional net margin	92%	91%
Net income from trading, fundraising and institutions	312.7	292.8
Gifts in kind	9.2	11.7
Net miscellaneous income	3.1	5.4
<b>Net incoming resources available for charitable application</b>	<b>325.0</b>	<b>309.9</b>
<b>Charitable activities</b>	<b>(336.9)</b>	<b>(303.5)</b>
<b>Net income/(expenditure)</b>	<b>(11.9)</b>	<b>6.4</b>

Oxfam's total income increased by £18.6m to £427.2m in 2017/18. This income derives principally from the activities of trading, fundraising and institutions.

Trading income increased by 3% on last year, representing 22% of total income (last year: 22%). Fundraising and institutional income (which includes income from supporters, the public and institutional donors) increased by 6% on last year. A detailed analysis of income is shown in the consolidated Statement of Financial Activities (SOFA) and Note 2 to the accounts.

Trading sales at £93.9m are £3.0m higher than last year. Despite the challenging retail conditions on the high street, income from donated sales has been maintained at last year's levels while sales of new products (fair traded goods) are up 9% on last year. The contribution from our eCommerce and Wastesaver operations has also improved this year. Overall, trading contribution is £0.2m lower than last year, resulting in a profit margin of 20%, down 1%, as a result of additional costs, notably from introducing deputy shop managers in order to drive shop sales this year and going forward. Our shop network

also contributed a further £2.4m from Oxfam Unwrapped and financial donations received in shops.

Fundraising and institutional income has increased this year, to £318.7m, being £18.8m higher than last year, largely as a result of increased restricted income from other Oxfam affiliates. Overall income from the public has reduced by £3.8m this year. This is due to a reduction in regular giving of £1.9m, and lower income for emergency response as there have been fewer major emergencies this year. Income from the UK Government reduced by £10.7m from last year, mainly as a result of the ending of the Partnership Programme Arrangement in December 2016. Income from the EU, including ECHO, remained largely at the same level as last year, at just over £29m. Income from the UN increased by around £4m, to over £39m, with a further £9.2m of donated goods from the UN World Food Programme. Income from other Oxfam affiliates increased by £27m, reflecting the closer working arrangements across the confederation. The cost of raising voluntary income has reduced by 5% this year due primarily to fewer proactive engagements with the public. Overall our fundraising margin has increased slightly to 92%.

Net miscellaneous income includes 'Primary purpose trading', which predominantly relates to the income generated from our subsidiary micro-credit scheme in Azerbaijan and from sales from our humanitarian warehouse.

## 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 £336.9m, is 11% higher than last year, due to higher expenditure on responding to humanitarian crises in 2017/18, with notable expenditure in South Sudan, Ethiopia, Yemen, Iraq, DRC, Nepal and Bangladesh.

Unrestricted charitable spend reduced by 11%, as a result of the change in structure of the Oxfam affiliation, leading to a reduction in the number of countries in which Oxfam GB works directly.

Further analysis of charitable activity expenditure, showing the operational activities undertaken by Oxfam and those undertaken by partners through grants from Oxfam, is given in Note 3b to the accounts. The table below shows the proportion of funds spent on each charitable activity.

	2017/18	2016/17
Development	45%	47%
Humanitarian	51%	48%
Campaigning and advocacy	4%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Total charitable expenditure</b>	<b>£336.9m</b>	<b>£303.5m</b>

## RESERVES POLICY

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

- Vulnerability to unplanned changes in financial position, relating mainly to our trading and fundraising unrestricted income
- Net financial risk related to the above, taking into account the likely speed of onset as well as the mitigation steps available to management

- The fact that expenditure is generally predictable and long-term, with the exception of 'variable' spend on restricted programmes where risks typically involve unplanned events such as hostile government action or major uninsured health and safety or security emergencies.

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

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

## GENERAL RESERVES (UNRESTRICTED)

General reserves are not restricted to or designated for a particular purpose. General reserves decreased by £1.3m during 2017/18, with the balance being £27.0m at the end of March 2018. This is consistent with recent years and slightly above our target base level of £25m.

Given the ongoing uncertainties in world economies and particularly in the UK as we transition through Brexit, together with the repercussions from the safeguarding issues in Haiti, our future plans are to maintain this level of general reserves by continuing to align our unrestricted spend to the income predictions. General reserves are represented by net current assets and are equivalent to approximately two months' unrestricted expenditure at 2017/18 levels.

## PENSION SCHEME DEFICIT

The valuation of Oxfam's pension scheme at 31 March 2018, for the purposes of FRS102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland), showed a funding deficit of £3.3m (2016/17: £27.3m – see Note 21d). This deficit represents the difference between the liabilities of the pension fund and the value of its underlying assets; it does not represent an immediate cash commitment, as the cash flow required to meet the £3.3m deficit relates to future pension contributions. The valuation of the pension scheme's assets under FRS102 is different from the triennial actuarial valuation, which determines the pension contributions required to reduce the deficit. Current financial projections indicate that Oxfam will be able to make these contributions as they fall due. FRS102 requires that the pension deficit should be shown as a reduction in unrestricted funds. The defined benefit pension scheme was closed to new members during 2002/03.

## DESIGNATED FUNDS (UNRESTRICTED)

Designated funds are those unrestricted funds that have been allocated by the Trustees for particular purposes.

The designated funds held at 31 March 2018 represent funds held as fixed assets and on revaluation (£9.8m), retained profits held in our overseas subsidiaries (£0.1m) and other funds designated for specific reasons (£2.5m).

Further details of the designated funds and their movements during the year are shown in Note 20 of the accounts.

## RESTRICTED FUNDS

These funds are tied to particular purposes, as specified by the donor or as identified at the time of a public appeal. At 31 March 2018, net unspent restricted funds were £45.2m (2016/17: £56.7m). The restricted fund balance includes total deficit balances of £27.7m (2016/17: £21.1m). These deficit balances have arisen on projects where total expenditure has exceeded income, and where the expenditure will be reimbursed by a government or other agency in the following accounting year (see Note 19 for further details).

## ENDOWMENT FUNDS

Endowment funds of £3.5m (2016/17: £3.5m) represent monies received from donors where there is some restriction on the use of the capital (see Note 18).

## FINANCIAL POSITION

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

## INVESTMENT POLICY AND PERFORMANCE

Oxfam's investments are held almost entirely in cash deposits, mainly with banks. During the year, the average return on these investments was 0.51% compared with a base rate of 0.35% throughout the period.

## REMUNERATION POLICY

Oxfam believes that the opportunity to lift people out of poverty for good is an important part of the total reward of

working for Oxfam, especially at more senior levels. In deciding appropriate pay levels, Oxfam aims to strike a balance between paying enough to recruit and keep people with the skills we need, our employees' needs and the public's and our donors' expectations that the money they entrust us with will be used wisely to overcome poverty and suffering.

In setting CEO and Director pay, the Remuneration Committee takes account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found. They have taken independent advice to inform those judgements. They also take account of affordability for Oxfam. The general aim is to pay salaries of up to the median level for similar UK charities. These would typically be less than the base salaries for comparably sized roles in the public and private sectors. We do not aim to pay salaries comparable to United Nations agencies, donor organisations or North American International NGOs. We do not pay bonuses or other incentive payments. Pay increases to directors and other employees are awarded subject to good performance.

The Remuneration Committee is confident that the current level of reward has enabled Oxfam to recruit a strong, committed Leadership Team.

## 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 foreign exchange risk is kept under review and appropriate action taken to mitigate the risk.

## GRANT-MAKING POLICIES

In 2017/18, we spent £89.4m (2016/17: £63.1m) in grants to international, national and local partner organisations. We made 874 grants to 490 organisations (2016/17: 965 grants to 589 organisations). The average grant per project was £102,000 (2016/17: £65,000) and per partner was £182,000 (2016/17: £107,000). These figures reflect an ongoing trend of increased spend on fewer projects. This includes an increase in the number of grants made to other affiliates (these grants tend to be more substantial than some of our other grants).

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. 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.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Oxfam has several subsidiaries, four of which are consolidated into our group accounts: these subsidiaries are Oxfam Activities Limited (our trading subsidiary), Finance for Development Limited (a micro-credit institution in Azerbaijan), Frip Ethique SARL (a private sector enterprise in Senegal) and SEIIF Limited (an advisory company to a Small Enterprise Impact Investing Fund). Oxfam also has a dormant subsidiary - Just Energy Limited.

Oxfam Activities Limited raises funds by means of trading activities. Its principal operations are the purchase of goods from commercial suppliers to be sold at a profit. Oxfam Activities Limited paid to Oxfam a profit of £1.0m (2016/17: £0.9m) and interest on working capital of less than £0.1m (2016/17: less than £0.1m).

Finance for Development Limited is a limited liability company in the Azerbaijan Republic, which provides financial services (mainly credit) on a sustainable basis to people with relatively low incomes who do not have access to other financial sources. Due to the difficulties encountered from the weakening of the local currency in 2015/16, provision for impairment of loan debtors has resulted in a break-even for the year being reflected in the consolidated accounts (2016/17: £1.2m loss). The net assets of the company remain at nil in the consolidated accounts.

SEIIF Limited provides advisory services to a Small Enterprise Impact Investing Fund to support Oxfam GB's development work and raise funds for other business activities that promote and support the charity in the achievement of its fundraising and charitable activities. Profit and net assets for this company were less than £0.1m for both 2017/18 and 2016/17.

Frip Ethique SARL is a company registered in Senegal, which imports second-hand clothing (mainly from Oxfam), and then sorts and distributes it for resale in local markets. The company broke even in the year (2016/17: broke even).

Oxfam Activities Limited has an 8.5% (2016/17: 10.8%) interest in Cafédirect plc (a company registered in Scotland, with registration number 141496), which promotes fair trade, primarily through the marketing and distribution of tea and coffee.

Oxfam is a member of Oxfam International, a separate legal entity registered in the Netherlands as a charitable foundation

(registration number 41159611). Oxfam International encourages and coordinates joint activities with 19 other affiliated international agencies, each separately constituted under the appropriate national regulations. Oxfam International has an Executive Board and a Board of Supervisors. Mark Goldring is ex officio a member of the Executive Board, and Caroline Thomson is an ex officio member of the Board of Supervisors. Mark Goldring also serves on the Operational Committee, which provides leadership and support to the Oxfam International Chief Executive, the Long-Term Development and Knowledge Committee and Gender Justice Committee, as well as chairing the Humanitarian Committee of the Executive Board. Joss Saunders, the Oxfam Company Secretary, serves on the Oxfam International Governance Committee. See Notes 2biii, 3bii, and 24 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 10 and a maximum of 14 Trustees.

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

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

- The Recruitment and Development Group
- The Trustee Audit and Finance Group (TAFG)
- The Remuneration Committee
- The Programme Committee
- The Fundraising Committee.

Each committee includes members of Council and may include additional members appointed for their specialist knowledge. In addition, in March 2018 Council created a temporary committee to ensure effective oversight of and progress on the actions to which Oxfam had committed to improve its safeguarding: the Trustee Safeguarding Group.

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

are appointed following open advertising including, where appropriate, in specialist publications or on specialist websites and following a rigorous interview process. All new Trustees are provided with a structured induction programme. As part of its ongoing training, Council conducts seminars as part of each Council meeting on key areas, such as safeguarding, risk and accountability.

The TAFG, Oxfam's audit committee, chaired by the Treasurer, meets regularly with the external and internal auditors to agree their plans, review the external auditor's management letter, and monitor implementation of actions required as a result. The TAFG also has responsibility to advise Council on whether the audit, risk management and control processes within Oxfam are effective (for details of the Risk Management Policy and Procedures, see page 38).

