

# Annual Report & Accounts

07/08

# Oxfam Annual Report And Accounts 2007/08: Contents

---

<b>Oxfam Corporate Directory</b>	<b>2</b>
<b>Oxfam Mission</b>	<b>3</b>
<b>Trustees' Report</b>	<b>4</b>
Chair's Introduction	4
Objectives and Activities	6
Programme Overview	6
Programme by Aim	6
Developing Oxfam	12
Securing Resources	13
The Year Ahead	15
Where the money comes from and where it goes	17
Finance Summary	18
Structure, Governance and Management	22
<b>Auditors' Report</b>	<b>26</b>
<b>Accounts</b>	<b>27</b>
Consolidated Statement of Financial Activities	27
Summary Income and Expenditure Account	28
Balance Sheets	29
Consolidated Cash Flow Statement	30
Notes to the Financial Statements	31
<b>Acknowledgements</b>	<b>57</b>
<b>Annex: Accountability Report Update</b>	<b>58</b>

Oxfam Registered Office  
Oxfam House,  
John Smith Drive,  
Cowley,  
Oxford OX4 2JY

Telephone: (+44) (0)1865 473727

[www.oxfam.org.uk](http://www.oxfam.org.uk)

A company registered in England, number 612172, and limited by guarantee.  
Registered Charity No. 202918.  
Oxfam (also known as Oxfam GB) is a member of Oxfam International.

## Oxfam Council of Trustees as at 30 April 2008 and 26 September 2008

---

John Gaventa ( <i>Chair</i> ) <sup>2,3</sup>	Maureen Connelly	Jackie Gunn <sup>1</sup>
Angela Sealey ( <i>Vice-Chair</i> ) <sup>2,3</sup>	Sandra Dawson	Adebayo Olukoshi
Gareth Davies ( <i>Treasurer</i> ) <sup>1,2</sup>	Andy Friend	Richard Taylor <sup>1</sup>
Susannah Cox	Vanessa Godfrey <sup>3</sup>	Stan Thekaekara

Norman Sanson retired from Council at the Annual General Meeting on 23 November 2007.

Susannah Cox and Vanessa Godfrey were appointed as Trustees at the same meeting.

Amartya Sen (Adviser to Oxfam International), who is not a Trustee, holds an honorary position.

## Oxfam Association as at 30 April 2008 (Refer to Trustees' Report: Organisation and Corporate Governance)

---

The following, who are not Trustees, are members of the Association of Oxfam: Miqdad Asaria, Kate Cook<sup>1</sup>, Edward Davey, Mark Dawson, Sally Denham, Geoff Foster<sup>3</sup>, David Gait, Shirlene Goldsbrough, Alex Jacobs, Rizwana Khan, Anne Lloyd, Isobel McConnan<sup>3</sup>, Jabulani Ncube, John Richards, Tim Robinson<sup>1</sup>, Catherine Royce, Robin Stafford, Martin Whiteside, Bryan Zhang, Tricia Zipfel<sup>3</sup>.

## Principal Professional Advisers

---

Oxfam's principal professional advisers include the following:

<b>Principal Clearing Bankers:</b>	The Royal Bank of Scotland Group, 9th Floor, 280 Bishopsgate, London EC2M 4RB.
<b>Auditors:</b>	PricewaterhouseCoopers LLP, 80 Strand, London WC2R 0AF.
<b>Principal Solicitors:</b>	Blake Laphorn Tarlo Lyons, Seacourt Tower, West Way, Oxford OX2 0FB; Weil, Gotshal & Manges, One South Place, London EC2M 2WG; Wragge & Co., 55 Colmore Row, Birmingham B3 2AS.

## Corporate Management Team

---

Oxfam's Corporate Management Team (CMT) comprises:

Chief Executive:	Dame Barbara Stocking, DBE
Campaigns and Policy:	Phil Bloomer
Finance and IS:	John Shaw
Fundraising:	Cathy Ferrier
Human Resources:	Jane Cotton
International:	Penny Lawrence
Trading:	David McCullough
Company Secretary:	Joss Saunders

---

<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

## **Our purpose: Oxfam works with others to overcome poverty and suffering<sup>1</sup>**

### **Who we are**

Oxfam is an independent organisation, registered as a charity, affiliated to Oxfam International, with partners, volunteers, supporters and staff of many nationalities. We are all part of a global movement to build a just and safer world.

### **What we do**

We are a catalyst for overcoming poverty. To achieve the greatest impact, we work on three interlinking fronts:

- saving lives by responding swiftly to provide support and protection during emergencies;
- developing programmes and solutions that empower people to work their way out of poverty;
- campaigning to achieve lasting change.

### **Our beliefs**

We have five fundamental beliefs that underpin our work:

- All human lives are of equal value. Everyone has fundamental rights, which must be recognised and upheld at all times.
- Poverty makes people more vulnerable to conflict and natural disasters. Much of this suffering is unnecessary and must be relieved. We must work with others to respond with the most appropriate and effective solutions.
- People's vulnerability to poverty and suffering is increased by unequal power relations based on, for example, gender, race, class, caste, and disability. Women, who make up the majority of the world's poor people, are especially disadvantaged. Unequal power relations must be addressed wherever they occur.
- In a world rich in resources, poverty is a morally indefensible injustice, which must and can be overcome. Poverty, vulnerability and suffering are not pre-ordained events. All too often, poverty is the result of decisions made, intentionally or unintentionally, by those in power. It is vital to challenge and remove unjust policies and practices nationally and internationally.
- With the right resources, support, and training, people living in poverty can solve their own problems. We all have a personal responsibility to work together to overcome poverty and suffering.

### **Our approach**

All our work comes from a rights-based approach. To overcome poverty and suffering we work to ensure that the rights of women and men are fulfilled and protected. Our programme is focused within five aims:

- Right to a sustainable livelihood
- Right to basic social services
- Right to life and security
- Right to be heard
- Right to equity: gender and diversity.

We may focus on a specific aim, but we know that poverty is experienced through a range of issues and will not be eliminated by addressing just one of them. The causes of poverty are often national or global, so we work at all levels from global to local, with international governments and global institutions and with local communities and individuals.

We are committed to the principle that whenever possible we should work with or through partners to support self-reliance, not dependency. This is true in all areas of our work. However, in our work during emergencies, because of the extreme and urgent nature of these situations, we tend to work more directly, providing humanitarian assistance through our own staff (e.g. to provide water and sanitation to refugees).

Oxfam works in more than 70 countries in eight regions (see page 6), which we believe gives us a greater understanding of the main causes of poverty and suffering, and enables us to have a greater impact.

Oxfam (also known as Oxfam GB) is a member of Oxfam International (OI) – a global confederation of 13 independent Oxfams.

<sup>1</sup> The full statement of the charity's objects can be found as a PDF at [www.oxfam.org.uk/about\\_us](http://www.oxfam.org.uk/about_us)

---

## Chair's Introduction

---

This annual report highlights, once again, the important contributions Oxfam has made throughout the world in working with others to overcome poverty and suffering. Looking back over the year, while we have not experienced a large-scale crisis such as the South Asian tsunami, which shaped Oxfam's work over the previous two years, or a single campaign such as *Make Poverty History* in 2005, the problems facing poor people are even more chronic, and our role of keeping poverty on everyone's agenda is even more important.

Demanding that all governments keep the promises made in 2005 on aid and debt relief has been an ongoing focus for Oxfam and for all those campaigning to end poverty. The need for the day-to-day work of promoting core rights for poor people continues, and, in fact, is more significant than ever. These include the right to sustainable livelihoods, basic social services, life and security, to have their voices heard, and to be treated with equity.

Increasing climate change, for instance, is resulting in more frequent natural disasters – demanding more rapid and constant humanitarian responses. Oxfam has expanded its work – both through the provision of immediate relief, such as in the aftermath of Cyclone Sidr in Bangladesh, and also through global campaigning to highlight the links between climate change and poverty, and to work towards a new UN global agreement on climate change.

As a consequence of political instability and war, whether in Afghanistan, Chad, the Darfur region of Sudan, the Democratic Republic of the Congo, or the Occupied Palestinian Territories, the links between conflict and poverty are increasingly more apparent. Oxfam has helped those affected to have basic water supplies, food, and sanitation, while also campaigning to bring attention to how such conflicts affect the lives of poor people, and helping them to rebuild their lives and livelihoods when peace returns.

Greatly increasing food and fuel prices are threatening the basic needs of growing numbers of people. Oxfam has responded to this by increasing its work on livelihoods, campaigning for basic services, and for trade and agricultural policies, which are fair and just. We are also advocating the need for change in agricultural production methods and investment.

As Chair of Oxfam, I continue to be amazed at the capacity of Oxfam staff, partners, donors and volunteers to respond

quickly and constantly to these ongoing, multiple conflicts and crises. It is indeed gratifying to know that behind so many headlines, from so many places and on such diverse issues, Oxfam is there and is making a difference. Our reach is immense, whether through ongoing dialogue and advocacy with top national and international policy makers, or on the ground, with partners, grassroots movements, and community-based organisations. I hope this annual report will help to give you a better insight into the many ways that these achievements have come about.

In addition to a focus on *what* we do, much of the attention of the organisation and of the Trustees this year has been on *how* we do it. International non-government organisations (INGOs) like Oxfam operate in a rapidly changing environment. As we demand greater accountability of governments and those in the private sector to respond to issues of poverty, so we ourselves must be increasingly transparent and accountable. As more funds go to international aid, there is growing pressure to be able to demonstrate results. As new players, such as large new foundations, social philanthropists, or corporations begin to pay attention to poverty issues, so Oxfam must show what it can deliver through partnership or alone. And as the centres of power in the world change, with the growing influence of places such as China and India, Oxfam must think about how it repositions itself in alliance with others to continue to be agile and effective.

We have responded this year to changing terrain in at least three important ways:

- **First is our work on Oxfam's own accountability and transparency.** For Oxfam, accountability is important in itself: it is one of our values. It also strengthens our legitimacy and impact, and is vital to fulfilling our mission. In December 2007 we published our first-ever 'Accountability Report', a companion to the Annual Report, which describes more fully how we hold ourselves to account, and how we can be held accountable by others – our partners, staff, donors and volunteers. While we still have a long way to go to be fully accountable to our primary stakeholders – women and men living in poverty – as well as others, the Accountability Report is one of the first and most far-reaching attempts by an INGO to be more transparent about these issues. (An annex updating our accountability efforts is included in this report.)
- **Second is our work on partnership.** Partnership with others is critical to how Oxfam delivers its strategy, and to how effective we can be in solving poverty issues. In its development, humanitarian and

campaigning work, Oxfam works with thousands of other partners around the world. During the year, following extensive consultation with staff and these partners, we established an organisation-wide Partnership Policy, which lays out clearly the principles which will underpin how we develop working relations with an increasingly wide and diverse set of people, organisations, and partners – from villages and small communities to governments and the private sector.

- **Third is our work to build an international poverty movement through Oxfam International and our alliance with others.** In much of our work, Oxfam GB does not work alone. Rather, we work with others, and especially with our 12 Oxfam affiliates through the confederation known as Oxfam International. This year has seen increased collaboration and growth through Oxfam International. In India, for instance, Oxfam GB supported the creation of a new member – Oxfam India, which will be led by an Indian Board and staff, and is expected to become a new affiliate in Oxfam International. The Oxfam International Board and staff are also exploring how, in response to a changing

world, we will continue to develop our growth and governance strategies for greater global impact.

As always, Oxfam's work towards relieving poverty and suffering around the world depends on the work and commitment of hundreds of thousands of staff, donors, volunteers, partners, and others in the United Kingdom and worldwide. As Chair, may I say again a big 'thank you' to all of you for helping to strengthen Oxfam's capacity to make a difference. Even though 2007/08 was not a year of poverty 'headlines', the constant and chronic crises and conflicts that we face in our times make your contribution more important than ever.



John Gaventa  
Chair of Oxfam

## Oxfam Reports

### Accountability Report Update

The Annex to the Annual Report & Accounts, which is not subject to audit, sets out the progress made against the targets stated in the 2006/07 Accountability Report and identifies changes that may have occurred during 2007/08. The 2006/07 report can be found at:

[www.oxfam.org.uk/resources/accounts/downloads/3430\\_accountability\\_report\\_web.pdf](http://www.oxfam.org.uk/resources/accounts/downloads/3430_accountability_report_web.pdf)

### Other reports, which are not subject to audit, can be found on our website:

#### Annual Review

The story of Oxfam's work during a year, told by staff, volunteers, partners, and people who are working their way out of poverty. Published in November.

#### Summary Oxfam GB Strategic Plan for 2007–2010

A summary of our strategic plan, which explains the aims we are working towards and what we want to achieve over these three years.

#### Oxfam International Strategic Plan 2007–2012

The Oxfam International Strategic Plan, which sets out the 'change goals' that Oxfam affiliates will work to achieve over these six years.

---

## Objectives and Activities

---

### Programme Overview

In 2007/08 Oxfam began implementing its three-year strategic plan, making progress in a wide range of humanitarian, development and campaigning work. We have analysed with partners and poor communities the opportunities for change for each country programme within the strategic plan, to come up with an agreed National Change Strategy, which articulates our distinctive focus and identifies resource and skills gaps, such as advocacy capacity or understanding of the private sector.

A major step in framing our future perspectives has been articulated at an organisational level through the Oxfam report 'From Poverty to Power: How Active Citizens and Effective States can Change the World'. It has brought together the results of Oxfam research and consultations with partners and staff into an accessible and widely distributed book and other products.

The following section is a report on each of Oxfam's five aims. For each aim in 2007/08 we agreed specific objectives, targets and programmes within our eight regions of operation<sup>2</sup>. The relationship between the expenditure on these aims and the expenditure on our three main charitable activities (humanitarian, development, campaigning and advocacy) is expressed in the table set out in Note 3c of the accounts section.

### **AIM 1 RIGHT TO SUSTAINABLE LIVELIHOOD**

The primary focus of our work in this area is to ensure the rights of people to have food and income security that is sustainable – for their future, and for the environment. Our priority is to work, with others, to shift power imbalances in local, national and international markets, which are the fundamental cause of poverty for millions of people.

This involves building the capacity of poor farmers and workers to participate in markets, and campaigning to change trade rules in favour of poor people.

For this year, the key objectives were to:

- continue delivery of **agriculture scale-up** programmes in Honduras, India and Tanzania;
- continue to **empower farmers' and workers' organisations** in at least 11 countries;

---

<sup>2</sup> Oxfam's regions are East Asia; South Asia; Southern Africa; West Africa; Horn, East and Central Africa (HECA); South America; Central America, Mexico, Caribbean (CAMEXCA); Middle East, Eastern Europe and the Commonwealth of Independent States (MEEECIS).

- participate strongly in the **climate change and poverty** debate;
- increase the resilience of vulnerable people through **disaster risk reduction strategies** in 14 programmes;
- further develop and deliver the **Private Sector Strategy**.

The **Global Agriculture Scale-up** Initiative has progressed with the three country teams implementing and developing projects. The Honduras programme has met its targets for increased numbers of beneficiaries and demonstrated its strength in advocacy and mobilisation. The programme influenced changes in national policies on issues such as credit and access to land, which helped settle more than 800 land and credit conflicts in favour of smallholders and a partner network has secured a US\$5 million credit fund to support grain production. In India, there is ongoing implementation of five projects in four states, with positive outcomes in terms of mobilising producer groups, a diversification of activities and women's economic development. Tanzania's programme, which began during the year, will have a strong emphasis on women's economic leadership and the development of partnerships and implementation arrangements is underway.

However, despite the progress to date, we recognise the need to strengthen market orientation, entrepreneurship, private sector linkages, monitoring and evaluation and advocacy by providing appropriate support and resourcing in each country. Ensuring women's economic leadership is embedded in Agricultural Scale-up also poses challenges in terms of strategy, ways of working and resourcing.

Our work to **empower farmers' and workers' organisations** has taken place in more than 11 countries. We have published 'Producer Organisations: A Practical Guide' and established a new programme – the Enterprise Development Programme – aimed at scaling up small businesses through philanthropic funds from individual UK investors. We are also now seeing stronger producer organisations influencing government. For example, in El Salvador the municipal government has licensed a producer-owned trading company to develop a new wholesale market that will primarily market smallholder produce.

Our work on organic farming and Fair Trade has progressed well and provides opportunities for expansion and engagement with business. For example, in the Mali cotton programme three new organic Fair Trade cotton farmer co-operatives have been established, while partners are supporting up to 200 cotton farmer co-operatives.

In Brazil, pilot projects are creating new local market opportunities for small producers – especially organic products – through open markets in large and medium-size cities in the Northeast region. The 'March of the Margaridas' mobilised over 30,000 rural women from all regions, demanding policies to secure their livelihoods.

In our campaigning on **climate change and poverty**, we have worked hard this year to highlight the human impact of climate change and emphasise that the world's poorest people are least responsible for causing climate change yet are the first to experience it and are the worst affected by it. We positioned ourselves as key actors on the issue through public campaigning on the need for rich countries to provide substantial resources to support poor people to adapt to inevitable climate change. At the Bali UN climate negotiations we helped build the assertiveness of negotiators from developing countries, lobbied to influence decisions on the governance of the UN's Adaptation Fund, and highlighted the impact of climate change on poor people through popular campaigning and media work across the world.

Across Oxfam, **Disaster Risk Reduction** is now widely understood as a critical bridge between humanitarian and development programming and Disaster Risk Reduction Strategies have now been adopted in 15 countries. All regions are expanding the Disaster Risk Reduction component of their overall programme, and the allocation of 'seed funding' grants to selected countries is encouraging innovation. For example, in Niger we have improved our analysis of risks to food security in programme areas and integrated indicators of resilience into the country programme's monitoring and evaluation framework. In India our advocacy has led to improved district-level early warning and disaster management systems for floods. In Guatemala, pilot projects have enabled us to identify innovative approaches for reducing vulnerability in urban environments.

Some of our humanitarian responses have introduced measures to reduce people's vulnerability in the longer-term. Preparing communities for floods in Bangladesh enabled a swift response to Cyclone Sidr in November. Our subsequent programme focused on improving public health facilities and knowledge to reduce the impact of future flooding events. In Nicaragua, communities affected by Hurricane Felix received training in agricultural and land management techniques to protect their crops from hurricanes and thereby increase the resilience of their livelihoods. The challenge now is to implement these nascent strategies into all our humanitarian responses.

We are increasingly considering the role of the **Private Sector** when developing our programmes. In South Asia, for example, Sri Lanka has over 20 different types of private-sector engagements, while in India we completed a trends analysis of the Fast Moving Consumer Goods and Retail sector with a corporate consultancy, which led to research, using the poverty footprint methodology, with a major national company.

Oxfam worked on the first in a series of 'Briefings for Business'. Further briefings are planned for business on topical issues related to poverty. Research into the Finance sector is underway and the role of the private sector has been a major part of the development of the 'Climate Change' campaign.

## **AIM 2 RIGHT TO BASIC SOCIAL SERVICES**

Our aim is to ensure people's right to basic social services such as education, health care and water – in particular, ensuring quality basic education for girls and supporting the prevention and treatment of HIV and AIDS, and care for people living with HIV.

For this year, the key objectives were to:

- ensure **aid and debt relief** agreed in 2005 were delivered through Essential Services campaigns;
- campaign through partners for increased southern government **budget allocation** for education and health in at least four countries and user fees abolished in at least two countries;
- deliver programmes to increase access to **quality education** in five regions;
- deliver a minimum of seven programmes which focus on **HIV and AIDS**.

The **debt relief** deal agreed in 2005 is being met, but in most cases the promised **aid increases** are failing to materialise. We are continuing to lobby for delivery of the promised funds. Oxfam worked extensively on the German G8 in 2007, where Chancellor Merkel announced an increase of €750 million in foreign aid each year for four years. An independent impact evaluation of Oxfam's work demonstrated that we had a significant influence on this decision. We also worked closely on the UK Government's Comprehensive Spending Review, helping to secure an 11 per cent annual increase from DFID for three years, keeping the UK on track to meet its 2005 promises. We contributed to these projects with the Global Call to Action Against Poverty (GCAP) and the Global Campaign for Education (GCE). We were present at the annual and spring meetings of the World Bank, where again we were successful in drawing



---

media attention to the failure of the G8 to meet its promises, and the need to accelerate debt relief for those countries which have yet to receive it, including Burundi and Haiti.

By supporting partner activism, achievements were made in at least four countries in growing **budget allocations** for health and education. For example, in India the '9 is Mine' campaign has seen the current United Progressive Alliance government set a target of allocating nine per cent of Gross Domestic Product to health and education in India's 11th Five-Year Plan. Increased budget allocations to basic services in Tanzania now account for over one-third of the total government budget; education alone accounts for 18 per cent. Campaigning by partners in Kenya continues to push up government allocations for education, which this year grew to encompass grants for secondary education with equitable distribution for children with special needs. Budget increases and the abolition of user fees for some or all primary health services have also been announced in Ghana, Haiti, Mozambique, Nepal, Sudan, and Zambia. Partners started new work this year in Georgia, Malawi, and Mali, as focus countries of Oxfam's 'For All' campaign.

The implementation of the **education programme** continued in six regions focusing on gender equality, the role of the local community in school governance, civil society participation in influencing policy and monitoring budgets, quality education for pastoralists, post-conflict education and HIV prevention. The programme assists the most marginalised and excluded communities – particularly women and girls, indigenous people or ethnic minorities, and pastoralists. A new education programme is being developed to assert the voice of poorer citizens in improving the quality of public services in Mali.

Oxfam delivered programmes focusing on **HIV and AIDS** in seven countries. In Angola 480 peer educators received training in HIV and AIDS education and awareness in three rural districts, with the expectation that they will spread life-saving messages about HIV to 48,000 people, minimising the spread of the disease, encouraging people to come forward for testing and treatment and dispelling myths and prejudices surrounding the disease. In Zambia a workshop with former African heads of state was organised to put the pandemic on the agenda of the region's political leadership. There are also 2,000 households in Zambia that have benefited from the Oxfam HIV and AIDS and livelihoods programme over the last year, ensuring income and nutritional support for the most vulnerable people. In India our programme has increased awareness of HIV prevention and access to treatment, condom use and access

to public health for reproductive health services, especially for young women. The programme reached out to more than 952,000 beneficiaries through more than 7,500 peer educators. The programme in India also produced a movie on HIV for young people, called 'Bewaqt Baarish' or 'Untimely Rain', which will be broadcast on national television.

### **AIM 3 RIGHT TO LIFE AND SECURITY**

When a conflict- or disaster-driven crisis strikes, we aim to ensure that people have a right to assistance and protection which is accountable to them. Oxfam is the leading NGO in public health (water, sanitation, and hygiene promotion) and a leading agency in emergency food security and livelihoods. We ensure that the assistance we offer takes gender dynamics and threats to people's lives and security into account. We also influence humanitarian work and thinking beyond our own responses, to demand that governments and agencies live up to their responsibilities to protect civilians and to improve the quantity and quality of humanitarian assistance delivery as a whole.

The objectives for this year were to:

- increase commitment to sustained water, sanitation and **public health work** in at least ten key emergency response and post-crisis countries;
- continue to demonstrate **improvement in accountability** to those affected by crises in five key humanitarian programmes;
- continue the '**Rights in Crisis**' **campaigning** work to ensure:
  - that the 'Control Arms' campaign achieves significant endorsement of the Arms Trade Treaty at the United Nations;
  - increased humanitarian aid, including agreement on a larger, faster UN;
  - Central Emergency Response Fund;
  - greater UK commitment to 'responsibility to protect', ethical foreign policy and greater concern for conflict prevention and resolution.

This year over 2.8 million people have benefited from Oxfam's humanitarian work. We have continued to provide assistance in acute emergencies. In Darfur and Eastern Chad over 4.5 million people are in need of humanitarian aid, with 2.5 million people living in difficult and dangerous conditions and overcrowded camps. We have been responding to the emergency since early 2004 and continue to help more than 500,000 people. In the Democratic Republic of Congo, where renewed violence forced an estimated 370,000 people to flee their homes, water-borne diseases posed a

real threat, so we provided water and sanitation facilities by repairing and expanding water supply systems in host communities and for those returning to their villages. This directly benefited 500,000 people. In perhaps the most acute forgotten crisis in the world, Somalia, we helped 120,000 people by working with partner agencies made up of dedicated local people with local expertise. Nearly nine million people were thought to have been affected by Cyclone Sidr, which battered coastal areas of Bangladesh in November. We supported work to deal with the immediate aftermath, disposing of animal carcasses, clearing ponds and cleaning up houses. Through this work and helping people to recover after the crisis, we reached 240,000 people.

These are only a few examples of our work; we also responded to many other smaller disasters, more localised, but no less significant for those affected. Our humanitarian responses to the impact of the new violence in Lebanon, flooding in Sudan's Red Sea State, last summer's cold snap and earthquake in Peru, outbreaks of typhoid in Tajikistan and Hepatitis E in Uganda, the earthquake in Chile, floods in Bolivia, cholera in Angola, floods in Zambia and Mozambique, and political violence in Kenya were all managed well by established country teams, supported from the centre with additional staff and funds. In Indonesia the PRIME team (Preparedness, Response & Influence, a Model for Emergencies) dealt effectively with a range of disasters including volcanic eruptions, floods, landslides and earthquakes from Sumatra to Maluku.

Many of these humanitarian programmes take place in extremely difficult environments where there are frequent car-jackings, kidnappings, and robberies, as well as demoralising restrictions on access, and mounting costs. The tenacity, creativity and good humour of our staff in these circumstances are awe-inspiring. There is good news though, and it is encouraging to report that, for example, in Aceh the tsunami programme is winding down, and we are now supporting long-term development initiatives in the area. We hope for more such success stories in the future.

The scale and scope of our **public health** work has grown significantly during 2007/08, as we engaged in new and creative initiatives. For example, we began a three-year drought management initiative in Kenya and took the lead role in working with newly re-established government departments on large-scale projects to restore water supplies after the conflicts in Liberia and Sierra Leone. In Bangladesh and East India we undertook programmes to improve water supplies following flooding and to reduce the impact of future disasters. Although achievements

have been made in the countries highlighted above, we did not meet our objective of working in at least ten key countries. Progress in other countries has been much slower than expected and in many we are still in the process of developing public health strategies.

We know that one of the main hallmarks of a successful programme is the extent to which it is accountable, not only to the organisation and our donors but to those people who have had their lives turned upside down by a disaster and who we seek to help. For this reason we are working to improve this kind of **accountability**. We have adopted an Accountability Framework, an Open Information Policy, a Complaints Policy, and a Humanitarian Accountability Matrix that maps the way to greater accountability in our programmes. For more information, please see the Accountability Annex.

Throughout 2007/08 Oxfam continued its '**Rights in Crisis**' campaigning. On the Arms Trade Treaty, successful campaigning through our 'People's Consultation' ensured the highest ever response to a UN Secretary General's consultation, with over 100 submissions received (the average is ten).

Drawing on our research and programme experience, we have been advocating at the UN and with major international donors for increased and more timely humanitarian funding which reaches countries according to the level of need and not according to political preferences or media coverage. There are signs of improvement: government humanitarian aid budgets are tending to increase, and the UN Central Emergency Response Fund (CERF) has grown, with donor contributions for 2008 reaching \$431 million by June 2008. The CERF has been able to allocate resources successfully to neglected crises, though it still needs to speed up disbursements. We are also monitoring other 'pooled fund' initiatives in a number of countries to see if they are really delivering benefits on the ground. In addition, we have lobbied for necessary improvements in the UN's role in disaster relief coordination, which must better incorporate NGOs.