The Remuneration Committee is chaired by the Chair of Oxfam. This committee monitors Oxfam's policy on remuneration and benefits for its staff, and reports annually to Oxfam's Council. It also specifically determines the remuneration and benefits of the Chief Executive and members of the Leadership Team (for details of the Remuneration Policy, see page 45).

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

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

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

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

Each Trustee must have a good proportion of the following skills: leadership, management of/within a large organisation,

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

The Trustees are responsible for everything that Oxfam does. However, to ensure that Oxfam is managed efficiently and effectively, the Trustees have delegated a range of day-to-day decision-making powers to the Leadership Team, which reports directly to Council. Trustees have also established appropriate controls and reporting mechanisms to ensure that the Leadership Team operates within the scope of the powers delegated to it. The delegation policy is updated on an ongoing basis and is formally reviewed and approved by Trustees. The last update was in March 2018.

The names of the members of the Leadership Team, Council and the Association, and the committees they have served on, are available in the Corporate Directory (see page 5). The members of the Leadership Team are not directors for the purposes of company law.

#### Annual Trustee activity

A typical year for a Council member includes the following:

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

During 2017/18 Council debates were informed by Oxfam's strategic priorities (i.e. how to make a real difference to people living in poverty, both as Oxfam GB and as part of Oxfam International). As per its annual programme of priorities, Council also discharged its duties of financial stewardship and the management/reduction of risk. In 2017/18 in particular,

Trustees addressed issues around the Charity Commission's Statutory Inquiry into Oxfam's safeguarding, as well as security and safety and wider issues facing the governance of all charities in the UK, including for example risk management.

The Trustees welcomed the introduction of the Charity Governance Code in 2017; they adopted the Code as the basis of an external review of Oxfam's governance in 2017/18 and will use it as a means of ensuring continuous governance improvement. The external review (which was overseen by the Recruitment and Development Group and which reported to Council in March 2018) found that Oxfam's governance is generally of high quality and demonstrates compliance with a large majority of the Code's recommended practices. The review highlighted several areas which could be improved: an action plan for further work in those areas will be presented to Council in December 2018.

Overall there was 92% attendance at Council meetings (85% in July 2017, 92% in October 2017, 92% in December 2017, 100% in March 2018). The specified quorum for Council is 50% (six Trustees).

#### Statement of Trustees' responsibilities

The Trustees (who are also directors of Oxfam GB for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (Charities Statement of Recommended Practices)
- Make judgements and estimates that are reasonable and prudent

- State whether FRS 102 ' has been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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

#### Public benefit

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

- They are clear about what benefits are generated by the activities of the charity. This report sets out in some detail the activities carried out to further the Goals set out in Oxfam's Strategic Plan, the types of programmes funded and the number of beneficiaries reached.
- The benefits must be related to the objects of the charity. Each of Oxfam's areas of work, namely humanitarian, development, and campaigning and advocacy, is related to, and intended to further, Oxfam's charitable objects, which are 'to prevent and relieve poverty and to protect the vulnerable including

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

- The people who receive support are entitled to do so according to criteria set out in the charity's 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 and 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.

#### **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

regular International Division bulletin and a bi-monthly magazine for shop volunteers. We maintain an intranet site that provides staff with information, including details about Oxfam's finances and its key performance indicators.

In 2017/18, approximately 31,000 volunteers supported our work in a variety of ways, including in our shops and at festivals. Most make a regular commitment, ranging from a few hours to five days a 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. Like our staff, our volunteers seek to lead by example in demonstrating our values: Empowerment, Accountability and Inclusiveness.

#### **Independent auditors**

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

The Trustees' Annual Report and Strategic Report were adopted by the Council of Trustees (in their capacity as company directors) on 4 October 2018 and signed on its behalf by



Caroline Thomson  
Chair of Oxfam  
4 October 2018

# ACCOUNTS

Accounts for the year to 31 March 2018

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

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

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which comprise: the Oxfam Group and Oxfam balance sheets as at 31 March 2018; the consolidated statement of financial activities (including income and expenditure account) and the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Trustees' Annual Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is

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

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

#### Responsibilities for the financial statements and the audit

##### Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 49, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

##### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### OTHER REQUIRED REPORTING

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

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate and proper 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
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



John Maitland (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
5 October 2018

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

(including income and expenditure account)

Notes	Year to 31 March 2018				Year to 31 March 2017				
	Unrestricted funds £m	Restricted funds £m	Endowment funds £m	Total funds £m	Unrestricted funds £m	Restricted funds £m	Endowment funds £m	Total funds £m	
<b>Income and endowments from:</b>									
2a	Donations and legacies	78.5	42.4	-	120.9	81.7	53.9	-	135.6
2b	Charitable activities	2.5	206.8	-	209.3	3.9	175.9	-	179.8
2c	Other trading activities	93.0	0.9	-	93.9	90.9	-	-	90.9
2d	Investments	0.3	-	-	0.3	0.4	-	-	0.4
2e	Other	2.5	0.3	-	2.8	1.6	0.3	-	1.9
	<b>Total income</b>	<b>176.8</b>	<b>250.4</b>	<b>-</b>	<b>427.2</b>	<b>178.5</b>	<b>230.1</b>	<b>-</b>	<b>408.6</b>
<b>Expenditure on:</b>									
3a	Raising funds								
	Expenditure on raising donations and legacies	22.6	2.3	-	24.9	22.9	3.3	-	26.2
	Expenditure on other trading activities	75.0	-	-	75.0	71.8	-	-	71.8
	Investment management costs	0.2	-	-	0.2	0.1	-	-	0.1
		<b>97.8</b>	<b>2.3</b>	<b>-</b>	<b>100.1</b>	<b>94.8</b>	<b>3.3</b>	<b>-</b>	<b>98.1</b>
3b	Charitable activities								
	Development	39.8	111.8	-	151.6	49.5	91.9	-	141.4
	Humanitarian	26.0	147.2	-	173.2	23.9	123.5	-	147.4
	Campaigning and advocacy	11.5	0.6	-	12.1	13.3	1.4	-	14.7
		<b>77.3</b>	<b>259.6</b>	<b>-</b>	<b>336.9</b>	<b>86.7</b>	<b>216.8</b>	<b>-</b>	<b>303.5</b>
3c	Other	1.7	-	-	1.7	1.0	-	-	1.0
	<b>Total expenditure</b>	<b>176.8</b>	<b>261.9</b>	<b>-</b>	<b>438.7</b>	<b>182.5</b>	<b>220.1</b>	<b>-</b>	<b>402.6</b>
10b	Net (losses)/gains on investments	(0.4)	-	-	(0.4)	0.4	-	-	0.4
	<b>Net (expenditure)/income</b>	<b>(0.4)</b>	<b>(11.5)</b>	<b>-</b>	<b>(11.9)</b>	<b>(3.6)</b>	<b>10.0</b>	<b>-</b>	<b>6.4</b>
	<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>									
21d	Actuarial gains/(losses) on defined benefit pension scheme	19.5	-	-	19.5	(12.6)	-	-	(12.6)
	<b>Net movement in funds</b>	<b>19.1</b>	<b>(11.5)</b>	<b>-</b>	<b>7.6</b>	<b>(16.2)</b>	<b>10.0</b>	<b>-</b>	<b>(6.2)</b>
<b>Reconciliation of funds:</b>									
	<b>Total funds brought forward at 1 April</b>	<b>16.4</b>	<b>56.7</b>	<b>3.5</b>	<b>76.6</b>	<b>32.6</b>	<b>46.7</b>	<b>3.5</b>	<b>82.8</b>
	<b>Total funds carried forward at 31 March</b>	<b>35.5</b>	<b>45.2</b>	<b>3.5</b>	<b>84.2</b>	<b>16.4</b>	<b>56.7</b>	<b>3.5</b>	<b>76.6</b>

There is no material difference between the net income 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 expenditure for Oxfam alone for the year ended 31 March 2018 was £11.9m (2016/17: net income £7.6m).

The notes on pages 56 to 76 form part of these financial statements.

## BALANCE SHEETS AT 31 MARCH

Notes	Oxfam		Oxfam Group	
	At 31 March 2018 £m	At 31 March 2017 £m	At 31 March 2018 £m	At 31 March 2017 £m
<b>Fixed assets</b>				
9	9.6	9.6	9.7	9.6
10				
10a	5.1	5.1	3.5	3.5
10b	-	-	0.1	0.1
	<b>14.7</b>	<b>14.7</b>	<b>13.3</b>	<b>13.2</b>
<b>Current assets</b>				
11	1.7	1.9	3.4	3.5
12	68.9	53.4	71.1	56.5
10	2.3	22.6	2.3	22.6
13	37.2	31.6	37.7	32.3
13	6.3	19.0	6.3	19.0
	<b>116.4</b>	<b>128.5</b>	<b>120.8</b>	<b>133.9</b>
<b>Liabilities</b>				
14	(34.2)	(28.4)	(36.7)	(30.9)
	<b>82.2</b>	<b>100.1</b>	<b>84.1</b>	<b>103.0</b>
<b>Total assets less current liabilities</b>				
	<b>96.9</b>	<b>114.8</b>	<b>97.4</b>	<b>116.2</b>
15	(0.5)	(0.6)	(0.8)	(1.8)
16	(9.0)	(10.4)	(9.1)	(10.5)
	<b>87.4</b>	<b>103.8</b>	<b>87.5</b>	<b>103.9</b>
21d	(3.3)	(27.3)	(3.3)	(27.3)
	<b>84.1</b>	<b>76.5</b>	<b>84.2</b>	<b>76.6</b>
<b>The funds of the charity:</b>				
18	3.5	3.5	3.5	3.5
19	45.2	56.7	45.2	56.7
<b>Unrestricted</b>				
20	27.0	28.3	27.0	28.3
20	9.7	9.6	9.7	9.6
20	2.5	5.4	2.6	5.5
20	0.1	1.0	0.1	1.0
20	(3.9)	(28.0)	(3.9)	(28.0)
	<b>35.4</b>	<b>16.3</b>	<b>35.5</b>	<b>16.4</b>
	<b>84.1</b>	<b>76.5</b>	<b>84.2</b>	<b>76.6</b>

The notes on pages 56 to 76 form part of these financial statements.

The financial statements on pages 53 to 76 were approved by the Council of Trustees on 4 October 2018 and signed on its behalf by:



Caroline Thomson  
Chair of Oxfam  
Company Number 612172  
4 October 2018

## CONSOLIDATED CASH FLOW STATEMENT

	Year to 31 March 2018		Year to 31 March 2017	
	£m	£m	£m	£m
<b>Cash flows from operating activities:</b>				
<b>Net cash used in operating activities</b>		(24.9)		(3.6)
<b>Cash flows from investing activities:</b>				
Deposit interest received	0.3		0.4	
Proceeds from the sale of tangible fixed assets	1.7		1.7	
Purchase of tangible fixed assets	(3.5)		(1.9)	
Proceeds from the sale of investments*	45.5		45.2	
Purchase of investments*	(25.6)		(52.6)	
<b>Net cash provided by/(used in) investing activities</b>		18.4		(7.2)
<b>Cash flows from financing activities:</b>				
Repayment of borrowings	(0.8)		(4.0)	
<b>Net cash used in financing activities</b>		(0.8)		(4.0)
<b>Change in cash and cash equivalents in the year</b>		(7.3)		(14.8)
<b>Cash and cash equivalents at the beginning of the year</b>		51.3		66.1
<b>Cash and cash equivalents at the end of the year</b>		44.0		51.3

### Notes

#### a Reconciliation of net (expenditure)/income to net cash used in operating activities

	Year to 31 March 2018 £m	Year to 31 March 2017 £m
Net (expenditure)/income before revaluations	(11.9)	6.4
Depreciation charge	3.2	3.6
Losses/(gains) on investments	0.4	(0.4)
Deposit interest and investment income receivable	(0.3)	(0.4)
Profit on disposal of fixed assets	(1.5)	(1.2)
Decrease/(increase) in stocks	0.1	(0.4)
(Increase) in debtors	(14.6)	(3.2)
Increase/(decrease) in creditors and provisions	4.2	(3.1)
Difference between defined benefit pension contributions and FRS 102 charge	(4.5)	(4.9)
Net cash used in operating activities	(24.9)	(3.6)

#### b Analysis of cash and cash equivalents

	At 31 March 2018 £m	At 31 March 2017 £m
Cash at bank and in hand	37.7	32.3
Cash equivalents	6.3	19.0
Total cash and cash equivalents	44.0	51.3

\*Proceeds from the sale of investments and purchase of investments predominantly relates to transactions through our current asset investments.