We have maintained our work on **Responsibility to Protect**, including in specific conflicts. For example, over the year, Oxfam has been active in advocating for better protection and improved humanitarian assistance for civilians in conflict-affected countries, such as Afghanistan, Iraq, the Occupied Palestinian Territories, and Somalia. We have been giving increased attention to the Democratic Republic of the Congo (DRC), where millions of people

---

continued to suffer as a result of conflict and extreme deprivation. Our international lobby effort at the UN and in key capitals has been influential in securing stronger peacekeeping forces in the country and greater engagement by the international community.

In Autumn 2007, we stepped up our advocacy work on humanitarian, development and international aid issues in Afghanistan. We published a number of communications during the year and as a result Oxfam has become a significant voice on humanitarian and development issues in Afghanistan.

In the UK there has been little significant progress on most of these crises, mainly due to lack of prioritisation and obstacles in achieving consensus in the UN.

#### **AIM 4 RIGHT TO BE HEARD**

We work towards achieving people's right to be heard as an integral part of all our programming. Under this specific Aim, we focus on helping people and communities to have greater influence and control over the decisions affecting their lives, and on promoting policymaking that considers the needs of people living in poverty. We seek to strengthen civil society organisations and increase government capacity to deliver equitable and accountable governance to poor and marginalised citizens.

For this year, the objectives were to:

- increase civil society partners' capacity to hold **government to account through budget monitoring** in at least six regions;
- increase the capacity of six southern **GCAP coalitions** to campaign for **essential services**;
- strengthen the voice of **marginalised men and women** to demand their rights.

We have been working with partners to **monitor government budgets** and expenditure in nearly every region of Oxfam, and it is delivering tangible results. For example, in Afghanistan, monitoring the education budget has contributed to the government adopting recommendations, including those related to the provision of female teachers, in the National Strategy for Education. In Nicaragua, civil society participation in budget formulation has now been legally formalised in 15 municipalities and two districts of the capital city. In Honduras 41 municipalities are the focus of civil society advocacy on budgets, and another 21 have been socially audited.

Oxfam has continued to support the **Global Call to Action Against Poverty (GCAP) coalitions** in more than six countries through funding, co-ordination and leadership. These coalitions have grown in strength and worked with the UN Millennium Campaign to mobilise a record 47.3 million people in 27 countries on 17 October 2007 to stand up and speak out on poverty, including the need for essential services. Lobbying of senior politicians, including heads of state and finance ministers, took place in 30 countries. Individual coalitions have achieved a higher profile as civil society representatives in dialogue and advocacy with governments, with some notable successes. For example, GCAP Bangladesh was instrumental in Bangladesh refusing an International Monetary Fund policy instrument that would have reduced sovereignty on fiscal policy. GCAP in India has been able to influence budget discussions on health and education and position itself as one of the leading civil society organisations on health and education for all. GCAP is also providing opportunities for civil society to take effective action in some of the more challenging contexts, for example, Somalia, where it was able to use a rare opportunity to lobby the Prime Minister.

There was significant progress in some countries in direct participation by **marginalised peoples** in national and international government processes. In Nicaragua Oxfam supported indigenous people to engage with government on issues of food security, territorial rights, and economic activities. In Brazil we enabled indigenous people to participate in negotiating the American Declaration of the Rights of Indigenous Peoples and the UN Declaration on the Rights of Indigenous Peoples. A major success was seen in Bolivia after 12 years of supporting the Chiquitano people in their struggle for land rights. This culminated in the granting of communal land title for over one million hectares of ancestral lands. In Guatemala, with Oxfam's support, there has been a significant increase in the ability of indigenous communities and their organisational structures to handle and solve conflicts; for the first time a forced disappearance case has been taken to court, and violence against women is becoming a public issue within indigenous communities. Work to strengthen the rights of marginalised peoples is also continuing elsewhere. In Somaliland the priorities of pastoral peoples are being integrated into the formal structures of decentralised governance, and representative pastoralist organisations are becoming stronger. We know that this type of work takes long-term commitment to come to fruition because it requires significant shifts in public and political attitudes and beliefs about the rights of marginalised peoples.

## AIM 5 RIGHT TO EQUITY (GENDER AND DIVERSITY)

This Aim focuses on achieving equal rights for women and men, based on our understanding that poverty affects women and men differently, and that the majority of people living in poverty and suffering are women. We also work towards this as an integral part of all our Aims (gender mainstreaming).

This year, the key objectives were to:

- continue the **campaign to end violence against women** in South Asia and initiate campaigns in three new regions;
- develop propositions and strategies on **women's leadership and political participation** and work on poor women's economic leadership;
- continue **gender mainstreaming** in all programmes in eight key countries.

Oxfam strengthened the 'We Can' campaign (a **campaign to end violence against women**) across six countries in South Asia. Our target this year was to mobilise a million 'change makers' – men and women – to actively encourage more positive attitudes and behaviour towards women in their own communities. Over a million change makers have been mobilized and the campaign continues to grow in the six countries.

We completed a major impact assessment of the first phase of the campaign in India, and the results were encouraging. The assessment provides robust evidence of the positive impact of the campaign on change makers, with quantitative and qualitative data depicting growth in awareness of violence against women, changes in thinking and shifts in key attitudes around gender equality, gender roles and women's status. The 'We Can' campaign is starting in four countries in one region – Democratic Republic of Congo, Kenya, Tanzania, and Uganda in our HECA region. Alliances have already been formed in three countries, and launch plans are progressing. Oxfam Novib, with support from Oxfam GB, has initiated plans for launching 'We Can' in Indonesia and Latin America, and Oxfam Novib, in conjunction with Oxfam Québec, will initiate the campaign in Niger, West Africa.

Programme work to strengthen **women's participation and leadership** in national and local government continued to grow in Cambodia, Chile, Haiti, Honduras, and Sierra Leone. In Israel, the UK, and other countries there was a focus on strengthening women's participation and leadership in

civil society to ensure that policymakers heard and acted on women's rights issues. Oxfam published a 'Programme Insights' series, documenting experiences of women's participation and leadership from eight programmes around the world. From this publication we developed a proposition on women's participation and leadership which sets out Oxfam's aims to challenge the structures that inhibit women's leadership, to support women to get into positions of leadership, and to influence female and male leaders to speak out on women's rights.

Oxfam aims to ensure that all of its programmes strengthen women's empowerment and gender equality by putting women's rights at the heart of its work and transforming the balance of power between women and men. In 2007/08 we prioritised supporting **gender mainstreaming** in eight key countries. This was reviewed during the year, culminating in an internal learning event on gender mainstreaming in December. The lessons that emerged from this exercise confirmed the critical importance of issues such as strong leadership, adequate resourcing and building staff capacity for successful gender mainstreaming. The outcomes are informing the development of a new vision and plan for gender mainstreaming for the next two years.

The Campaigns and Advocacy teams developed gender mainstreaming strategies for their various campaigns. The 'Climate Change' campaign launched a multimedia pack for its 'Sisters on the Planet' communications initiative to highlight the impact of climate change on women. The 'Rights in Crisis' campaign organised a visit by inspirational women leaders to the humanitarian crisis in Chad and to carry out subsequent high-level lobby work (at the UN and the EU) on women's rights and roles in conflict management and peacekeeping. The 'Essential Services' campaign developed analysis around the gender impact of budget support and aid delivery systems, which will inform lobbying in 2008/09.

Oxfam continued to support the women's movement by raising public awareness of the Africa Women's Protocol, a new regional instrument setting out women's human rights across Africa, and by pressing governments to ratify and make legislation appropriate to their particular country. Oxfam worked with partners to influence the UN Commission on the Status of Women in New York in February in discussions on the 'Financing of women's empowerment and gender equality'.

---

## **Developing Oxfam**

### **Improving programme quality**

Improving programme quality is fundamental to achieving greater and more lasting change and impact. This year, one of our key initiatives centred on improving our work with partners: Oxfam's Council of Trustees agreed a new Partnership Policy, which outlines the five principles that underpin Oxfam's approach to partnership, and to which we will hold ourselves, and will be held, to account. A new set of partnership minimum standards and good practice guidelines now inform how all staff throughout the programme work with partners. Ensuring that Oxfam's responsibilities in partnership are clear is a new key area of emphasis, and staff in all Regions are now responsible, in collaboration with partners, for ensuring that mechanisms are in place to hold Oxfam to account.

This was the first year of the phased implementation of the new Monitoring, Evaluation and Learning (MEL) system, designed to support reflection and learning about impact and improved programme delivery from local to global levels. (See Accountability Annex for more information.)

The creation of National Change Strategies was a key aspect of programme development during the year. Some were completed in 2007/08 and the remainder will be finalised in 2008/09, with the overall aim of ensuring that our programme choices and resource investments are informed by rigorous analysis and challenge, with key external stakeholders and clear strategies for change. Many countries have identified the growing importance of influencing national policy and practice, to have a greater and more lasting impact on the lives of poor people.

### **Developing our people**

We continued to invest in management skills, including running our 'Being an Oxfam Manager' course 13 times, with 230 staff participating. This included courses run in partnership with Regional staff in Nepal, Philippines, Sudan, Tajikistan, and Uganda. In our staff survey over 60 per cent of staff said they found the performance management system helpful for them personally, with particularly positive responses from most international Regions. Internal candidates filled 60 per cent of our senior management vacancies and 49 per cent of all reported vacancies during the year. This shows a considerable shift from the previous year as part of our strategy of 'growing our own'.

### **Encouraging empowerment with accountability**

As part of our approach to encouraging empowerment with accountability throughout Oxfam we have been working on simplifying our procedures so that all staff are clear on what is expected of them and the extent of their own decision-making. We have completed a full review of our Human Resources policies and procedures and implemented the revisions. We have also reviewed, updated and republished 'The Guide to Mandatory Procedures', a key document that brings together all procedures for our staff in the International Division. In addition, we have reviewed and streamlined the procedures for agreeing the 'sign-off' on our public statements related to our advocacy and campaigning work, which we will be implementing in 2008/09. Work on reviewing our Finance and Purchasing procedures has been delayed and will be concluded in 2008/09.

Being cost-effective is a key aspect of being accountable, and during the year our International Division developed a plan to improve cost-effectiveness, which is now being implemented and includes reviews of our Regional Centres.

### **Managing Oxfam's brand**

Following on from the communications strategy agreed last year, research with the British public showed that we needed to do more to create a stronger emotional connection and understanding of Oxfam's work. Creating this stronger connection should lead to more support, which is vital for us to overcome poverty and suffering. At the end of the financial year, Oxfam launched a new communications campaign to refresh its brand. This included TV adverts, posters and adverts on the London Underground, and a new-look website, all featuring bold, bright, inspirational colours and using the endline 'Be Humankind'. Building on learning from the launch and integrating this refreshed brand across all of our communications in the UK will continue in 2008/09.

### **Developing our role as an international organisation**

We introduced a positive action policy and guidelines to increase the diversity of our workforce, which is now being implemented in each Region and country. In the UK, the main focus is on increasing the proportion of black and minority ethnic staff; we have set challenging targets but are not yet meeting them. (See Accountability Annex for details.) Three of our six UK divisions met the targets, but Trading and Marketing were well below target. We introduced new posts to build our work with supporters from South Asian communities in the UK and to work with the UK-based black and minority ethnic media.

## Monitoring our carbon footprint

We measured our UK-based carbon footprint and set a three-year target to reduce it by 27 per cent from a 2006/07 baseline. Our total CO<sub>2</sub> emissions in 2007/08 were 13,996 tonnes, compared to 16,888 tonnes in 2006/07, which represents an encouraging reduction of 17 per cent in the first of the three years. Collecting data to measure our international carbon footprint has proved more challenging, but some progress has been made, and we expect to be able to set targets during 2008/09. We have made major investments in video conferencing equipment to reduce the need for air travel. (See the Accountability Annex for more information.)

## Building a mass movement of public support

We worked throughout 2007/08 towards our stated ambition to build a mass movement of public support in the UK. In addition to the 850,000 people who supported us financially, 127,000 were recruited at festivals. We undertook high-profile popular campaigning at both the G8 and in the first 100 days of Gordon Brown's premiership. Oxfam remains a leading participant in the Stop Climate Chaos coalition, and has contributed 100,000 signatories to their 'I Count' petition, which calls upon the UK government to work towards an international agreement to cut climate pollution and to help the poorest countries gain access to clean energy.

## Improving accountability to all stakeholders

In December 2007 Oxfam published an 'Accountability Report' for the first time. The report set out our responsibilities to our different stakeholders and how we go about delivering on them. This included providing evidence on how we respond to issues raised by stakeholders and describing redress mechanisms when we get it wrong.

The report was based on the accountability standards of the Global Reporting Initiative (see [www.globalreporting.org](http://www.globalreporting.org)) and the International Non-Governmental Organisations Accountability Charter (IANGO). Our report recognised that our primary accountability is to people living in poverty, and key sections addressed our approach to being accountable to them in our humanitarian, long-term development and campaigning work. It also set out our plans for improving accountability over the period of our strategic plan for 2007/08 to 2009/10. Although we received positive feedback for taking the initiative in publishing the report, we recognise that we still have a long way to go to be fully accountable. We have included as an annex to this annual report an update on the progress we have made during 2007/08.

## Securing Resources

### From trading

The key objective for the year was to achieve income from Trading sales of £78 million. This was delivered (£77.7 million), despite a challenging retail environment. Sales of donated goods increased by over three per cent. Donations and sales of clothing were both supported by the Marks and Spencer's Clothes Exchange scheme and the launch of ethical boutiques, with the related public relations activities driving increased interest in the store network.