Oxfam uses the exemption conferred by section 1.12 of FRS 102 in not preparing a separate cash flow statement for Oxfam as a separate entity.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### a. Accounting conventions

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

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets. The financial statements are prepared under the historical cost convention, as modified by the inclusion of investments at market value, and on an accruals basis except where specified separately below.

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

The principal accounting policies, which have been applied consistently in the year, are set out below.

#### b. Basis of consolidation

The financial statements of Oxfam's trading subsidiary company, Oxfam Activities Limited (OAL), are consolidated with the financial statements of Oxfam on a line-by-line basis.

Oxfam operates a micro-credit scheme, Finance for Development Limited in Azerbaijan, which has been registered as a separate organisation. As a subsidiary of Oxfam its accounts have been consolidated on a line-by-line basis, based on its year-end accounts to 31 December 2017, and updated for material movements to 31 March 2018. Finance for Development Limited's accounts are prepared under International Financial Reporting Standards (IFRS) which are materially consistent with Oxfam's Accounting Policies.

Oxfam holds 100% of the shares in SEIIF Limited, a company registered in the United Kingdom. The accounts are consolidated with the accounts of Oxfam on a line-by-line basis.

Oxfam Activities Limited holds 100% of the shares in 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, based on its year-end accounts to 31 December 2017, with any movement to 31 March 2018 not considered material. Fripp Ethique SARL's accounts are prepared under Senegalese reporting requirements, which are materially consistent with Oxfam's Accounting Policies.

Oxfam Activities Limited holds an 8.5% shareholding in Cafédirect. Cafédirect is not considered an associate and has not been consolidated.

Oxfam Activities Limited holds a 33 1/3% shareholding (one £1 ordinary share) in the Guardian Share Company Limited. This company has a right to nominate a director to the Cafédirect Board. The consent of the Guardian Share Company Limited is also required for the appointment of the Chair of the Board and for any changes to Cafédirect's Gold Standard. The accounts of this company have not been included in the consolidated Oxfam accounts 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 2018 and the pre-trading position of the company is not material to these financial statements.

To comply with overseas local legislation, Oxfam has established 100%-owned subsidiaries and other overseas legal entities in a number of countries. These are fully controlled by Oxfam and their accounts are included within the accounts of Oxfam (see Note 10(a)).

#### c. Fund accounting

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

Designated funds are set aside at the discretion of the Trustees for specific purposes.

In accordance with FRS 102 – Retirement Benefits, a pension reserve is included within unrestricted funds representing the defined benefit pension scheme and growth plan liabilities.

Restricted and endowment funds are subject to specific restrictions imposed by the originator of the income. These include grants and contracts from institutions for provision of specific activities or services, and also general donations raised through a public appeal which may be spent at our discretion, provided any expenditure is in accordance with the aims of that appeal.

A final review of the allocation of expenditure is performed after a project or contract has been completed, which can give rise to a transfer between funds.

#### d. Income and endowments

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

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

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

Grants from governments and other agencies have been included as 'Income from charitable activities' where these are specifically for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries. Grants which provide core funding, or are of a general nature, or are given in response to an appeal, are included as 'Income from donations and legacies'. Grant funding invariably includes terms and conditions that must be met before Oxfam can claim entitlement to the income. Oxfam raises income (payment) requests once the trigger points under the terms and conditions of the agreement are reached and recognises the income at this point in time. Prefinancing under a grant agreement is recognised on the signing of the grant agreement.

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

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

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

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

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

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

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

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

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

#### e. Expenditure on raising funds

Expenditure on raising funds comprise the costs incurred in commercial trading activities, fundraising and managing investments. Expenditure on other trading activities covers all the costs of the shops and other trading activities, including the costs of goods sold. Expenditure on raising donations and legacies includes the costs of advertising, producing publications, printing and mailing fundraising material, staff costs in these areas and an appropriate allocation of central overhead costs. Investment management costs represent staff costs.

#### f. Expenditure on charitable activities

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

Grants payable in furtherance of the charity's objects are recognised as expenditure when payment is due to the partner organisation, in accordance with the terms of the contract. Standard partner contracts are typically for a year's duration, but can span several years. The contracts contain conditions, the fulfilment of which is under the control of Oxfam. For contracts in place at the year-end that include payments to be made in future years, these payments are disclosed in Note 21b to the accounts as commitments.

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

#### g. Governance costs

Governance costs represent the salaries, direct expenditure and overhead costs incurred by the Chief Executive's office, central finance, legal, corporate communications and internal audit departments in the strategic planning processes of the charity and compliance with constitutional and statutory requirements, as well as external audit costs. These costs are included within support costs.

#### h. Allocation and apportionment

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

- Buildings costs are allocated on the basis of floor area used.
- In-house printing and warehousing are allocated to user departments on the basis of units of output.
- Information systems (IS) costs are allocated based on the time spent by IS staff on business users' requirements and the usage of IS systems by each department.
- The costs of the directorate, central finance, human resources and legal departments are allocated on the basis of employee numbers, after an appropriate proportion has been allocated to governance costs.
- Irrecoverable VAT is allocated to the principal areas in which it is incurred.
- Governance costs are allocated in the same proportions as the underlying cost centre giving rise to the governance charge.

Support costs represent the costs of providing direct support to Oxfam's programmes by staff based overseas and in the UK, as well as central costs, which include control and compliance, central finance, central human resources, corporate communications and governance.

#### i. Termination benefits

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

#### j. Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses of acquisition. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost by equal annual instalments over their expected useful economic lives as follows:

Freehold land	Not applicable
Freehold buildings	50 years
Warehouse fittings and equipment	10 years
Computer infrastructure	10 years
Leasehold assets	5 years
Furniture, fixtures and equipment in GB	5 years
Motor vehicles	4 years
Computer equipment	3 years
Furniture, fixtures and equipment overseas	3 years

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

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

#### k. Fixed and current asset investments

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

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

Social investments are investments made directly in pursuit of Oxfam's charitable purposes (programme-related investments) or with a mixed purpose to also generate a financial return (mixed motive investments). Oxfam's investment in the Small Enterprise Impact Investing Fund is treated as a mixed motive investment and is stated at fair value. Oxfam Activities Limited shareholdings in Cafédirect and the Guardian Share Company Limited are treated as programme-related investments in the Oxfam Group accounts and are included in the Balance Sheet at the amount invested less impairment. Oxfam's investment in Finance for Development Limited is treated on the same basis in the charity's accounts but the company has been consolidated in the group accounts.

#### l. Stocks

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

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

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

#### m. Cash and cash equivalents

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

#### n. Provisions

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

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

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

Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Foreign currency balances are translated at the rate of exchange prevailing at the Balance Sheet date. Foreign exchange gains and losses incurred in respect of our overseas operations are included in the SOFA within expenditure on charitable activities for the period in which they are incurred.

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

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

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

Oxfam operates defined benefit and defined contribution pension schemes.

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

The pension liabilities and assets are recorded in line with FRS 102, with a valuation undertaken by an independent actuary. FRS 102 measures the value of pension assets and liabilities at the Balance Sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued and the net interest cost are used to determine the pension charge in the SOFA and are allocated across the appropriate incoming/outgoing resource categories. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members is recognised in the SOFA within actuarial gains/losses on defined benefit pension schemes. The resulting pension liability or asset is shown on the Balance Sheet.

Quoted securities have been valued at current bid prices.

##### **Growth Plan**

The Growth Plan is a defined benefit multi-employer pension scheme. It is not possible to identify Oxfam's share of the underlying assets and liabilities of the Growth Plan and hence contributions to the scheme are accounted for as if they were contributions to a defined contribution scheme. Oxfam's share of the deficit is deemed to be the deficit contributions payable by Oxfam. This deficit is recorded as a liability on the Balance Sheet.

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

Pension contributions are charged to the SOFA as incurred.

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

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

Details of the micro-credit scheme, Finance for Development Limited, which is a locally registered organisation in Azerbaijan, are given in Note 10 to the accounts.

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

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

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

Oxfam has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

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

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

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

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

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

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

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

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

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

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

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

(iii) Income recognition of legacies – residuary legacies have been recognised using a portfolio basis, based on past experience. Management have accrued for a proportion of the legacy pipeline which is consistent with experience over the last five years as disclosed in note 2a.

## 2 INCOME AND ENDOWMENTS

### a. Donations and legacies

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Regular giving*	50.1	2.1	52.2	51.8	2.3	54.1
Legacies	17.6	0.4	18.0	19.2	0.6	19.8
Public donations, appeals, and fundraising events*	10.1	18.3	28.4	10.0	23.4	33.4
Disasters Emergency Committee (DEC) appeals	-	12.4	12.4	-	7.5	7.5
UK government: Department for International Development - Partnership Programme Arrangement	-	-	-	-	8.4	8.4
Donated goods for distribution to beneficiaries	-	9.2	9.2	-	11.7	11.7
Donated services and facilities	0.7	-	0.7	0.7	-	0.7
	<b>78.5</b>	<b>42.4</b>	<b>120.9</b>	<b>81.7</b>	<b>53.9</b>	<b>135.6</b>

\* Includes related Gift Aid.

At 31 March 2018, 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 £7.8m (2016/17: £6.1m). Accrued legacy income included within the accounts amounts to £5.3m (2016/17: £4.5m).

Donated goods for distribution to beneficiaries represent food provided by the World Food Programme. The value of donated goods not distributed and included in stock at 31 March 2018 is £0.0m (2016/17: £0.5m). Donated services and facilities represent training, legal and audit services provided at a reduced fee or free of charge.

### b. Charitable activities

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
<b>Income from government, institutional donors and other public authorities</b>						
Governments (i)	-	50.0	50.0	-	48.1	48.1
Multilateral organisations (ii)	-	69.6	69.6	-	65.7	65.7
Oxfam affiliates (iii)	0.2	68.5	68.7	-	41.6	41.6
International foundations, grant makers and other donors	-	18.7	18.7	0.1	20.5	20.6
	0.2	206.8	207.0	0.1	175.9	176.0
Primary purpose trading (iv)	2.3	-	2.3	3.8	-	3.8
<b>Total income from charitable activities</b>	<b>2.5</b>	<b>206.8</b>	<b>209.3</b>	<b>3.9</b>	<b>175.9</b>	<b>179.8</b>

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
<b>i. Governments</b>						
Austria	-	-	-	-	256	256
Canada	-	348	348	-	219	219
Denmark	-	2,814	2,814	-	608	608
Finland	-	1,013	1,013	-	1,350	1,350
Germany	-	1,103	1,103	-	863	863
Ireland	-	1,064	1,064	-	999	999
Sweden	-	6,550	6,550	-	7,861	7,861
Switzerland	-	3,678	3,678	-	4,255	4,255
United Kingdom	-	21,750	21,750	-	32,453	32,453
United States	-	11,703	11,703	-	7,627	7,627
Other	-	22	22	-	52	52
	-	50,045	50,045	-	56,543	56,543

For 2016/17, £8.4m of income from governments is reflected as voluntary income (Note 2a), in respect of the DFID PPA, and £48.1m as income from charitable activities (Note 2b).