The rationalisation of the store network continued and resulted in a drop of three per cent in the overall number of stores by year-end. As a consequence of this rationalisation and management action, the impact of inflationary pressures on rent, fuel and utilities and the increased costs of closing shops were contained. As a result, the contribution from Trading activities increased by £1.3 million.

New ventures remained a priority for expanding longer-term income and centred on the implementation of the e-commerce strategy. During the year we integrated Oxfam Shop Online into Oxfam GB's website. We offered the new product catalogue alongside our existing Unwrapped sales and took initial steps to include donated sales from parts of the store network. The first few months of trading online shows that there is real potential for future income from our unique range of donated products, but as the only charity with such an online shop we are having to break new ground for the sector, which is time consuming. Our small-scale community fundraising initiatives have engaged lots of new supporters for Oxfam, but we now need to develop our institutional capability to turn this support into significant income.

Additionally, Oxfam began the development of a new Gift Aid recovery platform intended to increase the income from sales of donated goods. We intend to roll out this capability in stores during the coming year.

### From institutions

*This includes income from governments and other public authorities, the Disasters Emergency Committee (DEC), the Department for International Development (DFID), the Programme Partnership Agreement (PPA) Fund, and gifts-in-kind from institutional donors.*

---

Income from institutional donors reached £107.4 million – 11 per cent above the target of £96 million – with £98.8 million received in cash donations and £8.6 million in donation of gifts-in-kind. 41 per cent was allocated to humanitarian work, with the remaining 59 per cent for other forms of development and advocacy programming. Increases in core funding above our objective have been predominantly from the European Commission (EC) and its Humanitarian Aid Department (ECHO) (with total income of £25.0m), the Oxfam International Affiliates (£14.6m) and the UN agencies (£8.4m) – all of which we thank for supporting our work.

Oxfam maintains relationships with some of the world's leading and most influential donor agencies, both public and private, and we meet regularly with representatives of DFID, ECHO, the EC, and G8 government donors. We have accessed new funding mechanisms this year for the first time, such as DFID's global Governance and Transparency Fund, comprising a cross-regional portfolio, and a tender with DFID's Health Safety Net Programme in Kenya. We have also agreed to extend the PPA with DFID, which will be worth a total of £26 million over the next three years.

As part of our continuing aim to further diversify and expand Oxfam's funding base, we have also secured a first funding agreement this year with the Dubai government, which we also thank for its support.

## **From Supporters and the Public**

*This income includes income from regular giving, legacies, public donations, appeals, corporates, trusts, fundraising events and also donated goods and services.*

We have once again enjoyed the support of hundreds of thousands of individuals in the UK, both in financial support and campaigning actions in support of our work. £105.7 million was raised in 2007/08 from supporters and the public, driven largely by almost 500,000 individuals giving us a monthly donation, which totalled £59.0 million (including associated gift aid). A further 360,000 people supported Oxfam, either by giving a cash donation or buying from Oxfam Unwrapped. We received £11.6 million from legacy donations, £5.6 million from trusts and £2.0 million was donated by corporate partners. Our emergency appeals this year brought in £5.0 million from supporters and the public. In August we launched the South Asia floods appeal, which raised £1.4 million.

The £105.7 million raised was £9 million less than the target for 2007/08 of £114 million. There were two main reasons for not meeting the target. One reason was that the emergency appeal income was lower than expected due to the smaller number of humanitarian emergencies occurring during the year. The other factor was the decrease in Oxfam Unwrapped sales that resulted from a reduction in the virtual gift market at Christmas 2007.

## The Year Ahead

While we have clearly made progress in implementing our strategic plan in 2007/08, we have also put a lot of effort into developing National Change Strategies and gearing up our capacity in the countries where we work. During the year ahead, we have to concentrate our efforts to deliver these strategies and focus on the results, not only in terms of indicators and learning but also in terms of communication.

We need to continue to develop confidence and creativity in engaging with the private sector, especially in developing our agricultural value chain and climate change work.

In the year ahead, securing resources may well become more of a challenge, given the economic uncertainties in the UK. We will need to continue to be creative in the way we raise funds but also ensure that we invest wisely and are using our resources to greatest effect.

### Programme delivery objectives 2008/09

**1. With the significant increase in the number of disasters (mainly linked to climate change), increase the capacity of:**

- local staff and partners (including local government) to respond to emergencies;
- staff to move between emergency and long-term programming with ease;
- the communities themselves to reduce the risk of and from disasters.

**2. Increase Oxfam's support to enterprise development within poor communities and develop links to the private sector by:**

- continuing work on access to markets by delivering programmes in all Regions, with particular focus on Honduras, India, and Tanzania;
- piloting Enterprise Development Programmes in 11 countries;
- developing between four and six engagements with large-scale private-sector companies in Regions and in Oxford as a first step to influencing their practices.

**3. Create improved conditions for a pro-poor outcome to the international negotiations on climate change (which are due to conclude in December 2009) by:**

- showcasing best practice in adaptation in developing countries to convince rich-country governments and negotiators of the global systemic response needed;
- influencing emerging economies (Brazil, China, India, South Africa) and developing countries to be more assertive in negotiations on adaptation, technology transfer and justice on carbon reductions;

- lobbying European governments to work with the EC to develop a credible emissions reduction strategy and commit to ally with developing countries on their interests and commit to the multilateral process;
  - increasing public pressure on government and business to act urgently to reduce the impact of climate change in the run-up to the UN climate change conference in Poland in December 2008.
- 4. Continue to build on our success and develop our own expertise to ensure women's rights are at the heart of all we do by:**
- scaling up our successful programming to reduce violence against women;
  - continuing to build capacity on gender mainstreaming within our own organisation and partners, including changing attitudes and beliefs toward gender equality;
  - strengthening and expanding our work on women's political and economic leadership.
- 5. Finalise and implement National Change Strategies, to successfully manage change processes and start delivery with drive by:**
- completing National Change Strategy processes in all Regions;
  - developing in each country programme a realistic implementation plan that timetables the changes expected, the partner portfolio, resourcing requirements, and support needed;
  - providing effective change management and workforce planning support to those countries undergoing significant change processes, including skills development focusing on management, leadership, advocacy, and humanitarian skills;
  - linking National Change Strategies to the Global Campaign Force, and increasing skills and resources in 'key' and 'focus' countries to deliver national and globally co-ordinated action on corporate campaign priorities.



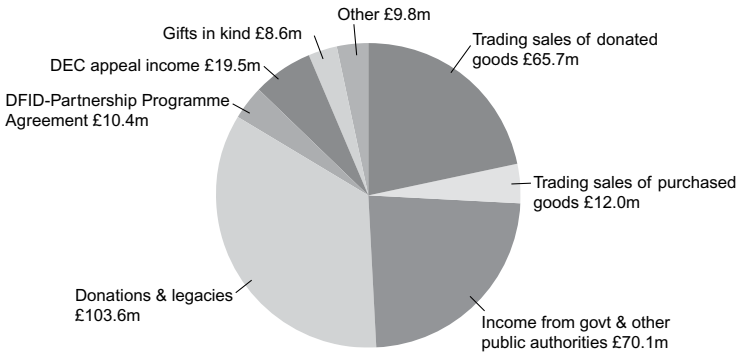
---

## Securing resources and developing Oxfam in 2008/09

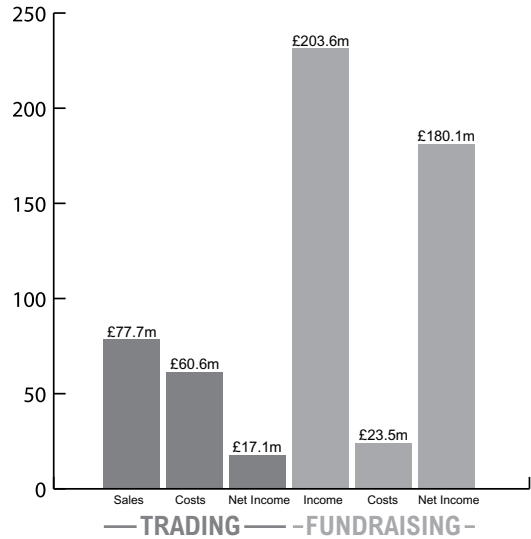
- 1. Develop our people to deliver organisational priorities, while recognising and responding to individual needs by:**
  - increasing focus on line management skills, especially at middle management level, and continuing to develop all our people;
  - investing in ‘growing our own’, with an emphasis on positive action to increase diversity;
  - supporting people management through successful implementation of the Human Resources GOLD project.
- 2. Achieve culture change through greater openness and honesty, keeping things simple, and a stronger focus on delivery and accountability.**
- 3. Develop the new supporter strategy to deepen supporter engagement, and encourage further action centred around a clearly articulated collective purpose by:**
  - integrating the brand refresh across UK activity to create a stronger connection and understanding of Oxfam across a wider section of the UK public;
  - implementing the Customer Relationship Management system to allow us to improve supporter relationships with Oxfam;
  - integrating UK supporter-focused campaign communications with Trading and Supporter Marketing communications.
- 4. Begin to move investment from current fundraising and supporter engagement models to future models by developing:**
  - criteria with which to assess investment in future models and scope out the level of investment required for them;
  - a vision for our use of digital media;
  - the e-commerce shop further to maximise new channel opportunities;
  - new fundraising approaches to capture emerging opportunities such as ‘New Philanthropy’ and ‘Community Fundraising’.
- 5. Achieve total income of £301.6 million.**
- 6. New actors in ending poverty, including business leaders, private philanthropists and global foundations, recognise Oxfam as a key player.**

Oxfam 2007/08: Where the money comes from and where it goes

Total Income £299.7m



Trading & Fundraising Net Income



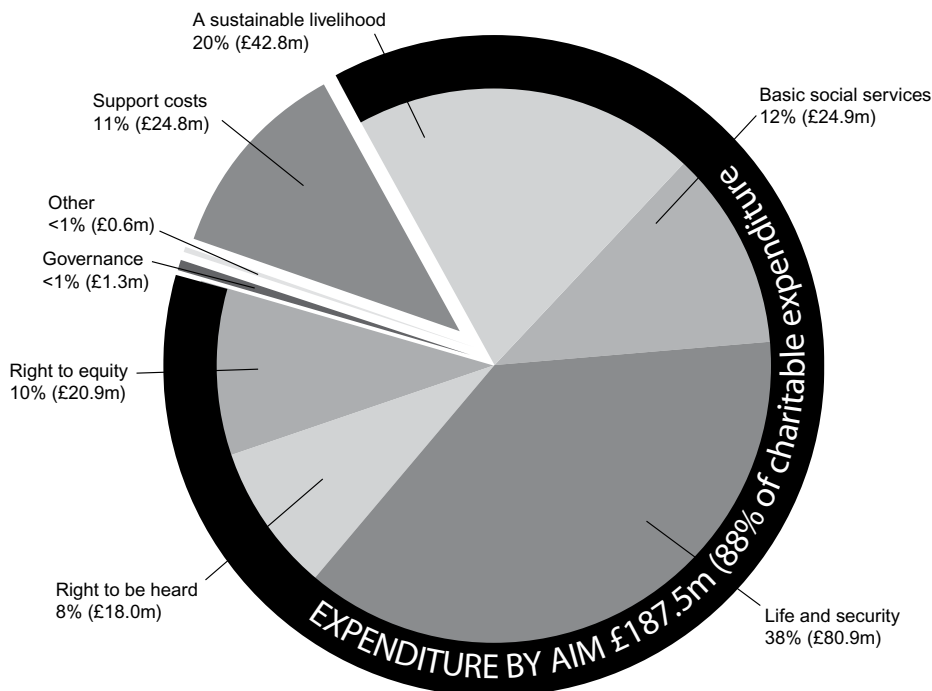
Trading & Fundraising Net Income £197.2m

Gifts in kind £8.6m

Other Net Income £9.7m

Total Net Income available for charitable application £215.5m

Charitable Expenditure £214.2m



## Finance Summary

### Income

Oxfam's total income increased by £9.0 million to £299.7 million in 2007/08. This income derives principally from the activities of trading and fundraising. Trading income grew by over 2 per cent and fundraising income (which includes both income from supporters and the public and institutional donor income) increased by over 4 per cent. Trading income represents 26 per cent of total income, which is a similar proportion to the last three years. The ratio of unrestricted to restricted fundraising income was 40:60, which again was similar to the past three years. A detailed analysis of income is shown in the consolidated Statement of Financial Activities (SOFA) and Note 2 to the accounts.

### Four-Year Analysis of Trading and Fundraising Net Income

	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m
Trading sales	71.5	74.7	75.8	77.7
Trading costs	(52.5)	(56.3)	(60.0)	(60.6)
Trading net income	19.0	18.4	15.8	17.1
Trading profit margin	27%	24%	21%	22%
Fundraising income	172.6	211.8	194.6	203.6
Fundraising costs	(18.6)	(20.8)	(23.9)	(23.5)
Fundraising net income	154.0	191.0	170.7	180.1
Fundraising net margin	89%	90%	88%	88%
Net income from Trading and Fundraising	173.0	209.4	186.5	197.2
Gifts-in-kind	5.0	12.2	14.6	8.6
Net miscellaneous income*	4.0	11.7	5.6	9.7
<b>Total Net Income in year</b>	<b>182.0</b>	<b>233.3</b>	<b>206.7</b>	<b>215.5</b>
Increase/(decrease) in funds	30.1	12.5	(6.5)	1.3
<b>Total Charitable Expenditure in the year</b>	<b>£151.9</b>	<b>£220.8</b>	<b>£213.2</b>	<b>£214.2</b>

\*This represents 'Other Incoming Resources' plus Primary Purpose Trading Income plus Investment Income less Investment Management Costs.