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

	Country	Year to	Year to
		31 March 2018	31 March 2017
		£'000	£'000
<b>Income from DFID by contract title</b>			
<b>DFID – Resources for specific programmes</b>			
Consortium for Sustainable WASH in Fragile Contexts (SWIFT)	Global	5,347	1,725
Multi Sector Humanitarian Response Programme – Yemen (MHRP)	Yemen	4,000	-
Freetown WASH Consortium – Post Ebola Recovery programme	Sierra Leone	3,565	136
Humanitarian Assistance and Resilience in South Sudan	South Sudan	3,162	246
Water Supply Project for Earthquake Affected Population	Nepal	988	789
Gender Empowered Markets	Global	758	1,297
Supporting Durable Solutions: Internally Displaced Persons (IDP) programme	Nepal	634	164
Humanitarian Response for Burundian Refugees in Tanzania	Tanzania	600	1,500
Increasing Resilience and Adaptability in South Kivu – DFID Aid Match	DRC	541	800
Humanitarian Assistance to Burundian Refugees in Rwanda and Host Community	Rwanda	519	-
Africa Regional Programme for Improved Empowerment and Accountability in Africa	Pan-Africa	399	-
Improving Access to Humanitarian Evidence	Global	200	373
Freetown WASH Consortium	Sierra Leone	186	1,790
Research Uptake of Humanitarian Evidence Synthesis Programme for Decision Makers & Practitioners	Global	67	-
Humanitarian Assistance and Resilience Building in Western Yemen	Yemen	-	10,846
Other contracts		(52)	3,673
		20,914	23,339
<b>DFID – Partnership Programme Arrangement (see Note 2a)</b>			
Partnership Programme Arrangement (PPA)	Global	-	8,378
<b>DFID back donor funding for the Disasters and Emergencies Preparedness Programme (DEPP) (received from Save the Children on behalf of the Start Network)</b>			
Protection in Practice	Global	305	341
Talent Development	Global	502	748
Financial Enablers	Philippines	866	702
Improving Early Warning Early Action in Ethiopia	Ethiopia	306	153
		1,979	1,944
<b>Income from EuropeAid by contract title</b>			
<b>Country</b>			
Badael: Building Alternative Development Assets and Entrepreneurial Learning	Lebanon	1,162	-
Pro-Resilience: Special measures in response to food insecurity	Haiti	1,102	-
BEE-LIEVE: Beekeepers Economic Empowerment	Ethiopia	920	-
Consumers and Retailers in Thailand driving sustainable food market in food supply chains	Thailand	573	-
SWITCH-Asia II Promoting Sustainable Building in Bangladesh	Bangladesh	455	-
Pro-Resilient Action inside Syria – PROACT	Syria	429	-
Towards a new direction – supporting agricultural cooperation in Georgia	Georgia	392	436
Improving Regional Food Security in the South Caucasus	Armenia, Azerbaijan, Georgia	385	46
Enhancing Participation of CBOs & CSOs in Democratic Governance	Bangladesh	356	-
Effective Citizenship and Responsive Governance	Pakistan	354	-
I am One, I am Many: Combating discrimination on the basis of religious identities & beliefs	Bangladesh, Indonesia, Pakistan	308	-
Overcoming barriers to access to justice for women at risk	Honduras	304	363
Sustainable Livelihoods through Value Chain Development for Pastoral Communities	Kenya	293	-
From air drops to resilience: linking humanitarian response to recovery and development	South Sudan	275	1,004
Deepening social accountability	Myanmar	210	389
Increasing Capacities and Spaces for Thai CSOs' Participation in Governance of Marine Resources	Thailand	193	-
Promoting Accountable Business: Advancement of UN Guiding Principles	Indonesia	180	132
Strengthening land governance system for smallholder farmers in Malawi	Malawi	176	-
Women Networks Increasing Accountability of Religious and Governmental Institutions to reduce violence	Thailand	168	-
Capacity building women's associations to improve coverage of needs and sanitation	Chad	151	-
Chtaura Water Network Rehabilitation and Expansion Project	Lebanon	138	-
Sustainable use of natural resource to improve resilience in South Africa	South Africa	120	319
Enhancing NSAs Capacity for Development in South Sudan	South Sudan	112	-
Strengthening capacities of civil society	Indonesia	102	286
Improving Sanitation and Hygiene in urban and peri-urban Monrovia	Liberia	95	-
Improving the health status of Koinadugu District through WASH	Sierra Leone	62	-
Other contracts, including provisions		(724)	8,400
		8,291	11,375
<b>Income from the Big Lottery Fund by project</b>			
<b>£'000</b>			
Forest Fruits – Markets for Women		175	136
Link farmers to markets to feed the city, Guatemala		149	109
A Menu for Change: Cash, Rights, Food		277	-
		601	245

Expenditure on these projects was: Forest Fruits – Markets for Women £156,000 (2016/17: £197,000), Link Farmers to Markets to feed the city – Guatemala £52,000 (2016/17 £188,000), A Menu for Change: Cash, Rights, Food £301,000 (2016/2017 £7,000).

	Year to 31 March 2018 £m	Year to 31 March 2017 £m
<b>iv. Primary purpose trading - unrestricted income:</b>		
Micro-credit schemes	1.0	2.8
Sale of humanitarian equipment	1.3	1.0
	2.3	3.8
Costs included within charitable activities:		
Micro-credit schemes	(1.0)	(4.0)
Humanitarian equipment	(1.2)	(0.9)
	(2.2)	(4.9)
<b>Net income/(expenditure) from primary purpose trading</b>	<b>0.1</b>	<b>(1.1)</b>

**c. Other trading activities**

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Turnover from donated goods	79.8	-	79.8	79.5	-	79.5
Turnover from purchased goods	9.7	0.1	9.8	9.0	-	9.0
Lottery income (People's Postcode Lottery and Oxfam Lottery)	2.5	-	2.5	1.3	-	1.3
Other trading income	1.0	0.8	1.8	1.1	-	1.1
<b>Total trading sales</b>	<b>93.0</b>	<b>0.9</b>	<b>93.9</b>	<b>90.9</b>	<b>-</b>	<b>90.9</b>
Direct trading expense s- donated goods	62.4	-	62.4	60.3	-	60.3
Direct trading expenses - purchased goods	9.6	-	9.6	9.0	-	9.0
Lottery costs (Oxfam Lottery)	0.8	-	0.8	0.2	-	0.2
Support costs	2.2	-	2.2	2.3	-	2.3
<b>Total trading costs</b>	<b>75.0</b>	<b>-</b>	<b>75.0</b>	<b>71.8</b>	<b>-</b>	<b>71.8</b>
<b>Net trading income</b>	<b>18.0</b>	<b>0.9</b>	<b>18.9</b>	<b>19.1</b>	<b>-</b>	<b>19.1</b>
In addition, the following other amounts were collected through the shops and are included in donations and legacies:						
Oxfam Unwrapped net income	-	1.1	1.1	-	1.1	1.1
Donations	0.4	0.9	1.3	0.4	1.1	1.5
<b>Total net trading income</b>	<b>18.4</b>	<b>2.9</b>	<b>21.3</b>	<b>19.5</b>	<b>2.2</b>	<b>21.7</b>

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

**People's Postcode Lottery (PPL)**

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

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Ticket value	7.5	-	7.5	4.5	-	4.5
Prize fund	(3.0)	-	(3.0)	(1.8)	-	(1.8)
Management fee	(2.2)	-	(2.2)	(1.4)	-	(1.4)
Net proceeds	2.3	-	2.3	1.3	-	1.3

**d. Investments**

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Deposit interest	0.3	-	0.3	0.4	-	0.4
	0.3	-	0.3	0.4	-	0.4

**e. Other income**

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Gain on disposal of fixed assets	1.5	-	1.5	1.2	-	1.2
Nursery fees	0.3	-	0.3	0.2	-	0.2
Miscellaneous overseas income	0.4	0.3	0.7	0.1	0.3	0.4
Other	0.3	-	0.3	0.1	-	0.1
	2.5	0.3	2.8	1.6	0.3	1.9

### 3 EXPENDITURE

#### a. Raising funds

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
<b>Expenditure on raising funds:</b>						
Regular giving	7.9	0.4	8.3	9.0	0.2	9.2
Legacies	0.5	-	0.5	0.7	-	0.7
Public donations, appeals and fundraising events and Disasters Emergency Committee (DEC) appeals	6.4	1.9	8.3	5.2	3.1	8.3
Income from government, institutional donors and other public authorities	1.3	-	1.3	1.4	-	1.4
Support costs	2.1	-	2.1	2.6	-	2.6
Other*	4.4	-	4.4	4.0	-	4.0
	<b>22.6</b>	<b>2.3</b>	<b>24.9</b>	<b>22.9</b>	<b>3.3</b>	<b>26.2</b>
<b>Expenditure on other trading activities (Note 2c)</b>	<b>75.0</b>	<b>-</b>	<b>75.0</b>	<b>71.8</b>	<b>-</b>	<b>71.8</b>
<b>Investment management costs</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>
	<b>97.8</b>	<b>2.3</b>	<b>100.1</b>	<b>94.8</b>	<b>3.3</b>	<b>98.1</b>

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

#### b. Charitable activities

##### Functional analysis

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

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Development	39.8	111.8	151.6	49.5	91.9	141.4
Humanitarian*	26.0	147.2	173.2	23.9	123.5	147.4
Campaigning and advocacy	11.5	0.6	12.1	13.3	1.4	14.7
	<b>77.3</b>	<b>259.6</b>	<b>336.9</b>	<b>86.7</b>	<b>216.8</b>	<b>303.5</b>
Activities undertaken directly	35.3	178.3	213.6	50.4	157.6	208.0
Grant funding of activities	16.8	72.6	89.4	12.5	50.6	63.1
Support costs**	25.2	8.7	33.9	23.8	8.6	32.4
	<b>77.3</b>	<b>259.6</b>	<b>336.9</b>	<b>86.7</b>	<b>216.8</b>	<b>303.5</b>

\*Humanitarian includes £9.7m (2016/17: £10.9m) in respect of donated goods distributed to beneficiaries.

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

	Activities undertaken directly (i)	Grant funding of activities (ii)	Support costs (iii)	Year to 31 March 2018 Total
	£m	£m	£m	£m
Development	82.9	52.2	16.5	151.6
Humanitarian	124.0	35.1	14.1	173.2
Campaigning and advocacy	6.7	2.1	3.3	12.1
	<b>213.6</b>	<b>89.4</b>	<b>33.9</b>	<b>336.9</b>

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

#### i. Activities undertaken directly

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

#### ii. Grant funding of activities

	Year to 31 March 2018	Year to 31 March 2017
	£'000	£'000
Total value of 50 largest grants	32,499	20,824
Total value of grants to other Oxfam affiliates	29,883	18,414
Other grants	26,983	23,828
Total grants payable to institutions in furtherance of the charity's objects	<b>89,365</b>	<b>63,066</b>
Total number of grants made to institutions	<b>874</b>	<b>965</b>

The top 50 financial grant recipients in the year to 31 March 2018 are listed below.