Trading sales increased by £1.9 million this year to £77.7 million. This represents continuing growth in sales of donated goods over the past four years and is a real achievement given the background of a challenging charity retail environment. Donated goods sales in the final quarter of the year were boosted by the additional volume and quality of goods received through the Marks and Spencer Clothes Exchange Scheme and by the public relations attention that this and other initiatives generated. In spite of inflationary pressures, overall trading costs only grew by 1 per cent during the year, such that trading net income increased by 8 per cent to £17.1 million. Other net income collected through the shops, but which is not included in trading income above, also increased by 4 per cent to

£4.6 million. Income from Oxfam Unwrapped sales at Christmas remained similar to the previous years at £3.0 million despite a decline in the charity gift market overall, and for the first time gift aid income was claimed on the unrestricted cash donations received through our shops.

Fundraised income increased by £9.0 million to £203.6 million. This growth was mainly driven by the 14 per cent increase in restricted income from governments and other public authorities and, in particular, from the 16 per cent rise in funding from the EU and the 30 per cent increase in income from other members of Oxfam International. Whilst unrestricted voluntary income (£82.1m) remained at almost the same level as last year, restricted voluntary income decreased by 8 per cent. This decline primarily results from the £6.0 million reduction in gifts-in-kind this year.

The cost of raising voluntary income, as shown in Note 3a, has decreased by almost 2 per cent to £23.5 million during 2007/08. Net fundraised income is £180.1 million, which is 5 per cent higher than last year, and the net margin is the same as last year's at 88 per cent.

Gifts-in-kind can fluctuate significantly, reflecting the scale and nature of emergency response in any year. This year's gifts-in-kind total of £8.6 million mainly represents food aid for Kenya and Zimbabwe.

The Primary Purpose trading includes the income received from the sale of humanitarian equipment and published materials and the income generated by the subsidiary micro-credit scheme in Azerbaijan.

'Other Incoming Resources' this year includes £1.7 million net income in respect of fundraising VAT claims; this primarily results from the 'Fleming' ruling in the House of Lords which removes the time limit for claiming refunds. It also includes a £1.7 million exchange gain that mainly relates to the retranslation of our bank balances held in Euros at the end of April 2008 and the £0.5 million retained profits brought forward into the year for the subsidiary micro-credit scheme in Azerbaijan, which had not previously been consolidated.

## Expenditure

The SOFA shows the analysis of charitable expenditure between charitable activities (development, humanitarian and campaigning and advocacy), governance costs and other resources expended. Total charitable expenditure has remained almost constant at £214.2 million. While unrestricted charitable spend has increased by over 5 per cent, restricted charitable spend has decreased by 3 per cent. This reflects the planned growth in unrestricted programme activity, which was made possible by the high level of general reserves brought forward into the year (see below) and allowed us to target resources into key priorities. The decrease in restricted expenditure was driven by a reduction of humanitarian work (which tends to be largely funded by institutional donors) due to the relatively small number of large humanitarian disasters in 2007/08. The amount spent on support costs during the year increased by £4.1 million or 19 per cent (see Note 3cvi). There are many one-off reasons for this increase, but they include the relocation of two of our Regional Centre offices, investment in building our humanitarian support capacity, developing an international human resource management system and exchange losses.

A further analysis of charitable activity expenditure, showing the operational activities undertaken by Oxfam and those undertaken by partners through grants from Oxfam, is given in Note 3c to the accounts. This note also includes an analysis of support costs across the different charitable activities.

The allocation of expenditure across the strategic aims of Oxfam, has changed as a result of the further reduction of emergencies work; compared to the peak of the tsunami work undertaken in 2005/06 when 49 per cent of spend was on 'Life and Security' work, we are now spending only 38 per cent on this Aim. The percentage spent on the Right to Basic Social Services has increased and partly reflects the move into more of the rehabilitation and reconstruction of essential services phase of some of the recent emergencies (for example, the post-tsunami and Pakistan earthquake programmes). The 2007/08 focus on putting women at the heart of all we do has resulted in a 2 per cent increase in the proportion spent on the Right to Equity. The relationship between our strategic aims and our charitable activities is also shown in Note 3c. The table below shows the proportion of charitable expenditure spent on each charitable aim.

	2004/05	2005/06	2006/07	2007/08
A Sustainable Livelihood	17%	17%	20%	20%
Right to Basic Social Services	11%	9%	10%	12%
Life and Security	44%	49%	44%	38%
Right to be Heard	8%	7%	7%	8%
Right to Equity (Gender and Diversity)	7%	7%	8%	10%
<b>Total</b>	<b>87%</b>	<b>89%</b>	<b>89%</b>	<b>88%</b>
Other charitable expenditure*	13%	11%	11%	12%
<b>Total Charitable Expenditure</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
	<b>£151.9m</b>	<b>£220.8m</b>	<b>£213.2m</b>	<b>£214.2m</b>

\* 'Other Charitable Expenditure' includes support costs, governance costs, and other resources expended.

Our cash balances have reduced during the year, partially driven by the reduction in unrestricted reserves, and were £68.3 million at the end of April 2008. As explained below, we plan to utilise our reserves, and hence cash balances, over the medium term. The cash is securely held in interest-bearing bank accounts, in accordance with our investment policy, and is being released for programme expenditure as required.

## Reserves Policy

The Council of Trustees has established a general Reserves Policy to protect the organisation and its charitable programme by providing time to adjust to changing financial circumstances. This limits the risk of disruption to the programme in the event of a downturn in some of Oxfam's various sources of income, or an unexpected need for additional expenditure. The Policy also provides parameters for future strategic plans and contributes towards decision-making. Oxfam's Reserves Policy establishes an appropriate target range for the level of general reserves; the target range for 2007/08 was established as between £33 million and £37 million. The range is based on a risk assessment of the probability and likely impact on Oxfam's charitable programme that might be caused by a decline in income, an inability to meet financial obligations, or an inability to reduce expenditure in the immediate short term. The Policy ensures a balance between spending the maximum amount of income raised as soon as possible after receipt, while maintaining the minimum level of reserves to ensure uninterrupted operation. The Policy and the target range are reviewed annually to reassess the risks and reflect changes in Oxfam's income, financial obligations and expenditure. The risks surrounding the pension liability have been taken into consideration when calculating the target range. 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. We comment on this year's reserves performance below.

### **General Reserves (unrestricted)**

General reserves are not restricted or designated for use on a particular programme – or for some other defined or designated purpose. General reserves decreased by £4.0 million during 2007/08, with the balance of general reserves being £44.6 million by the end of April 2008. This decrease reflects the planned increase in unrestricted programme activity during 2007/08, which was planned given the high level of general reserves brought forward into the year (caused by several one-off income streams in 2005/06). Our intention is still to bring general reserves back into the target range of £33 million to £37 million by the end of April 2009 by once again allowing unrestricted programme expenditure to exceed unrestricted income during 2008/09. General reserves are represented by net current assets and are equivalent to just over three months' unrestricted expenditure at 2007/08 levels.

### **Pension Reserves (unrestricted)**

The valuation of Oxfam's pension scheme at 30 April 2008, for the purposes of FRS17, showed a funding deficit of £13.0 million (2006/07: £20.1m), (see Note 20d). 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 £13.0 million deficit relates to future pension contributions. The valuation of the pension scheme's assets under FRS17 is different from the triennial actuarial valuation, which determines the pension contributions required to reduce the deficit. Current financial projections indicate that Oxfam will be able to make these contributions as they fall due. FRS17 requires a pension reserve to be established to meet the pension deficit. The defined benefit pension scheme was closed to new members during 2002/03.

### **Designated Funds (unrestricted)**

Designated funds are those unrestricted funds that have been allocated by the Trustees for particular purposes. The Designated Fund for Fixed Assets of £14.1 million (2006/07: £14.9m) represents resources invested in the charity's fixed assets (excluding investments), that are, therefore, not available for other purposes. The retained profits of the micro-credit scheme in Azerbaijan, which totaled £0.9 million at the end of April 2008 and whose accounts have been consolidated for the first time, have been set aside in a designated fund, as they are only available for use in Azerbaijan. Further

details of the Designated funds and their movements during the year are shown in Note 19 of the accounts.

### **Restricted funds**

These funds are tied to particular purposes, as specified by the donor or as identified at the time of a public appeal. They are not available for use in other Oxfam work. At the year-end, unspent restricted funds were £27.4 million (2006/07: £24.5m). The largest restricted fund balance of £4.7 million (2006/07: £7.5m) relates to Oxfam Unwrapped, which primarily represents income from the Christmas catalogue, which, in line with our policy, we intend to spend by April 2009, the end of the following accounting year. The restricted fund balance includes total deficit balances of £10.4 million. These deficit balances have arisen on projects where total expenditure has exceeded income; it is expected that the expenditure will be reimbursed by a government or other agency in the following accounting year (see Note 18 for further details).

### **Endowment Funds**

Endowment funds of £2.7 million (2006/07: £2.6m) represent monies received from donors where there is some restriction on the use of the capital (see Note 17).

### **Financial Position**

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

### **Investment policy and performance**

Oxfam has fairly limited investments. Our objective is to maintain high liquidity while ensuring maximum security, meeting our ethical standards and achieving the highest possible return. To meet this objective, during 2007/08 Oxfam has invested in fixed-term or call deposits with a high security rating and either fixed interest rates or a fixed relationship to base rate. During the year, the average return earned by the charity's investments was 6.02 per cent, in line with an average base rate of 5.52 per cent.

Currently, equity investments are held only to support Oxfam's advocacy and lobbying activities, or to further Oxfam's objectives, or when a donor has specified that they should be held for a specific time period.

## Financial Risk Management

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

set out above. Net exchange risk is kept under review and appropriate action taken to mitigate the risk.

## Auditors

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

## Grant-making Policies

In 2007/08 we spent £53.4 million (2006/07: £46.0m) in grants to international, national and local partner organisations. We made 1,972 grants to 1,328 organisations (2006/07: 1,698 grants to 1,242 organisations). The average grant per project was £27,000 (2006/07: £27,000) and per partner was £40,000 (2006/07: £37,000). 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 for the project and the proposed partner organisation to ensure that their objectives are consistent with the principles listed above and that it is 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. Grants are usually disbursed in separate 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 importance 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 reporting 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 & 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). Its objects and powers are set out in its Memorandum and Articles of Association. Oxfam has several subsidiaries, only two of which were consolidated into Oxfam's group accounts; these subsidiaries were Oxfam Activities Limited (Oxfam GB's trading subsidiary) and Finance for Development Limited (a micro-credit institution in Azerbaijan). Oxfam has two dormant subsidiaries and also has a joint venture interest in Fripp Ethique (a private-sector enterprise in Senegal), which has not been consolidated on the grounds of immateriality in the context of these financial statements (see below and Note 10a for further details).

Oxfam's subsidiary, 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, mainly through Oxfam shops, and the recycling of donated goods at a textile recycling plant in Huddersfield (known as Oxfam Wastesaver). Oxfam Activities Limited made a profit of £2.3 million (2006/07: £1.8m), before interest on working capital of £0.2 million (2006/07: £0.2m) paid to Oxfam. This represents a 27 per cent increase in profit, mainly due to the increase in income raised from stewarding activities at festivals and from the lower volume of shop space taken up by high-value purchased goods. Its results are consolidated in the Trading results for Oxfam.

This year, on the grounds of materiality, the wholly owned micro-credit institution Finance for Development Limited has been consolidated into the group accounts. It was established as a limited liability company in the Azerbaijan Republic in 2002 and provides financial services (mainly credit) on a sustainable basis to segments of the population with relatively low income who do not have access to other financial sources. Its net income for the year was £0.4 million. The micro-credit institutions established in Armenia and Georgia are no longer subsidiaries of Oxfam, following changes in local legislation, which allowed Oxfam to transfer these schemes into local ownership.

In March 2008 Oxfam obtained 50 per cent of the shares in Fripp Ethique, a company registered in Senegal, which imports second-hand clothing (mainly from Wastesaver) and then sorts and distributes the clothing for resale in the local markets. The net assets of the company, after considering impairment, are immaterial, and the joint venture has, therefore, not been consolidated.

During 2007/08 Oxfam Activities Limited, which previously had a 50 per cent interest in Progreso Cafés Limited (a company registered in the United Kingdom, number 5125426) waived its loan to Progreso and sold its shareholding at par to our operating partner, Tinderbox (Scotland) Limited. Oxfam still maintains a 'special share' in Coffee Producers Company Limited (a company registered in the United Kingdom, number 5144719) which owns 25 per cent of Progreso and has control over the Coffee Producers Trust, which also owns 25 per cent. However, as Oxfam no longer has either a dominant or significant influence in Progreso, it has not been consolidated this year.

Oxfam Activities Limited has a 10 per cent (2006/07: 10 per cent) 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. Cafédirect shares are traded on a 'matched bargain facility' called Ethex, operated by Brewin Dolphin.

Oxfam (also known as Oxfam GB) 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 co-ordinates joint activities with 12 other affiliated international agencies, each separately constituted under the appropriate national regulations. Oxfam GB received grants from, and made grants to, members of this group. During the year, Oxfam received income of £14.6 million (2006/07: £11.2m) from the other members of Oxfam International and made grants of £5.2 million (2006/07: £3.5m) to them.

Oxfam GB is a member of the Oxfam International Tsunami Fund (OITF) which was established during 2004/05 as a common fund to co-ordinate and manage the funds from Oxfam International members, where the donations they received were in excess of their planned programme expenditure. Oxfam GB received £1.0 million from the fund during 2007/08 (£0.2m in 2006/07) but, as in previous years, did not contribute any funds to the OITF, as it remains one of the main operational affiliates in respect of tsunami response activities and has had most of its tsunami work funded by donations from the Disasters Emergency Committee (DEC) and its own public appeal. The opportunity has also been taken to co-ordinate and manage the response to the tsunami across all Oxfam International members. Oxfam GB has played a key role in this.

Oxfam is a member of the DEC, an umbrella organisation representing 13 leading UK agencies. It aims to maximise income from the public in respect of a humanitarian disaster and co-ordinate an effective humanitarian response.