		Geographic region	Number of grants	Year to 31 March 2018 £'000
1)	Ogaden Welfare Development Association	HECA	7	5,615
2)	Tearfund	Global	4	3,177
3)	Concern Worldwide UK	Global	6	2,068
4)	Save the Children UK	Global	3	1,388
5)	Action contre la Faim	Global	4	1,186
6)	Solidarités International	Asia	1	1,086
7)	Pastoralist Concern	HECA	4	1,020
8)	Islamic Relief UK	HECA	2	856
9)	Rehabilitation, Education And Community Health	MENA	5	781
10)	Janahit Gramin Sewa Samittee	Asia	3	611
11)	Tulasi Mehar UNESCO Club	Asia	4	599
12)	Kachin Baptist Convention	Asia	2	591
13)	Community Rural Development Society – Nepal	Global	5	587
14)	Caritas Germany	Global	2	575
15)	Relief Society of Tigray	HECA	2	559
16)	Polli Sree	Asia	10	546
17)	King Hussein Foundation	MENA	1	461
18)	Hydraulique Sans Frontières	HECA	2	461
19)	Southern Alliance for Indigenous Resources	Southern Africa	1	426
20)	Foundation of United for Relief and Sustainable Development	MENA	1	423
21)	Church and Development	HECA	1	396
22)	Sahayata Samajik Sanstha	Asia	3	389
23)	A Single Drop for Safe Water, Inc.	Global	4	379
24)	Unification Nepal	Asia	3	376
25)	Metta Development Foundation	Asia	2	373
26)	Philippine Business for Social Progress, Inc.	Asia	2	371
27)	Lumanti Support Group for Shelter	Asia	2	370
28)	Prayatnasil Community Development Society	Asia	3	368
29)	Goreto Gorkha	Asia	4	352
30)	Mahideb Jubo Somaj Kallayan Somity	Asia	4	329
31)	Forum for Community Upliftment System	Asia	3	327
32)	Union paysanne pour le Développement Intégral	HECA	1	319
33)	Iraqi Al-Amal Association	MENA	2	311
34)	Pastoralist Welfare Organization	HECA	2	310
35)	Nile Hope	HECA	3	303
36)	Afkar Society for Development and Relief	MENA	1	303
37)	People's Oriented Program Implementation	Asia	5	301
38)	Mothers & Children Multisectoral Development Organization	HECA	1	300
39)	Horn of Africa Voluntary Youth Committee	HECA	3	299
40)	Action Nepal	Asia	3	297
41)	Mahila Atma Nirvarta Kendra	Asia	2	289
42)	People in Need	Asia	1	287
43)	Plan International	Global	2	277
44)	The Kakani Center for Development of Community	Asia	3	275
45)	Gramin Mahila Srijansil Pariwar	Asia	2	273
46)	Centre for Alternatives for Victimized Women and Children	Southern Africa	4	263
47)	Fédération des Organisations des Producteurs Agricoles du Congo au Nord-Kivu	HECA	2	263
48)	Generations without Oat for Awareness and Development	MENA	3	262
49)	Utopia	MENA	4	261
50)	Bargad Organization for Youth Development	Asia	2	260
				32,499

Key to geographic regions: HECA - Horn, East and Central Africa. LAC - Latin America and the Caribbean. MENA - Middle East and North Africa. Global - the grants apply to more than one region.

The grants made by Oxfam to other Oxfam affiliates are listed below.

Name of Other Oxfam affiliate	Geographic region	Number of grants	Year to 31 March 2018 £'000	Year to 31 March 2017 £'000
Oxfam America	Global	2	256	317
Oxfam Australia	Global	2	746	125
Oxfam Belgium	Global	1	549	294
Oxfam Brazil	LAC	1	400	518
Oxfam Canada	Global	2	112	23
Oxfam Denmark	Global	2	31	-
Oxfam France			-	91
Oxfam Germany	Global	1	4	-
Oxfam India	Global	10	1,101	878
Oxfam Intermón	Global, HECA	19	6,465	2,840
Oxfam International	Global	3	7,889	7,910
Oxfam Ireland			-	122
Oxfam Italy	Global	5	691	1,066
Oxfam Mexico	Global	3	608	150
Oxfam Novib	Global	34	10,484	4,061
Oxfam Quebec			-	19
Oxfam South Africa	Southern Africa	1	547	-
			29,883	18,414

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

### iii. Support costs

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

	Trading £m	Fundraising £m	Development £m	Humanitarian £m	Campaigning & advocacy £m	Year to 31 March 2018 Total £m	Year to 31 March 2017 Total £m
Regional programme support	-	-	2.0	2.4	0.2	4.6	8.5
Central programme support	-	-	12.4	9.2	1.5	23.1	17.9
Exchange rate differences	-	-	(0.2)	(0.3)	-	(0.5)	(0.9)
Central finance	0.7	0.2	0.5	0.7	-	2.1	1.9
Central human resources	0.4	0.4	1.1	1.3	0.3	3.5	3.3
Corporate communications	0.7	1.4	0.2	0.2	1.2	3.7	5.1
Governance	0.4	0.1	0.5	0.6	0.1	1.7	1.5
Total support costs for 2017/18	2.2	2.1	16.5	14.1	3.3	38.2	-
Total support costs for 2016/17	2.3	2.6	15.5	12.9	4.0	-	37.3
Unrestricted	2.2	2.1	12.5	9.4	3.3	29.5	28.7
Restricted	-	-	4.0	4.7	-	8.7	8.6
	2.2	2.1	16.5	14.1	3.3	38.2	37.3

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

### c. Other expenditure

	Year to 31 March 2018			Year to 31 March 2017		
	Unrestricted £m	Restricted £m	Total £m	Unrestricted £m	Restricted £m	Total £m
Nursery costs	0.3	-	0.3	0.2	-	0.2
Defined benefit pension scheme costs	1.0	-	1.0	0.7	-	0.7
Other	0.4	-	0.4	0.1	-	0.1
	1.7	-	1.7	1.0	-	1.0

## 4 EMPLOYEES

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

Oxfam Group	Year to 31 March 2018		Year to 31 March 2017	
	headcount	FTE	headcount	FTE
<b>GB payroll</b>				
Trading	1,148	879	1,097	894
Fundraising	162	154	164	156
Corporate functions	328	293	327	292
Campaigns and policy	145	130	145	131
Communications	74	70	78	74
Programme headquarters	192	180	224	209
Programme overseas	331	327	348	344
	<b>2,380</b>	<b>2,033</b>	<b>2,383</b>	<b>2,100</b>
<b>Overseas payroll</b>	<b>2,717</b>	<b>2,714</b>	<b>2,893</b>	<b>2,886</b>
	<b>5,097</b>	<b>4,747</b>	<b>5,276</b>	<b>4,986</b>

The staff numbers for Oxfam only are the same as above except that Trading includes 107 (2016/17: 106) OAL staff and Overseas payroll includes 73 (2016/17: 100) staff for Finance for Development Ltd and 36 (2016/17: 38) staff for FriP Ethique SARL.

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

## 5 STAFF COSTS

	Year to 31 March 2018	Year to 31 March 2017
	£m	£m
<b>GB payroll</b>		
Wages and salaries	68.2	63.8
Social security costs	4.7	4.4
Defined contribution pension scheme contributions	3.5	3.3
Defined benefit pension scheme operating costs	0.5	0.6
	<b>76.9</b>	<b>72.1</b>
<b>GB payroll staff costs</b>		
<b>Overseas payroll staff costs</b>	<b>49.3</b>	<b>49.8</b>
<b>Total staff costs</b>	<b>126.2</b>	<b>121.9</b>

Termination costs, included above, amounted to £1.2m (2016/17: £2.6m), of which £0.5m (2016/17: £1.1m) was provided for at year-end.

Staff costs are allocated according to the functions of each staff member and, therefore, form part of trading costs, fundraising costs governance costs, and charitable expenditure, as appropriate. In addition, a great amount of time, the value of which is not reflected in these accounts, is donated by around 27,000 volunteers throughout Great Britain. Volunteers play a vital role in our shop network operations, community fundraising activities and back office operations. More details of the crucial role volunteers contribute to Oxfam is provided in the Trustees' Report.

The table below shows the number of higher-paid staff with emoluments falling in the following ranges. Emoluments include salary and taxable benefits in kind and other payments to employees including one-off end-of-contract payments such as redundancy. The figures reflect earnings in the given tax year and do not necessarily reflect the ongoing annual salaries of employees. These include a number of allowances to cover the additional costs of working in another country for long-term senior expatriate staff, to enable them to take their family with them, as this encourages staff to stay on deployment longer. For example, Oxfam pays towards the cost of education for up to three children, where suitable free schooling is not available. Allowances also cover the additional cost of living in very expensive countries and end-of-contract payments in lieu of access to a bona fide pension arrangement outside the UK.

Eight out of 14 employees with earnings over £100,000 are in receipt of payments which include accommodation and/or education benefits and/or an end of contract payment in lieu of access to a bona fide pension arrangement which relates to their length of service (2016/17: seven out of 11). Reimbursement for overseas pension expenses have been included for 18 overseas employees. Overseas numbers continue to be impacted by the weak GB pound against other currencies, and particularly the US dollar.

	UK year to 31 March 2018	Overseas year to 31 March 2018	Total year to 31 March 2018	Total year to 31 March 2017
	Number	Number	Number	Number
£60,000 to £69,999	22	21	43	37
£70,000 to £79,999	7	16	23	24
£80,000 to £89,999	4	8	12	10
£90,000 to £99,999	1	4	5	11
£100,000 to £109,999	3	3	6	5
£110,000 to £119,999	1	2	3	3
£120,000 to £129,999	-	-	-	2
£130,000 to £139,999	1	-	1	1
£150,000 to £159,999*	-	1	1	-
£190,000 to £199,100**	-	2	2	-
£210,000 to £219,999**	-	1	1	-
	<b>39</b>	<b>58</b>	<b>97</b>	<b>93</b>

Retirement benefits are accruing under a defined benefit scheme for two (2016/17: two) higher-paid employees. In addition, Oxfam paid £297,168 (2016/17: £282,879) into a defined contribution pension scheme for 47 (2016/17: 44) higher-paid employees.

Our Chief Executive Officer has the highest annual salary in the organisation. However four individuals (see below\* and\*\*) working overseas had earnings in excess of this in 2017/18, due to end-of-contract payments in lieu of access to a bona fide pension arrangement, built up over the period of their employment and severance due under local legislation.

\* Oxfam incurred staff costs of over £150,000 for one individual, an overseas national based in a country programme in Asia. Oxfam made end-of-contract payments under local legislation.

\*\* Oxfam incurred staff costs of over £190,000 for three individuals who had worked for Oxfam for over 20 years and for the majority of the 2017/18 financial year. All were country nationals employed overseas in countries where Oxfam has stopped working; therefore their roles became redundant. A significant portion of the payments received included end-of-contract payments based on length of service, in lieu of access to in-country bona fide pension arrangements. These payments were also impacted by exchange rates and the weak pound.

The cost of the Chief Executive's earnings for 2017/18 were £146,247 (2016/17: £143,276) including Employer's National Insurance, with a pension contribution of £13,074 (2016/17: £12,818). The cost of earnings for the group and charitable company of key management personnel, which are considered to be the Leadership Team (including the CEO), for 2017/18 were £971,791 including Employer's National Insurance, with pension contributions of £83,480, relating to nine roles (2016/17: £916,019, with pension contributions of £73,024, relating to eight roles). Earnings, excluding Employer's National Insurance, for the Leadership Team and CEO are included in the table above, where applicable.

Job title	Number	Annual pay 2018	Annual pay 2017	Pension entitlement 2018 - defined contribution schemes	Pension entitlement 2017 - defined contribution schemes
Chief Executive Officer	1	£130,308	£127,753	£13,074	£12,818
Deputy Chief Executive Officer	1	£101,064	£99,082	£10,140	£9,941
Chief Financial Officer	1	£96,641	£93,580	£9,664	£9,358
Other Executive Directors	6	£576,349	£512,828	£50,602	£40,907
<b>Total</b>		<b>£904,362</b>	<b>£833,243</b>	<b>£83,480</b>	<b>£73,024</b>

Annual pay excludes Employer's NI.