## **Oxfam Scotland (registration number SC0039042)**

One of the requirements of the Office of the Scottish Charity Regulator is that we report separately upon the activities Oxfam has undertaken in Scotland. During 2007/08 our work included campaigning for an end to poverty and suffering with a focus on the need for more health and education professionals in the developing world, for tighter controls on the arms trade, for more and better aid from the Scottish government and the need to reform trade rules to ensure they help reduce poverty. Furthermore, our campaigning has included work to gain the support of the Scottish public, as well as media relations and advocacy work with politicians from the Holyrood and Westminster parliaments. Since the change in the Scottish government in 2007, and its doubling of the Scottish aid budget, we have worked hard to build links with the new administration while maintaining relationships with politicians of all parties. We have also been lobbying on the proposed Scottish Climate Change Bill.

We also have a small-scale programme focusing on tackling poverty and inequality in Scotland. In particular, we concentrated on ensuring that regeneration programmes and resources meet the often very different needs of women and men who experience poverty; that local communities have a proper stake in economic development and investment; that particularly vulnerable groups have their labour rights and incomes secured; and that the media portrays the issue of asylum in a more balanced and accurate manner. We continue to work in Development Education, working with education authorities, the International Development Education Association of Scotland (IDEAS) network and other partners to improve Scottish pupils' knowledge of international development issues and the concept of global citizenship. Our fundraising work in Scotland has included the work of our network of shops, plus regular donations from many Scots and support from trusts and institutional funders. We have also been involved in two major DEC campaigns with our colleagues in other aid agencies in Scotland in the past year.

## **Trustees**

The directors of Oxfam GB are the Trustees, collectively known as Oxfam's Council. This Council, Oxfam's governing body, comprises a minimum of ten and a maximum of 12 Trustees. They serve an initial term of three years that can be extended up to a maximum of six years. The Chair,

Vice-Chair, and Treasurer may also serve until the end of their term as Officers. The members of the company are known as the Association. This Association comprises all the Trustees plus a number of other members up to a maximum of 32. Members are appointed by Council and ratified by the Association. New Trustees are appointed by the Association on the recommendation of Council. Members of the Association have guaranteed the liabilities of the company up to £1.00 each.

A sub-committee of Council, the Recruitment and Development Group, is responsible for the recruitment and training of Trustees and Association members. Each year the Recruitment and Development Group issues a recruitment advertisement which is widely publicised in Oxfam publications, on the Oxfam website, and on a number of other specialist websites. Short-listed applicants are interviewed by a selection panel.

Trustee appointments are based on the need for Council as a whole to have the appropriate skills and experience to determine Oxfam policies and to monitor the implementation of those policies. Each new Trustee is linked with a serving Trustee and provided with a structured induction programme over the first year. As part of its ongoing training, Council has seminars on key areas, such as risk and accountability. The annual review of board performance includes input from the Chair's formal discussions with individual Trustees and from an appraisal of the Chair by all Trustees.

Oxfam's Trustees are responsible for everything that Oxfam does. However, to ensure Oxfam is managed efficiently and effectively, the Trustees have delegated a range of day-to-day decision-making powers to the Corporate Management Team (CMT), which reports directly to Council. Trustees have also established appropriate controls and reporting mechanisms to ensure that the CMT operates within the scope of the powers delegated to it. The Trustees review levels and content of delegation of authority every three years. The last formal review took place in 2004. The policy is updated on an ongoing basis and will be formally reviewed and approved by Trustees in 2008, which is slightly later than planned. The Trustees have reserved certain powers, which only they can exercise. These include those statutory powers that cannot be delegated, such as policies on investment and reserves, and decisions linked to major policy or programme initiatives, strategic planning and changes to organisational structure.

The Trustee Audit and Finance Group (TAFG), Oxfam's audit committee, chaired by the Treasurer, meets regularly with the external auditors, both with and without the presence



---

of management. The group agrees the external audit plan, reviews the external auditor's management letter, and monitors implementation of actions required as a result. The TAFG also has the responsibility of ensuring that the audit, risk management and control processes within Oxfam are effective, and it has actively considered how Oxfam should apply the Turnbull guidance on internal control and the Smith guidance on audit committees. The TAFG undertakes a detailed review of the draft Annual Plan, the Risk Register, the Annual Report and Accounts, and the Strategic Plan Update prior to their submission to Council. It approves the annual internal audit plan and oversees the work programme of the Internal Audit department and the control implications of Internal Audit reports.

One further committee that carries out specific functions on behalf of the Council is the Remuneration Committee, chaired by the Chair of Oxfam. This committee monitors the implementation of Oxfam's rewards policy (i.e. the remuneration and benefits for Oxfam staff). It also specifically determines Oxfam's policy on the remuneration and benefits of members of the CMT.

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

In July 2006 the Trustees reviewed the governance of Oxfam in the light of the Code of Governance for the Voluntary and Community Sector in the UK ([www.governancehub.org.uk](http://www.governancehub.org.uk)). We comply with the seven principles of the Code in our UK operations, but the Code does not address the international operations of UK charities. There are a number of detailed standards in the Code, and we comply with most of them, although we consider that full compliance for some of the standards is not possible. We have our own complaints and public information policies.

The names of the members of the CMT, Council and the Association, and the committees they have served on, are available in the Corporate Directory (see page 2). The members of the CMT are not directors for the purposes of company law.

### **Trustees and their Statutory Responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are responsible for preparing financial statements for each financial year, which give a true and fair view (in accordance with United Kingdom Generally Accepted Accounting Practice) of the state of affairs of the charity and group, and of the surplus or deficit of the charity and group for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group, and enable them to ensure that the financial statements comply with the Companies Act 1985, the Statement of Recommended Practice 'Accounting and Reporting by Charities (revised in 2005)', other current statutory requirements and the governing document. They are also responsible for safeguarding the assets of the charity and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each Trustee confirms that:

- a) in so far as the Trustee is aware, there is no relevant audit information of which Oxfam's auditors are unaware
- b) the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that Oxfam GB's auditors are aware of that information.

The maintenance and integrity of Oxfam's website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Risk Management

The Council of Trustees has overall responsibility for Oxfam's system of internal control. Such a system of control can provide only reasonable and not absolute assurance against inappropriate or ineffective use of resources, or against the risk of errors or fraud. These risks are further heightened, given the difficult nature of communications, institutional and financial infrastructure in some parts of the world where Oxfam operates. There is clear delegation of authority from Council through the Chief Executive and the CMT to the rest of the organisation. On an annual basis the major strategic and operational risks that Oxfam faces – and the ways in which they are being monitored, managed, and mitigated – are assessed by the CMT and considered by Council. Additionally, the CMT continues to assess the risks (as identified in the risk register) that Oxfam faces regularly during the year. This year, the CMT reported to Council on the current state of risk identification, analysis and monitoring practices within Oxfam GB to seek guidance on the future risk management approach. Council endorsed the general approach being taken but put more emphasis on clearer consideration of divisional risk.

The Internal Audit department carries out a programme of audits across all operations and activities. The audits undertaken cover all the major risk areas as identified by the CMT and Council, and the Head of Internal Audit submits regular reports to the TAFG, including an annual opinion on internal control. Action plans are developed by management to address any weakness in controls, and progress against these plans is regularly reported back to the TAFG. The CMT, via the Control Assurance report, provides Trustees with an annual opinion on the control environment. Both the external auditors (PricewaterhouseCoopers LLP) and the Head of Internal Audit meet annually with the TAFG in private session. Taken together, these processes ensure that major risks and key controls are reviewed and monitored on an ongoing basis by staff and skilled volunteers who act on behalf of the Trustees. The TAFG reports annually to Council on the control environment.

Council recognises that, to achieve the objectives of the charity, the nature of some of Oxfam's work requires acceptance of some risks which are outside Oxfam's control, i.e., risk which cannot be eliminated or fully managed, but where that happens there is active and clear monitoring of the risk. Council considers that maintaining Oxfam's general reserves at the levels stated above and reviewing key systems and processes carried out through an internal audit programme provide Oxfam with adequate risk assurance. The Council of Trustees is satisfied that systems are in place to monitor, manage, and mitigate Oxfam's exposure to major risks.

## 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. In Oxford, the CMT holds regular 'Have your Say' meetings to enable staff and volunteers to question them; this also now includes a rotating international office by video conference, and Oxfam has an electronic 'Have your Say' so that all staff can raise questions and comment on issues of interest. There are many other formal and informal opportunities for consultation. All managers are expected to hold regular meetings with their staff, to provide an opportunity for communication of information and discussion of events as they develop. To keep staff and volunteers informed, Oxfam produces a monthly letter from the Chief Executive Officer, a monthly International Division bulletin, and a bi-monthly magazine for shop volunteers. Oxfam also maintains an Intranet site that provides information to staff, including information about Oxfam's finances and its key performance indicators, and holds annual 'Oxfam Live' events in locations around the UK.

## Diversity and Disability

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

## Volunteers

More than 20,000 volunteers work in Oxfam shops, and thousands of others contribute their time to Oxfam in a variety of ways. Most make a regular commitment, ranging from a few hours to a full working week. Some use their professional expertise, while others give their time and energy in work that is not related to their everyday jobs. Some volunteers may be retired or not in paid employment. Oxfam tries to apply the principles of involvement and equality to its many volunteers.

Approved by the Council of Trustees on 26th September 2008 and signed on its behalf by:



John Gaventa  
Chair of Oxfam  
2 October 2008

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXFAM GB

---

We have audited the group and parent charity financial statements ("the financial statements") of Oxfam GB for the year ended 30 April 2008 which comprises the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Oxfam GB for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Oxfam Corporate Directory, Oxfam Mission,

Trustees' Report, Acknowledgements and the Accountability Report Update. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

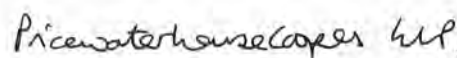
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 30 April 2008 and of the group's incoming resources and application of resources, including the group's income and expenditure and cash flows, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
6 October 2008

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

Notes	Trading Funds £ m	Unrestricted Funds £ m	Restricted Funds £ m	Endowment Funds £ m	Totals 2008 £ m	Totals 2007 £ m
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
2a		82.1	60.0	–	142.1	147.8
2b	77.7	–	–	–	77.7	75.8
2c		3.1	0.5	–	3.6	3.3
<b>Incoming resources from charitable activities</b>						
2d		–	70.1	–	70.1	61.4
2d		1.4	–	–	1.4	1.3
2e		4.8	–	–	4.8	1.1
<b>Total incoming resources</b>						
	77.7	91.4	130.6	–	299.7	290.7
<b>Costs of generating funds</b>						
3a		18.8	4.7	–	23.5	23.9
2b	60.6	–	–	–	60.6	60.0
3b		0.1	–	–	0.1	0.1
<b>Net incoming resources available for charitable application</b>						
	17.1	72.5	125.9	–	215.5	206.7
	(17.1)	16.9	0.2	–	–	–
<b>Net incoming resources available for charitable application</b>						
	–	89.4	126.1	–	215.5	206.7
<b>Charitable activities</b>						
3c		48.8	61.6	–	110.4	99.4
3c		22.9	59.7	–	82.6	95.2
3c		17.5	1.8	–	19.3	16.6
3d		1.3	–	–	1.3	1.2
3e		0.5	0.1	–	0.6	0.8
<b>Total charitable expenditure</b>						
		91.0	123.2	–	214.2	213.2
<b>Total resources expended</b>						
		170.5	127.9	–	298.4	297.2
7	<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>					
		(1.6)	2.9	–	1.3	(6.5)
<b>Other recognised gains/losses</b>						
9		–	–	0.1	0.1	–
20		4.8	–	–	4.8	2.0
<b>Net movement in funds</b>						
		3.2	2.9	0.1	6.2	(4.5)
<b>Reconciliation of funds</b>						
<b>Total funds brought forward at 1 May</b>						
		43.6	24.5	2.6	70.7	75.2
<b>Total funds carried forward at 30 April</b>						
		46.8	27.4	2.7	76.9	70.7

Total unrestricted incoming resources for the year amounted to £168.9m (2006/07 £163.4m)

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

There is no difference between the results above and the historical cost equivalent. All activities are continuing.

## SUMMARY INCOME AND EXPENDITURE ACCOUNT

Oxfam Group

Notes	2008 £ m	2007 £ m
<b>Income</b>		
2a Voluntary income	142.1	147.8
2b Activities for generating funds	77.7	75.8
2c Investment income	3.6	3.3
2d Resources from government, other public authorities	70.1	61.4
2d Primary purpose trading	1.4	1.3
2e Other income	4.8	1.1
<b>Total income</b>	<b>299.7</b>	<b>290.7</b>
<b>Total expenditure</b>		
3a Fundraising costs	23.5	23.9
2b Trading costs	60.6	60.0
3b Investment management costs	0.1	0.1
3c Charitable activities	212.3	211.2
3d Governance	1.3	1.2
3e Other expenditure	0.6	0.8
<b>Total expenditure</b>	<b>298.4</b>	<b>297.2</b>
<b>7 Surplus/(deficit) of income over expenditure</b>	<b>1.3</b>	<b>(6.5)</b>
<b>Transfers (to)/from other funds:</b>		
18 Transfer (to)/from Restricted funds	(2.9)	4.6
19 Transfer (to)/from Designated funds – Fixed assets	0.8	(0.1)
19 Transfer (to)/from Designated funds – Other	(0.9)	4.4
19 Transfer (to)/from Pension reserve	(2.3)	(1.2)
<b>19 General reserves at brought forward 1 May</b>	<b>48.6</b>	<b>47.4</b>
<b>19 General reserves carried forward at 30 April</b>	<b>44.6</b>	<b>48.6</b>

An income and expenditure account is an alternative summary of the information contained in the Statement of Financial Activities. As recommended in the Charity SORP, this statement excludes gifts of capital that are not currently available for revenue expenditure (see Note 17 on Endowment Funds) and unrealised revaluations of investment assets. The income and expenditure account is included in the financial statements in order to comply with the Companies Act 1985 and SORP 2005.