Where a director has joined part-way through a year the figures have been annualised.

Other Executive Directors: the six directors are each individually paid within a scale of £90,000–£109,999 including pension contributions.

## 6 TRUSTEES' AND CHIEF EXECUTIVE'S EXPENSES

Members of Oxfam's Council of Trustees receive no remuneration for their services. Trustees' expenses, which include costs directly incurred by Trustees and amounts paid on their behalf by Oxfam, in 2017/18, paid to 16 Trustees (2016/17: 13), were £22,667 (2016/17: £16,253). A Council meeting is usually held overseas once every three years, with the most recent in July 2015.

Directly incurred expenses of the Chief Executive in 2017/18 were £17,953 (2016/17: £12,006). The most significant element of the Trustees' and Chief Executive's expenses is the cost of visits to overseas programmes, in respect of flights and accommodation.

Donations received by the charity from the Trustees during 2017/18 amounted to £29,372 (2016/17: £65,566), of which £2,620 (2016/17: £61,210) was given for restricted purposes, in the normal course of business.

## 7 TAXATION

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

## 8 NET (EXPENDITURE)/INCOME FOR THE FINANCIAL YEAR

IS STATED AFTER CHARGING/(CREDITING):

	Year to 31 March 2018 £m	Year to 31 March 2017 £m
Depreciation of tangible fixed assets	3.2	3.6
Gain on disposal of fixed assets	(1.5)	(1.2)
Hire of vehicles and equipment	7.3	6.3
Property rental	22.9	22.8
Auditors' remuneration - statutory audit (GB)*	0.3	0.3
Rental income	(0.4)	(0.4)
Exchange rate differences	1.7	(2.5)
Irrecoverable VAT	1.5	1.7

\*Auditors' remuneration includes £0.2m (2016/17: £0.2m) for which no fee is charged and is included within donated services and facilities in Note 2a.

## 9 TANGIBLE ASSETS

Oxfam	Freehold property £m	Short leasehold property £m	Furniture, fixtures, equipment £m	Motor vehicles £m	Total £m
<b>Cost</b>					
At 1 April 2017	4.0	10.4	35.2	5.5	55.1
Additions	0.3	0.9	1.8	0.5	3.5
Disposals	(0.4)	(0.1)	(0.9)	(0.7)	(2.1)
At 31 March 2018	3.9	11.2	36.1	5.3	56.5
<b>Accumulated depreciation</b>					
At 1 April 2017	1.8	6.8	32.4	4.5	45.5
Charge for the year	-	1.3	1.4	0.5	3.2
Disposals	(0.2)	(0.1)	(0.8)	(0.7)	(1.8)
At 31 March 2018	1.6	8.0	33.0	4.3	46.9
<b>Net book value</b>					
At 31 March 2018	2.3	3.2	3.1	1.0	9.6
At 31 March 2017	2.2	3.6	2.8	1.0	9.6

	Freehold property £m	Short leasehold property £m	Furniture, fixtures, equipment £m	Motor vehicles £m	Total £m
<b>Oxfam Group</b>					
<b>Cost</b>					
At 1 April 2017	4.0	10.4	35.4	5.5	55.3
Additions	0.3	0.9	1.8	0.5	3.5
Disposals	(0.4)	(0.1)	(0.9)	(0.7)	(2.1)
At 31 March 2018	3.9	11.2	36.3	5.3	56.7
<b>Accumulated depreciation</b>					
At 1 April 2017	1.8	6.8	32.6	4.5	45.7
Charge for the year	-	1.3	1.4	0.5	3.2
Disposals	(0.2)	(0.1)	(0.9)	(0.7)	(1.9)
At 31 March 2018	1.6	8.0	33.1	4.3	47.0
<b>Net book value</b>					
At 31 March 2018	2.3	3.2	3.2	1.0	9.7
At 31 March 2017	2.2	3.6	2.8	1.0	9.6

The book value of land (which is not depreciated) included in freehold properties is £0.6m (2016/17: £0.7m). The value of freehold property held at 31 March 2018 is £6.2m (2016/17: £7.0m).

All tangible fixed assets are held for charitable use.

## 10 INVESTMENTS

### Fixed asset investments

	Freehold property £m	Unquoted* £m	Cash £m	Investments total £m	Social investments unquoted £m	Fixed asset investments total £m
<b>Oxfam</b>						
Market value:						
At 1 April 2017	0.1	1.6	3.4	5.1	-	5.1
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
At 31 March 2018	0.1	1.6	3.4	5.1	-	5.1
<b>Oxfam Group</b>						
Market value:						
At 1 April 2017	0.1	-	3.4	3.5	0.1	3.6
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
At 31 March 2018	0.1	-	3.4	3.5	0.1	3.6

### Current asset investments

	Cash £m	Investments total £m	Social investments unquoted £m	Current asset investments total £m
<b>Oxfam and Group</b>				
Market value:				
At 1 April 2017	19.6	19.6	3.0	22.6
Additions	25.6	25.6	-	25.6
Disposals	(43.2)	(43.2)	(2.7)	(45.9)
Transfers	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2018	2.0	2.0	0.3	2.3

#### 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 is charged on the outstanding balance of the loan at 2% above LIBOR. Terms, including interest, are agreed between the parties and repayment is due in three equal instalments following the issue of a repayment notice.

Freehold investment properties with an original cost of £0.0m (2016/17: £0.0m) are included in the Balance Sheet at market value of £0.1m (2016/17: £0.1m). Investment properties have been valued by surveyors, all of whom are Associates of the Royal Institute of Chartered Surveyors and are employees of Oxfam. The valuation of assets was on an open market basis, in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors, and is carried out on an annual basis.

At 31 March 2018, Oxfam had an interest in the following subsidiary undertakings:

Organisation name	Company number	Country of registration	Nature of business	Class of share capital held	Parent company interest	Consolidation	Year End Date
Oxfam Activities Limited	0830341	United Kingdom	Raises funds through trading activities	Ordinary	100%	Yes	31 March
Finance for Development Ltd	N/A	Azerbaijan	Micro-credit scheme	Ordinary	100%	Yes	31 December
Frip Ethique SARL	26291052C2	Senegal	Second-hand clothing	Ordinary	100%	Yes	31 December
SEIFF Ltd	07990519	United Kingdom	Small enterprise investments	Ordinary	100%	Yes	31 March
Just Energy Ltd	06904458	United Kingdom	Renewable energy projects	N/A	100%	No [dormant]	31 March

The aggregate total amount invested in all Oxfam's subsidiaries is £1.6m (2016/17: £1.6m).

The financial results of the subsidiaries for the year were:

	Oxfam Activities Limited		Finance for Development Ltd		Frip Ethique SARL	
	Year to 31 March 2018 £m	Year to 31 March 2017 £m	Year to 31 December 2017 £m	Year to 31 December 2016 £m	Year to 31 December 2017 £m	Year to 31 December 2016 £m
Income	17.7	15.9	1.0	2.8	2.1	2.4
Expenditure	(16.7)	(15.0)	(1.0)	(4.0)	(2.1)	(2.4)
Trading profit/(loss)	1.0	0.9	-	(1.2)	-	-
Profit Gift Aided to Oxfam	(1.0)	(0.9)	-	-	-	-
Profit/(loss) for the year	-	-	-	(1.2)	-	-
	At 31 March 2018 £m	At 31 March 2017 £m	At 31 December 2017 £m	At 31 December 2016 £m	At 31 December 2017 £m	At 31 December 2016 £m
Net assets	-	-	-	-	0.1	0.1

Finance for Development Ltd: Due to the devaluation of the Azerbaijani currency (Manat) during 2015/16, a provision of £5.2m was in place at 31 March 2017 for the potential irrecoverability of loan balances due. At 31 March 2018 the provision has been reduced by £0.8m, to £4.4m. (This represents 73% of the loan balances due).

SEIFF Ltd: Income and expenditure for 2017/18 were both less than £0.1m, resulting in Enil net assets at 31 March 2018.

Just Energy Ltd was dormant for both 2017 and 2018 and has no net assets.

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

Organisation name	Country of registration	Nature of business
Oxfam Great Britain	South Africa	As per Oxfam
Oxfam (in Korea)	South Korea	As per Oxfam
Oxfam Thailand Foundation	Thailand	As per Oxfam

## b. Social investments

### Programme-related investments

#### Cafédirect plc

This comprises 970,466 (2016/17: 903,000) ordinary shares of 25p each in Cafédirect plc, a company registered in Scotland, which represents an 8.5% (2016/17: 10.8%) interest in the company. The principal activity of the company is the promotion of fair trade through the marketing and distribution of coffee and tea.

#### Guardian Share Company Limited

Oxfam Activities Limited holds a 33 1/3% (2016/17: 33 1/3%) shareholding (one £1 ordinary share) in the Guardian Share Company Limited, a company registered in the UK. This company aims to promote fair trade through Cafédirect plc and through its holding of one 25p special share in Cafédirect plc.

#### Micro-credit schemes

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

#### Mixed motive investments

#### Small Enterprise Impact Investing Fund

Oxfam invested £2.1m in the Small Enterprise Impact Investing Fund, an innovative financial product based in Luxembourg. On 20 January 2017, the fund was placed into liquidation with a view to transferring the value of investments to a similar fund. During 2017/18, Oxfam received £2.3m in respect of 85% of the fund, which had not been re-invested by 31 March 2018. The remaining 15%, which had not been released by 31 March 2018, is reflected in current asset investments and represents a value of £0.3m after allowing for an impairment of £0.2m (31 March 2017: £3.0m reflected in current asset investments). A loss of £0.4m is reflected in the SOFA for the year (2016/17: gain of £0.4m).

## 11 STOCKS

	Oxfam		Oxfam Group	
	2018 £m	2017 £m	2018 £m	2017 £m
Oxfam trading stocks	-	-	1.7	1.6
Humanitarian supplies	1.4	1.9	1.4	1.9
Consumable stores	0.3	-	0.3	-
	<b>1.7</b>	<b>1.9</b>	<b>3.4</b>	<b>3.5</b>

Trading and other stocks relate to goods for resale. Humanitarian supplies represent equipment to be used in emergency response and include £0.0m (2016/17: £0.5m) in respect of donated stock for distribution to beneficiaries.

Stocks are stated after provision for impairment of £0.1m (2016/17: £0.1m).

The cost of stocks recognised as an expense for Oxfam is £11.8m (2016/17: £12.9m) and for Oxfam Group is £16.7m (2016/17: £17.1m), which includes £9.7m (2016/17: £11.3m) of donated goods distributed to beneficiaries.