Oxfam uses the exemption conferred by section 230 of the Companies Act 1985 in not preparing a separate Income and Expenditure Account for Oxfam as a separate entity. The net income for Oxfam alone for the year ended 30 April 2008 was £0.4m (2006/07: net expenditure £6.6 million).

**BALANCE SHEETS AT 30 APRIL**

Notes	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
<b>Fixed assets</b>				
8 Tangible assets	15.2	16.6	15.2	16.9
9 Investments:				
9a Investments	4.8	4.4	3.2	2.8
9b Programme related investments	–	–	0.1	0.1
	20.0	21.0	18.5	19.8
<b>Current assets</b>				
10 Stocks	1.8	1.5	4.1	2.9
11 Debtors	24.7	20.4	27.0	20.6
12 Cash at bank and in hand	68.3	75.6	68.3	75.7
	94.8	97.5	99.4	99.2
13 Creditors: amounts falling due within one year	(14.9)	(18.0)	(15.9)	(18.3)
<b>Net current assets</b>	79.9	79.5	83.5	80.9
<b>Total assets less current liabilities</b>				
	99.9	100.5	102.0	100.7
14 Creditors: amounts falling due after more than one year	(0.7)	(1.3)	(1.8)	(1.4)
15 Provisions for liabilities and charges	(10.3)	(8.5)	(10.3)	(8.5)
<b>Net assets before pension scheme liabilities</b>	88.9	90.7	89.9	90.8
20 Defined benefit pension scheme liability	(13.0)	(20.1)	(13.0)	(20.1)
<b>Net assets</b>	75.9	70.6	76.9	70.7
<b>Charitable funds</b>				
19 Designated fund – fixed assets	14.1	14.7	14.1	14.9
19 Designated fund – other	0.1	0.1	1.0	0.1
19 General reserves	44.6	48.8	44.6	48.6
<b>Charitable unrestricted funds excluding pension reserves</b>				
	58.8	63.6	59.7	63.6
19 Pension reserves	(13.0)	(20.1)	(13.0)	(20.1)
<b>Total charitable unrestricted funds</b>	45.8	43.5	46.7	43.5
17 Endowment funds	2.7	2.6	2.7	2.6
18 Restricted funds	27.4	24.5	27.4	24.5
<b>Total Charitable funds</b>	75.9	70.6	76.8	70.6
19 Funds retained within a non-charitable subsidiary	–	–	0.1	0.1
<b>Total funds</b>	75.9	70.6	76.9	70.7

Approved by the Council of Trustees on 26 September 2008 and signed on its behalf by:



John Gaventa  
Chair of Oxfam  
2 October 2008

## CONSOLIDATED CASH FLOW STATEMENT

	2008		2007	
	£ m	£ m	£ m	£ m
<b>Net cash (outflow)/inflow from operating activities</b>		(9.1)		2.4
<b>Returns on investments and servicing of finance</b>				
Deposit interest received	3.4		3.5	
		3.4		3.5
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets – additions	(3.7)		(4.2)	
Receipts from sales of tangible fixed assets	0.6		0.4	
		(3.1)		(3.8)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(8.8)		2.1
<b>Management of liquid resources</b>				
Cash withdrawn from short term deposit	73.5		83.0	
Cash invested on short term deposit	(65.0)		(81.0)	
		8.5		2.0
<b>(Decrease)/increase in cash in the year</b>		(0.3)		4.1

### Notes

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

	2008	2007
	£ m	£ m
Net incoming/(outgoing) resources before revaluations and investment asset disposals	1.3	(6.5)
Deposit interest and investment income receivable	(3.6)	(3.3)
Depreciation charge	4.7	4.6
Profit on disposal of fixed assets	(0.1)	(0.3)
(Increase)/decrease in stocks	(1.2)	0.4
(Increase)/decrease in debtors	(6.2)	5.1
(Decrease)/Increase in creditors and provisions	(1.7)	3.6
FRS17 difference between pension contributions and current service costs	(2.3)	(1.2)
Net cash (outflow)/inflow from operating activities	(9.1)	2.4

#### b Analysis of net funds

	At 1 May 2007	Cashflow movement	At 30 April 2008
	£ m	£ m	£ m
Cash at bank and in hand	29.7	1.1	30.8
Cash on short term deposit	46.0	(8.5)	37.5
Debt due within one year	–	(0.5)	(0.5)
Debt due after one year	(0.1)	(1.0)	(1.1)
Net funds	75.6	(8.9)	66.7

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

	2008
	£ m
Decrease in cash	(0.3)
Cash inflow from decrease in liquid resources *	(8.5)
Non-cash movement	(0.1)
Net funds at 1 May 2007	75.6
Net funds at 30 April 2008	66.7

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1 ACCOUNTING POLICIES

#### a. Accounting conventions

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

The charity has adjusted the formats from those prescribed by the Companies Act 1985, 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 230 of the Companies Act 1985 and paragraph 397 of the SORP.

#### b. Basis of consolidation

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

Oxfam holds a special non-redeemable £1 share in Coffee Producers Company Limited. This company exists to allow coffee producers' co-operatives to hold an interest in Progreso Cafés Limited. The special share provides Oxfam with super voting rights and the consent of the special shareholder is required to appoint directors and change the nature of the business of Coffee Producers Company Limited. The company is not consolidated on the grounds of materiality.

Oxfam also has an interest in Coffee Producers' Trust by way of appointment of the majority of the Trustees. The object of the Trust, amongst others, is of strengthening the influence, income and security of coffee producing companies anywhere in the world. The Trust is not consolidated on the grounds of materiality

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

On the Line Trust Ltd remained dormant to 11 September 2007, when it was dissolved. The company was not consolidated on the grounds of materiality.

Oxfam Activities Limited holds a 25% shareholding (one £1 ordinary share) in The Guardian Share Company Limited.

This company is equally owned by the four founders of Cafédirect and has a right to nominate a director to the Cafédirect Board. The consent of the Guardian Share Company is also required for the appointment of the Chair of the Board and for any changes to Cafédirect's Gold Standard. The accounts of this associated company have not been included on the grounds of materiality.

Oxfam Activities Limited also has a 50% shareholding in Fripp Ethique. This joint venture has not been consolidated on the grounds of materiality. Details are given in Note 9.

Oxfam has a less than 10 per cent membership of the Board of Oxfam International Tsunami Fund (OITF), by only having one member of the board out of a total of twelve. OITF is not considered an associate and has not been consolidated.

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

#### c. Fund accounting

General funds are unrestricted funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are set aside at the discretion of the trustees for specific purposes. They would otherwise form part of the other unrestricted funds.

In accordance with FRS17 – Retirements Benefits, a pension reserve is included within unrestricted funds to meet the pension deficit.

Restricted and endowment funds are subject to specific restrictions imposed by the donor or by the nature of an appeal.

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

#### d. Incoming resources

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



---

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

Income received in the year has been deferred in respect of specific fundraising events taking place after the year end. In addition the income relating to certain fixed assets held under leasehold agreements has been deferred and is being released to the Statement of Financial Activities over the period up to the break clause of the relevant lease of these assets.

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

Gifts in Kind – Food aid, for which Oxfam accepts full responsibility for distribution, is included in 'Voluntary income' at its market value when it is distributed, and under 'Charitable activities' at the same value and time.

Gifts in Kind – Properties, investments, and other fixed assets donated to the charity are included as 'Voluntary income' at market value at the time of receipt.

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

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

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

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

## **e. Costs of generating funds**

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

## **f. Charitable expenditure**

Charitable expenditure is reported as a functional analysis of the work undertaken by the charity, being humanitarian, development and campaigning & 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 which include payments to be made in future years, these payments are disclosed in note 20 to the accounts as commitments.

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

## **g. Governance costs**

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

## **h. Allocation and apportionment**

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

Buildings costs are allocated on the basis of floor area used.

In-house printing and warehousing are allocated to user departments on the basis of units of output.

Information systems costs are allocated on the basis of computer numbers.

The cost of the directorate, central finance, human resources and legal departments are allocated on the basis of employee numbers after an appropriate proportion has been allocated to Governance costs.

Irrecoverable VAT is allocated to the principal areas in which it is incurred namely fundraising income and campaigns.

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

## **i. Tangible fixed assets and depreciation**

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

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

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

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

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

## **j. Fixed asset investments**

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

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

Programme related investments are investments made directly in pursuit of Oxfam's charitable purposes. The Oxfam Activities Limited shareholdings in Cafédirect, The Guardian Share Company Limited and Fripp Ethique 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.

Gains or losses arising on disposal or revaluation of other investments are credited or charged to the Statement of Financial Activities under 'Gains and losses on investment assets'.

## **k. Stocks**

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

Goods in-transit to overseas projects are removed from stock and included in programme expenditure when released from the warehouse.

## **l. Provisions**

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

---

### **m. Foreign currencies**

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

### **n. Pension scheme**

Oxfam operates defined benefit and defined contribution pension schemes.

#### **Defined benefit scheme**

The pension liabilities and assets are recorded in line with FRS17, with a valuation undertaken by an independent actuary. FRS17 measures the value of pension assets and liabilities at the Balance Sheet date, determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the Statement of Financial Activities and the expected return on scheme assets and interest cost on scheme liabilities are allocated across the appropriate incoming/outgoing resource categories. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised in the Statement of Financial Activities within actuarial gains/

losses on defined benefit pension schemes. The resulting pension liability or asset is shown on the Balance Sheet.

The amendment to FRS 17 (issued December 2006) has been fully implemented. Quoted securities have been valued at current bid price rather than mid-market value. Prior year comparatives have not been restated as the effect of a change to current bid price is not material.

#### **Defined contribution scheme**

Pension contributions are charged to the Statement of Financial Activities as incurred.

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

Oxfam provides funds under micro credit schemes either direct to individual members of local communities or via local community groups. Oxfam generally retains a responsibility for managing these schemes until such time as it is possible to transfer the management responsibility to the local community. Under SORP 2005, these micro credit schemes are treated as programme related investments within Oxfam's individual company accounts. Within the group accounts, micro credit schemes are consolidated on a line-by-line basis, with loans received and given out reflected in creditors and debtors respectively.

Details on the micro credit scheme which is a locally registered organisation are given in note 9 to the accounts.

### **p. Operating leases**

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

## 2 INCOMING RESOURCES

### a. Voluntary income

	2008 Unrestricted £ m	2008 Restricted £ m	2008 Total £ m	2007 Total £ m
Regular giving *	58.7	0.3	59.0	58.0
Legacies	11.2	0.4	11.6	12.3
Public donations, appeals, and fundraising events *	11.6	20.8	32.4	34.4
Disasters Emergency Committee (DEC) appeals	–	19.5	19.5	18.5
UK government: Department for International Development – Partnership Programme Agreement	–	10.4	10.4	8.9
Gifts in kind	–	8.6	8.6	14.6
Donated services and facilities	0.6	–	0.6	1.1
	82.1	60.0	142.1	147.8

\* Includes related gift aid.

At 30 April 2008, 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 £5.1 million (2006/07: £4.5 million). Accrued legacy income included within the accounts amounts to £0.4 million (2006/07: £0.4m).

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

	2008 Oxfam £ m	2008 OAL £ m	2008 Total £ m	2007 Total £ m
Turnover from donated goods	60.5	5.2	65.7	63.7
Turnover from purchased goods	–	12.0	12.0	12.1
<b>Total trading sales</b>	60.5	17.2	77.7	75.8
Direct trading expenses – donated goods	45.5	3.9	49.4	48.3
Direct trading expenses – purchased goods	–	11.0	11.0	11.5
Support costs	0.2	–	0.2	0.2
<b>Total trading costs</b>	45.7	14.9	60.6	60.0
<b>Net trading income</b>	14.8	2.3	17.1	15.8
In addition, the following other amounts were collected through the shops and are included in voluntary income:				
Oxfam Unwrapped net income	2.6	–	2.6	2.6
<b>Net Trading income including Oxfam Unwrapped</b>	17.4	2.3	19.7	18.4
Unrestricted donations	1.6	–	1.6	1.2
Restricted donations	0.4	–	0.4	0.6
<b>Total net trading income</b>	19.4	2.3	21.7	20.2

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

### c. Investment income

	2008 £ m	2007 £ m
Deposit interest – unrestricted	3.0	2.7
Deposit interest – restricted	0.5	0.6
Interest on endowments – unrestricted	0.1	–
	3.6	3.3

## d Incoming resources from charitable activities

### i. Income from government and other public authorities

	2008 £ m	2007 £ m
UK government: DFID Resources for specific programmes *	10.3	12.1
UK government: other	0.1	0.2
European Union	25.0	21.4
UNHCR	0.5	0.6
Other UN agencies	7.9	6.8
Members of Oxfam International (Note 3c)	14.6	11.2
Non-UK governments	5.5	4.0
Other international agencies	3.7	1.6
Big Lottery Fund	0.7	0.7
Commonwealth Education Fund	0.3	0.8
Other UK agencies	1.5	2.0
	70.1	61.4

\* Income from DFID consists of £0.2m for Conflict, Humanitarian and Security Development and £10.1m for Country and other DFID Programmes.

### ii. Primary purpose trading

<b>Income</b>	2008 £ m	2007 £ m
Progreso Cafés Limited	–	0.6
Micro credit schemes	0.9	–
Sale of humanitarian equipment	0.1	0.3
Sale of printed material	0.4	0.4
	1.4	1.3
<b>Costs included within charitable activities</b>		
Progreso Cafés Limited	–	(0.6)
Micro credit schemes	(0.5)	–
Humanitarian equipment	(0.1)	(0.2)
Printed materials	(0.1)	(0.1)
	(0.7)	(0.9)
<b>Net income from primary purpose trading</b>	0.7	0.4

## e Other incoming resources

	2008 £ m	2007 £ m
Gain on disposal of fixed assets	0.1	0.3
Nursery fees	0.2	0.2
Miscellaneous overseas income	0.2	0.2
Other *	4.3	0.4
	4.8	1.1

\* Includes £1.7m VAT refund, £1.7m foreign currency exchange gains and £0.5m opening reserves on micro credit schemes not previously consolidated.