## 12 DEBTORS

	Oxfam		Oxfam Group	
	2018 £m	2017 £m	2018 £m	2017 £m
<b>Amounts falling due within one year</b>				
Loans by micro-credit schemes	-	-	1.6	2.4
Amounts due from subsidiaries	1.3	0.3	-	-
Other debtors	8.1	6.7	9.9	7.4
Prepayments	6.4	6.8	6.5	7.0
Accrued income	7.8	5.0	7.8	5.0
Tax recoverable	9.1	7.8	9.1	7.8
Amounts due from institutional donors	35.4	26.3	35.4	26.3
	<b>68.1</b>	<b>52.9</b>	<b>70.3</b>	<b>55.9</b>
<b>Amounts falling due outside one year</b>				
Loans by micro-credit schemes	-	-	-	-
Other loans	0.8	0.5	0.8	0.6
	<b>0.8</b>	<b>0.5</b>	<b>0.8</b>	<b>0.6</b>
	<b>68.9</b>	<b>53.4</b>	<b>71.1</b>	<b>56.5</b>

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

	Oxfam		Oxfam Group	
	2018 £m	2017 £m	2018 £m	2017 £m
Cash at bank and in hand	37.2	31.6	37.7	32.3
Cash equivalents: notice and term deposits (less than 90 days)	6.3	19.0	6.3	19.0
	<b>43.5</b>	<b>50.6</b>	<b>44.0</b>	<b>51.3</b>

## 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Oxfam		Oxfam Group	
	2018 £m	2017 £m	2018 £m	2017 £m
Loans to micro-credit schemes*	-	-	1.9	1.8
Trade creditors	3.6	5.4	3.8	5.8
Other tax and social security	0.6	0.5	0.6	0.5
Other creditors	6.2	6.0	6.4	6.1
Accruals - grants payable	1.8	2.8	1.8	2.8
Accruals - other	16.0	13.6	16.2	13.8
Deferred income**	6.0	0.1	6.0	0.1
	<b>34.2</b>	<b>28.4</b>	<b>36.7</b>	<b>30.9</b>

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

\*\* Deferred income relates to income received from donors which is subject to restrictions which prevent its use until a later date. Deferred income of £6.0m (2016/17: £0.1m) arose in the year and £0.1m (2016/17: £2.3m) brought forward from last year was released.

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

	Oxfam		Oxfam Group	
	2018 £m	2017 £m	2018 £m	2017 £m
Loans to micro-credit schemes*	-	-	0.3	1.2
Other creditors	0.5	0.6	0.5	0.6
	0.5	0.6	0.8	1.8

\* See Note 14

## 16 PROVISIONS FOR LIABILITIES

	End of contract £m	Dilapidations £m	Other £m	Oxfam total £m	OAL dilapidations £m	Oxfam Group total £m
At 1 April 2017	6.8	2.3	1.3	10.4	0.1	10.5
Arising in the year	1.3	0.4	1.0	2.7	-	2.7
Released in the year	(3.6)	(0.2)	(0.3)	(4.1)	-	(4.1)
At 31 March 2018	4.5	2.5	2.0	9.0	0.1	9.1

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

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

## 17 CONTINGENT LIABILITIES

The following contingent liabilities existed at 31 March 2018:

Members of Oxfam's defined benefit scheme are entitled to join a Pension Trust Growth Plan into which they can pay additional voluntary contributions to fund additional benefits. Oxfam does not make employer contributions into the Plan, but under government regulations which came into force in September 2005 there is a potential employer liability on withdrawal from the Plan or in the event of the Plan winding up when it is not fully funded on a buy-out basis. The amount of employer liability on withdrawal for Oxfam as at 30 September 2017 has been calculated as £1.1m (2016/17: £1.3m). However, at present Oxfam has no intention of withdrawing from the Plan and the Trustees of the Plan have no intention of winding it up; it is therefore unlikely that the liability will crystallise in the foreseeable future.

## 18 ENDOWMENT FUNDS

	Oxfam and Oxfam Group			
	At 1 April 2017 £m	Received in year £m	Released in year £m	At 31 March 2018 £m
<b>Permanent endowment funds</b>				
The Mary & Henry Makinson Spink Memorial Fund	1.4	-	-	1.4
The Ellen & Ronald Carr-Webb Memorial Trust Fund	1.0	-	-	1.0
The Joyce Gregory Trust	1.0	-	-	1.0
Other permanent endowment funds	0.1	-	-	0.1
	3.5	-	-	3.5

During the year, no permanent endowments were released under Section 75 of the Charities Act 1993 (2016/17: none).

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

## 19 RESTRICTED FUNDS

	Oxfam and Oxfam Group			
	At 1 April 2017 reclassified* £m	Income £m	Expenditure £m	At 31 March 2018 £m
<b>REGIONAL FUNDS</b>				
Asia	10.9	44.5	(38.9)	16.5
LAC	0.9	3.0	(3.8)	0.1
HECA	5.1	61.6	(64.7)	2.0
West Africa	2.5	12.6	(17.8)	(2.7)
MENA	9.3	66.7	(69.6)	6.4
Southern Africa	1.5	12.7	(13.7)	0.5
Campaigns and Policy	1.0	1.4	(1.4)	1.0
Programme Strategy and Impact	4.9	9.4	(9.6)	4.7
Donated goods for distribution to beneficiaries	0.5	9.2	(9.7)	-
Oxfam Unwrapped	1.5	2.2	(0.7)	3.0
Other funds	9.1	23.2	(23.9)	8.4
<b>APPEALS</b>				
Syria crisis	2.7	0.2	(1.4)	1.5
South Sudan crisis	-	0.1	(0.1)	-
Nepal earthquake	2.5	-	(1.6)	0.9
Ethiopia refugee crisis	0.4	0.2	(0.4)	0.2
East Africa food crisis	1.9	1.2	(2.5)	0.6
Yemen crisis	2.0	0.6	(1.7)	0.9
Rohingya crisis	-	1.6	(0.4)	1.2
	56.7	250.4	(261.9)	45.2

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

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some project funds. The total deficit fund balances at 31 March 2018 amounted to £27.7m [31 March 2017: £17.9m]. The Trustees consider that the likelihood of reimbursement is of sufficient level to justify the carrying of these deficit funds at the end of the year.

## 20 UNRESTRICTED FUNDS

Movements on unrestricted funds are as follows:

### Oxfam

	General reserves £m	Designated fund fixed assets £m	Designated fund other £m	Revaluation reserve £m	Pension reserves £m	Total £m
At 1 April 2017	28.3	9.6	5.4	1.0	(28.0)	16.3
Surplus/(deficit) for the year	9.1	(1.7)	(5.4)	(0.4)	(2.0)	(0.4)
Gains and losses	-	-	-	-	19.5	19.5
Transfers between funds	(10.4)	1.8	2.5	(0.5)	6.6	-
At 31 March 2018	27.0	9.7	2.5	0.1	(3.9)	35.4

### Oxfam Group

	General reserves £m	Designated fund fixed assets £m	Designated fund other £m	Revaluation reserve £m	Pension reserves £m	Total £m
At 1 April 2017	28.3	9.6	5.5	1.0	(28.0)	16.4
Surplus/(deficit) for the year	9.1	(1.7)	(5.4)	(0.4)	(2.0)	(0.4)
Gains and losses	-	-	-	-	19.5	19.5
Transfers between funds	(10.4)	1.8	2.5	(0.5)	6.6	-
At 31 March 2018	27.0	9.7	2.6	0.1	(3.9)	35.5

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

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

	At 1 April 2017 £m	Net expenditure in the year £m	Transfers between funds £m	At 31 March 2018 £m
IS Infrastructure investment	3.3	(3.3)	-	-
Investment initiatives	2.1	(2.1)	0.7	0.7
Exceptional costs	-	-	1.8	1.8
<b>Oxfam</b>	5.4	(5.4)	2.5	2.5
Frip Ethique SARL retained reserves	0.1	-	-	0.1
<b>Oxfam Group</b>	5.5	(5.4)	2.5	2.6

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

Investment initiatives have been set aside for 2018/19 in respect of specific trading opportunities.

Exceptional costs represent funds set aside for 2018/19 relating to severance and other one-off costs resulting from impacts following the recent media coverage of the safeguarding issues in Haiti.

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

The pension reserve represents the following:

	At 1 April 2017 £m	Cost for the year £m	Gains and losses £m	Transfers between funds £m	At 31 March 2018 £m
Defined benefit pension scheme liability	(27.3)	(2.0)	19.5	6.5	(3.3)
Growth Plan liability	(0.7)	-	-	0.1	(0.6)
<b>Oxfam and Oxfam Group</b>	(28.0)	(2.0)	19.5	6.6	(3.9)

## 21 COMMITMENTS

Oxfam had the following commitments at 31 March 2018. Commitments will be funded from income generated from ongoing activities and from reserves, where necessary, as they fall due.

### a. Capital

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

	Oxfam		Oxfam group	
	At 31 March 2018 £m	At 31 March 2017 £m	At 31 March 2018 £m	At 31 March 2017 £m
Within one year	-	0.1	-	0.1
	-	0.1	-	0.1

### b. Financial

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

	Oxfam		Oxfam group	
	At 31 March 2018 £m	At 31 March 2017 £m	At 31 March 2018 £m	At 31 March 2017 £m
Within one year	11.3	14.0	11.3	14.0
Between two and five years	11.6	11.0	11.6	11.0
	22.9	25.0	22.9	25.0

Grants for international projects contain certain performance-related conditions, which determine when expenditure is recognised in the SOFA. Performance conditions under commitments noted above had not been fulfilled at 31 March 2018.

### c. Operating leases

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

	Oxfam		Oxfam group	
	At 31 March 2018 £m	At 31 March 2017 £m	At 31 March 2018 £m	At 31 March 2017 £m
<b>i) Land and buildings</b>				
Operating leases due:				
Within one year	11.6	13.7	11.6	13.7
In the second to fifth year inclusive	19.6	26.0	19.6	26.0
After five years	4.4	11.3	4.4	11.3
	35.6	51.0	35.6	51.0
<b>ii) Vehicles</b>				
Operating leases due:				
Within one year	0.1	0.2	0.1	0.3
In the second to fifth year inclusive	0.2	0.3	0.2	0.3
	0.3	0.5	0.3	0.6

**d. Pension scheme commitments**

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

**ii) Defined benefit pension scheme**

The assets of the pension scheme are held separately from those of Oxfam and are administered by TPT Retirement Solutions. The pension cost is determined on the advice of independent qualified actuaries, with the last triennial valuation being carried out as at 30 September 2016. An actuarial valuation was carried out at 31 March 2018 by a qualified independent actuary, based on the provisions of FRS 102.

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

The scheme was closed to new members on 31 January 2003 and, as a result, the current service cost increases as the members of the scheme approach retirement. The scheme is funded and the employer's contribution is 11.4% of pensionable pay (2016/17: 11.4%). The employees' contribution is 5.0% or 7.0% of pensionable pay depending on the individual's level of total pensionable pay (2016/17: 5.0% or 7.0%). The current service cost for this scheme for the year was £1.0m (2016/17: £0.8m). Contributions paid by Oxfam GB during the year were £6.4m (2016/17: £6.4m). In addition, Oxfam Ireland and Oxfam International paid £0.1m (2016/17: £0.1m) of contributions into the scheme for their employees.

The best estimate of contributions expected to be paid to the scheme by Oxfam for the year to 31 March 2019 is £6.5m.

As required by FRS 102, the defined benefit liabilities have been measured using the projected unit method. The tables below state the FRS 102 actuarial assumptions upon which the valuation of the scheme was based.

**Financial assumptions**

	31 March 2018 %	31 March 2017 %
Rate of increase in salaries	1.90	1.90
Rate of increase of pensions (deferred and in payment)	3.20	3.30
Rate of inflation (RPI)	3.20	3.30
Rate used to discount scheme liabilities*	2.60	2.60

\* Under FRS 102 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 2018 years	At 31 March 2017 years
<b>Non-pensioners:</b>		
Males	23.6	24.9
Females	25.2	26.4
<b>Pensioners:</b>		
Males	22.2	23.2
Females	24.0	24.9

**Scheme assets**

	At 31 March 2018 £m	At 31 March 2017 £m
Equities	102.2	105.4
Government bonds	80.7	63.1
Property	10.3	9.5
Cash	0.1	0.7
Total fair value of assets	193.3	178.7

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 2018 £m	Year to 31 March 2017 £m
Current service cost	1.0	0.8
Expenses	0.3	0.3
Net interest cost	0.7	0.6
Net finance charge	2.0	1.7
Return on pension scheme assets excluding interest income	9.8	25.7
Experience gains arising on the plan liabilities	0.5	1.2
Changes in assumptions underlying the present value of scheme liabilities	9.2	(39.5)
Total actuarial gain/(loss) recognised	19.5	(12.6)

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since 1 May 2004 is a loss of £28.8m (2016/17: £48.3m loss).

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

	Fair value of scheme assets £m	Present value of scheme liabilities £m	Scheme assets less scheme liabilities £m
Scheme assets/(liabilities) at the start of the year	178.7	(206.0)	(27.3)
Current service cost and expenses	-	(1.3)	(1.3)
Interest income/(cost)	4.6	(5.3)	(0.7)
Actuarial gain	9.8	9.7	19.5
Contributions by employer	6.5	-	6.5
Contributions by scheme participants	0.1	(0.1)	-
Benefits paid	(6.4)	6.4	-
Scheme assets/(liabilities) at the end of the year	193.3	(196.6)	(3.3)

The total return on scheme assets for the year was £14.4m (2016/17: £31.1m).

**ii) Growth Plan**

As noted in Note 17, Oxfam participates in The Pensions Trust's Growth Plan, a multi-employer pension plan. Based on the latest triennial valuation of the scheme carried out on 30 September 2017, the scheme assets amounted to £794.9m, while liabilities were £926.4m, resulting in a deficit of £131.5m. A deficit recovery plan to 31 January 2025 has been put in place which will require Oxfam to make annual payments of £84,407. The full liability to Oxfam has been reflected through the SOFA and pension reserve, with the annual contribution reflected as a transfer between the pension reserve and general reserve.

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

**iii) Defined contribution pension scheme**

For employees not in the defined benefit scheme Oxfam operates a Stakeholder Pension Scheme. This is a defined contribution scheme from Aviva. From 1 January 2003 Oxfam contributed double the employee contributions up to a maximum of 10% of pensionable pay. Oxfam contributed £3.5m (2016/17: £3.3m) to this pension scheme in the year to 31 March 2018. Contributions are reflected in expenditure on the same basis as an individual's salary allocation.

**iv) Alternative pension arrangements**

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

**22 FINANCIAL INSTRUMENTS**

Oxfam had the following financial instruments:

	Note	Oxfam		Oxfam Group	
		2018 £m	2017 £m	2018 £m	2017 £m
Financial assets that are debt instruments measured at fair value:					
Investments in commercial paper	10	0.3	3.0	0.4	3.1
		0.3	3.0	0.4	3.1
Financial assets that are debt instruments measured at amortised cost:					
Loans by micro-credit schemes	12	-	-	1.6	2.4
Other loans	10, 12	2.4	2.1	0.8	0.6
Amounts due from subsidiaries	12	1.3	0.3	-	-
Other receivables	12	60.4	45.8	62.2	46.5
Fixed asset investments in cash	10	3.4	3.4	3.4	3.4
Current asset investments in cash	10	2.0	19.6	2.0	19.6
Cash at bank and in hand	13	37.2	31.6	37.7	32.3
Cash equivalents	13	6.3	19.0	6.3	19.0
		113.0	121.8	114.0	123.8
Financial liabilities measured at amortised cost:					
Unsecured loan stock	14, 15	-	-	2.2	3.0
Trade creditors	14	3.6	5.4	3.8	5.8
Other creditors	14, 15	25.1	23.5	25.5	23.8
		28.7	28.9	31.5	32.6
Income, expense, gains or losses, including changes in fair value, recognised on:					
Financial assets measured at fair value		-	(0.4)	-	(0.4)
Interest income		(0.3)	(0.4)	(0.3)	(0.4)
Impairment loss/(gain)		0.1	-	(0.7)	2.6
Provision for bad debts		0.3	0.5	0.5	0.5
		0.1	(0.3)	(0.5)	2.3

## 23 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Oxfam	2018 Unrestricted funds £m	2018 Restricted funds £m	2018 Endowment funds £m	2017 Unrestricted funds £m	2017 Restricted funds £m	2017 Endowment funds £m
Fund balances at 31 March are represented by:						
Tangible fixed assets	9.6	-	-	9.6	-	-
Investment assets	1.6	-	3.5	1.6	-	3.5
Current assets	62.8	53.6	-	70.9	57.6	-
Current and long-term liabilities and provisions	(35.3)	(8.4)	-	(38.5)	(0.9)	-
Pension liability	(3.3)	-	-	(27.3)	-	-
Total net assets at 31 March	35.4	45.2	3.5	16.3	56.7	3.5

Oxfam Group	2018 Unrestricted funds £m	2018 Restricted funds £m	2018 Endowment funds £m	2017 Unrestricted funds £m	2017 Restricted funds £m	2017 Endowment funds £m
Fund balances at 31 March are represented by:						
Tangible fixed assets	9.7	-	-	9.6	-	-
Investment assets	0.1	-	3.5	0.1	-	3.5
Current assets	67.2	53.6	-	76.3	57.6	-
Current and long-term liabilities and provisions	(38.2)	(8.4)	-	(42.3)	(0.9)	-
Pension liability	(3.3)	-	-	(27.3)	-	-
Total net assets at 31 March	35.5	45.2	3.5	16.4	56.7	3.5

## 24 RELATED PARTY TRANSACTIONS

### i) Transactions with subsidiaries

The following transactions were carried out between Oxfam and OAL:

	2018 £'000	2017 £'000
Management charge (payable by OAL to Oxfam)	2,819	2,936
Interest on loan (payable by OAL to Oxfam)	51	47
Profits distributable under Gift Aid (payable by OAL to Oxfam)	1,008	859

### ii) Transactions with Oxfam International

Amounts of £11,599,000 (2016/17: £10,966,000) were paid to and £468,000 (2016/17: £606,000) received from Oxfam International, an organisation in which the Chair and Chief Executive of Oxfam are members of the board. Of the amounts paid, £11,594,000 (2016/17: £10,366,000) relates to our contribution to the Oxfam International Secretariat to provide leadership of global campaign work on behalf of the confederation, coordinate work that benefits all affiliates, and in respect of Oxfam 2020, £5,000 (2016/17: £59,000) relates to other grant funding, and in 2016/17 £541,000 for inter-affiliate matched funding. Income relates to funding of operational grants received (see note 2biii). At 31 March 2018, £1,393,000 was owed by Oxfam International to Oxfam (31 March 2017: £239,000), on normal terms.

On 26 October 2015 the Oxfam International Secretariat moved into Oxfam House. In 2017/18, Oxfam International paid Oxfam £29,604 (2016/17: £19,736) for service charges relating to their occupation of Oxfam House.

### iii) Transactions with other Oxfam affiliates

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

	At 31 March 2018			At 31 March 2017		
	Debtors £'000	Creditors £'000	Net £'000	Debtors £'000	Creditors £'000	Net £'000
Oxfam America	785	-	785	162	(16)	146
Oxfam Australia	380	(20)	360	17	(54)	(37)
Oxfam Belgium	440	-	440	347	-	347
Oxfam Canada	1,091	-	1,091	8	-	8
Oxfam Denmark	134	-	134	346	(91)	255
Oxfam France	1	-	1	16	-	16
Oxfam Germany	5,009	-	5,009	1,626	-	1,626
Oxfam Hong Kong	278	-	278	63	-	63
Oxfam India	1	-	1	1	16	17
Oxfam Intermón	521	(17)	504	664	(311)	353
Oxfam Ireland	358	(94)	264	65	(70)	(5)
Oxfam Italy	148	-	148	94	-	94
Oxfam Mexico	3	(67)	(64)	-	-	-
Oxfam New Zealand	59	-	59	-	-	-
Oxfam Novib	3,310	(16)	3,294	2,628	(808)	1,820
Oxfam Quebec	384	-	384	1,305	-	1,305
Oxfam South Africa	-	-	-	-	(201)	(201)
	12,902	(214)	12,688	7,342	(1,535)	5,807

# THANK YOU FROM CAROLINE THOMSON

On behalf of everyone at Oxfam and those we exist to serve, I am very pleased to have this opportunity to say a sincere and heartfelt thank you to all our supporters after what has been a challenging end to the year. When I joined as Chair of Trustees I was immediately struck by your commitment and how important you are to the work we deliver together. We are able to recognise only a small number of you here, but without all of you our work this year would not have been possible. Thank you.

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Sainsbury's  
Sort of Books  
Spring Music  
St Pauls Carnival ( Bristol)  
The Burberry Foundation  
The Co-operative Bank  
The One Foundation  
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Vision 9  
Waterstones  
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A young Rohingya refugee looks across Thengkhali Camp in Bangladesh. Oxfam has reached over 230,000 people fleeing violence with basics like clean drinking water, toilets and emergency food. Photo: Tommy Trenchard



## NOTES

- 1 These are provisional figures provided by Oxfam International and are based on the number of people who were helped in the 27 countries where Oxfam GB is the Executing Affiliate.
- 2 For further information on Oxfam International's work to improve safeguarding practice, see <https://www.oxfam.org/en/oxfams-commitment-stamping-out-sexual-harassment-and-abuse>
- 3 Effectiveness Reviews are carried out on randomly selected mature projects.
- 4 Lombardini, S., McCollum, K., Using internal evaluations to measure organisational impact: a meta-analysis of Oxfam's women's empowerment projects, *Journal of Development Effectiveness*, 2018, Volume 10, Issue 1.
- 5 Jeans, H., Thomas, S. and Castillo, G. (2016) *The Future is a Choice: The Oxfam Framework and Guidance for Resilient Development*, Oxford: Oxfam International.
- 6 These are provisional figures provided by Oxfam International.
- 7 These are provisional figures provided by Oxfam International.
- 8 Some of those 26 emergency situations will have occurred as the result of a single crisis. For example, the Syria conflict covers 3 countries, each of which requires a separate emergency response plan. This is therefore regarded as 3 emergency situations.
- 9 <https://www.economist.com/blogs/graphicdetail/2017/09/daily-chart-13>
- 10 For the purpose of this Report and as a result of the 2020 reorganisation, the Global Humanitarian Team (GHT) is considered part of International Programmes even if employees are based in the UK. In the same way employees employed in UK divisions but located overseas are counted as Staff in UK Operations or UK Divisions supporting International Programmes. A small number of Regional Platform and Oxfam International hosted staff based in Oxfam GB 'Executing Affiliate' countries are included in International Programmes.
- 11 'USS paid' includes staff on a global contract paid in USS.
- 12 When employees join Oxfam GB they are asked to complete an equal opportunities form. It is not compulsory and many employees complete part or none of the information. Figures for ethnicity are given as a percentage of Oxfam GB employees (total headcount) and as a percentage of employees who have completed the information on ethnicity (known headcount). Figures are not available for International Programmes staff.
- 13 The 2016/17 Annual Report stated that there had been a total of 60 road accidents that year. This was in fact the number across the confederation. The correct number for Oxfam GB was 39, of which 6 were 'tier 3' accidents.
- 14 Based on median figures for all employees working full and part-time.
- 15 Both median figures.
- 16 Emissions excluding emergency air travel are 13% below 2016/17 figures and 21% down on 2013/14 figures, the baseline year from which we could disaggregate emergency air travel for our total figures. All emissions expressed as a total of direct and indirect emissions.
- 17 We are not in a position to provide like for like data for overall emissions due to changes in methodology over time but we do provide like for like data in the reporting categories for which we have set targets.
- 18 Our emissions do not include any benefits from our green energy tariff. Electricity emissions are calculated as if from the grid.
- 19 Comparing like for like emissions for transport logistics is less relevant as we have addressed both mileage and vehicle efficiency over time.
- 20 2013/14 is the year we disaggregated emergency air travel.