### 3 RESOURCES EXPENDED

#### a. Costs of generating voluntary income

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

	2008 £ m	2007 £ m
Regular giving	6.2	7.3
Legacies	0.3	0.2
Public donations, appeals, and fundraising events and Disasters Emergency Committee (DEC) appeals	8.5	7.9
Income from government and other public authorities	1.3	1.1
Irrecoverable VAT	0.9	0.6
Support costs	0.3	0.2
Other *	6.0	6.6
	23.5	23.9

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

#### b. Investment management costs

	2008 £ m	2007 £ m
Staff costs	0.1	0.1

#### c. Charitable activities

##### i. Functional analysis

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

	2008 Activities undertaken directly £ m	2008 Grant funding of activities £ m	2008 Support costs * £ m	2008 Total £ m	2007 Total £ m
Humanitarian	51.3	13.7	9.0	74.0	80.6
Gifts in Kind (mainly Food Aid)	8.6	–	–	8.6	14.6
Total humanitarian	59.9	13.7	9.0	82.6	95.2
Development	62.1	34.7	13.6	110.4	99.4
Campaigning and advocacy	12.1	5.0	2.2	19.3	16.6
	134.1	53.4	24.8	212.3	211.2

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

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

	Humanitarian £ m	Development £ m	Campaigning and advocacy £ m	2008 Total £ m	2007 Total £ m
A sustainable livelihood	–	38.5	4.3	42.8	42.9
Right to basic social services	–	20.6	4.3	24.9	22.4
Life and security	73.6	4.0	3.3	80.9	94.2
Right to be heard	–	15.4	2.6	18.0	14.5
Right to equity (gender & diversity)	–	18.3	2.6	20.9	16.3
Total costs of activities and grants	73.6	96.8	17.1	187.5	190.3
Support costs	9.0	13.6	2.2	24.8	20.9
Total charitable activities	82.6	110.4	19.3	212.3	211.2

#### ii. Grants payable

Much of Oxfam's development programme is carried out through grants to organisations that support long-term, sustainable benefits for a community. Grants are also made to fund immediate emergency relief provision in times of crisis, catastrophe, or natural disaster. Oxfam's grant making policy ensures that its expenditure meets its charitable objectives and aims. Oxfam reviews potential grants against the following criteria: fits into at least one of Oxfam's five strategic aims; complies with UK charity law and, for humanitarian projects, complies with Red Cross and NGO Code of Conduct and Sphere Standards; is the best technical solution in the circumstances; will be implemented cost-effectively; meets Oxfam's procedural, accountability, and reporting requirements; and meets donors' expectations and reporting requirements.

Oxfam's standard partner agreement allows for all grants to partner organisations to be audited to ensure that the grant has been spent in line with the above criteria.

The top 50 financial grant recipients in 2007/08 are listed below.

Name of Institution	No of grants	£'000	Geographic Region
1) CHF International	2	1,073	East Asia
2) Australia Indonesia Partnership for Reconstruction and Development	2	856	East Asia
3) Organismo Cristiano de Desarrollo Integral de Honduras	11	848	CAMEXCA
4) RUPANTAR	5	606	South Asia
5) Horn of Africa Voluntary Youth Committee	4	605	HECA
6) Fundación para el Desarrollo Participativo Comunitario	8	563	South America
7) Cruz Roja Colombiana	5	469	South America
8) Uttaran	4	457	South Asia
9) Scottish Youth Parliament	2	439	United Kingdom
10) Sarvodaya	12	428	South Asia
11) Hijra Organization for Welfare & Development	2	402	HECA
12) Centre for Internally Displaced People Service	4	382	East Asia
13) Solidarites	1	378	West Africa
14) Centro de Assessoria e Apoio aos Trabalhadores em ONGs Alternativas	2	365	South America
15) MERLIN	2	358	Global
16) Wajir South Development Association	4	353	HECA
17) Shankalpa Trust	1	333	South Asia
18) CIVICUS: World Alliance for Citizen Participation	2	300	Southern Africa
19) Organización de Desarrollo Étnico Comunitario	8	292	CAMEXCA
20) Agency for Economic Development and Empowerment	2	278	West Africa
21) Action Contre la Faim	1	278	West Africa
22) WatSan Village Councils	4	260	MEEECIS
23) Tearfund	1	256	West Africa
24) Peace and Development Network	4	254	HECA
25) Centro para la Promoción, la Investigación y el Desarrollo Rural y Social	4	241	CAMEXCA
26) Coordination Régionale des Organisations du Sud-Est	6	238	CAMEXCA
27) Samaj Kalyan Sangstha	5	238	South Asia
28) Fund of supporting the small business – FORA	1	235	MEEECIS
29) Coalition for Grassroots Women Organizations	1	235	HECA
30) Associação Programa 1 Milhão de Cisternas	2	235	South America
31) NDCO Women's Microcredit Network	2	231	MEEECIS
32) Arid Lands Development Focus	4	229	HECA
33) Ma'an Development Center – Gaza	4	222	MEEECIS
34) Indonesian Development of Education and Permaculture	2	221	East Asia
35) Centre de Promotion Socio-Sanitaire	3	210	HECA
36) Amra Kaj Kory	3	202	South Asia
37) Consortium for Trade & Development	3	201	South Asia
38) Shariatpur Development Society	5	192	South Asia
39) Development Concern	2	176	HECA
40) Welfare Foundation	3	175	MEEECIS
41) Palestinian Farmers Union	1	173	MEEECIS
42) Asociación para la Promoción y el Desarrollo de la Comunidad	1	172	CAMEXCA
43) Manab Mukti Sangstha	7	169	South Asia
44) International Development Law Organization	1	168	East Asia
45) Windward Island Farmers Association	2	166	CAMEXCA
46) Care for the Children – Barda	3	163	MEEECIS
47) Flores Institute for Regional Development (FIRD)	5	159	East Asia
48) National Fair-Trade Organisation of Dominica	1	157	CAMEXCA
49) Rural Society Development Association (RSDA)	6	157	South Asia
50) Ethiopian Pastoralist Research and Development Association	2	156	HECA
		<u>15,954</u>	



The grants made by Oxfam GB to other Oxfams in 2007/08 are listed below.

<b>Name of Other Oxfam</b>	<b>No of grants</b>	<b>£'000</b>	<b>Geographic region</b>
Oxfam America	8	735	CAMEXCA, South America, HECA, West Africa, Global
Oxfam Australia	3	59	East Asia, Southern Africa, Global
Oxfam Canada	4	94	CAMEXCA, HECA
Oxfam France – Agir ici	1	300	Global
Oxfam Germany	2	347	Global
Oxfam Hong Kong	1	60	East Asia
Intermon Oxfam	14	580	South America, CAMEXCA, West Africa, Southern Africa, Global
Oxfam International	2	1,718	Global
Oxfam Netherlands	6	1,351	Southern Africa, HECA, MEEECIS, South Asia, East Asia
<b>Total</b>		<b>5,244</b>	

Key to geographic regions:

CAMEXCA – Central America, Mexico, and the Caribbean. HECA – Horn, East and Central Africa. MEEECIS – Middle East, Eastern Europe, and Commonwealth of Independent States. Global – the grants apply to more than one region.

	<b>2008 £'000</b>	<b>2007 £'000</b>
Total value of largest grants	15,954	15,629
Total value of grants to other Oxfams	5,244	3,549
Other grants	32,189	26,819
<b>Total grants payable in furtherance of the charity's objects</b>	<b>53,387</b>	<b>45,997</b>
Total number of grants made	1,972	1,698

iii. The values of grants received by Oxfam GB from other Oxfams in 2007/08 are listed below.

	<b>2008 £'000</b>	<b>2007 £'000</b>
Oxfam America	986	891
Oxfam Australia	2,346	1,283
Solidarite (Oxfam in Belgium)	32	52
Oxfam Canada	1,477	521
Oxfam Germany	141	43
Oxfam Hong Kong	931	1,410
Intermon Oxfam	383	627
Oxfam International Tsunami Fund	1,002	–
Oxfam Ireland	2,649	2,145
Oxfam Japan	143	–
Oxfam New Zealand	215	171
Oxfam Netherlands	4,229	3,973
Oxfam Quebec	112	102
<b>Total</b>	<b>14,646</b>	<b>11,218</b>

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

#### iv. Costs of activities

Oxfam's own overseas staff are involved in the delivery of the programme through the provision of specialist services (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.

#### v. Campaigning and advocacy

Oxfam's campaigning and advocacy programme has two key objectives in furtherance of Oxfam's purposes. The first is to inform the British public about our international experience of work with poor people. This includes highlighting the issues we have identified and sharing the lessons learnt. This is a contribution to public debate and policy-making in Britain and the European Union, in the interests of alleviating poverty and suffering worldwide. The second is to campaign for changes for the benefit of poor people.

#### vi. Support costs

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

	Trading £ m	Fundraising £ m	Humanitarian £ m	Development £ m	Campaigning & advocacy £ m	2008 Total £ m	2007 Total £ m
Regional programme support	–	–	4.0	5.8	0.2	10.0	8.5
Central programme costs	–	–	3.5	5.7	1.7	10.9	9.9
Exchange rate differences	–	–	0.2	0.3	–	0.5	(0.3)
Central finance	0.1	–	0.3	0.4	–	0.8	0.5
Central human resources	0.1	0.1	0.8	1.2	0.1	2.3	1.8
Corporate communications	–	0.2	0.2	0.3	0.2	0.9	0.9
<b>Total support costs</b>	<b>0.2</b>	<b>0.3</b>	<b>9.0</b>	<b>13.7</b>	<b>2.2</b>	<b>25.4</b>	<b>21.3</b>
Unrestricted	0.2	0.3	7.5	11.5	2.2	21.7	17.9
Restricted	–	–	1.5	2.2	–	3.7	3.4
	<b>0.2</b>	<b>0.3</b>	<b>9.0</b>	<b>13.7</b>	<b>2.2</b>	<b>25.4</b>	<b>21.3</b>

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

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

	2008 £ m	2007 £ m
Finance, trustees & legal costs	0.2	0.2
Audit fee	0.2	0.2
Internal audit	0.7	0.6
Directors' costs	0.1	0.1
Communications	0.1	0.1
	<b>1.3</b>	<b>1.2</b>

#### e. Other resources expended

	2008 £ m	2007 £ m
Head office relocation costs	0.2	0.3
Other	0.4	0.5
	<b>0.6</b>	<b>0.8</b>

## 4 EMPLOYEES

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

### Oxfam Group

	2008 Head count	2007 Head count	2008 FTE	2007 FTE
<b>GB Payroll</b>				
Trading Division	1,003	998	801	799
Marketing Division	184	179	175	170
Corporate Functions	222	209	197	185
Campaigns and Policy	185	189	172	177
Programme Headquarters	233	218	220	207
Programme Overseas	331	339	329	337
	2,158	2,132	1,894	1,875
<b>Overseas Payroll</b>	3,797	4,239	N/A	N/A
	5,955	6,371	N/A	N/A

The staff numbers for Oxfam only are the same as above except that the Trading Division includes 91 (2006/07: 89) OAL staff and Overseas Payroll includes 33 (2006/07 none) staff for the micro credit scheme, Finance for Development Ltd.

N/A – The number of employees based overseas on local contracts is only expressed in terms of head count since a full-time equivalent is not available.

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

## 5 STAFF COSTS

	2008 £ m	2007 £ m
<b>GB Payroll</b>		
Salaries	46.9	44.8
National Insurance	3.7	3.5
Pension scheme	2.8	2.5
GB payroll staff costs	53.4	50.8
Overseas payroll staff costs	39.7	37.2
<b>Total staff costs</b>	93.1	88.0

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

In addition, a great amount of time, the value of which is impossible to reflect in these accounts, is donated by more than 20,000 volunteers throughout Britain.

The table below shows the number of higher paid staff with emoluments falling in the following ranges.

Emoluments include salary and taxable benefits in kind and other payments to employees. The total emoluments of the Director (Chief Executive) were £101,754. For key members of staff working in our International Programme, emoluments may include accommodation and education, which allows us to be appropriately competitive in recruiting and retaining such staff in a global job market. Salaries for these staff are determined on a net (after tax) basis and high rates of income tax in certain countries result in high levels of gross salary.

	2008 Number	2007 Number
£60,000 to £69,999	14	11
£70,000 to £79,999	6	7
£80,000 to £89,999	4	–
£90,000 to £99,999	–	1
£100,000 to £109,999	1	–

Retirement benefits are accruing under a defined benefit scheme for 8 (2006/07: 8) higher paid employees. In addition, Oxfam paid £86,852 (2006/07: £51,226) into a defined contribution pension scheme for 16 (2006/07: 9) higher paid employees.

## 6 TRUSTEES' EXPENSES

Members of Oxfam's Council of Trustees receive no remuneration for their services. Directly incurred expenses of the trustees borne by the charity in 2007/08, paid to 13 (2006/07: 14), were:

	2008 £ '000	2007 £ '000
Total trustees' expenses	19	21

The most significant element of trustees' expenses is the cost of visits to overseas programmes.

## 7 NET INCOMING/(OUTGOING) RESOURCES FOR THE FINANCIAL YEAR is stated after charging/(crediting):

	2008 £ m	2007 £ m
Depreciation of tangible fixed assets	4.7	4.6
Gain on disposal of fixed assets	(0.1)	(0.3)
Hire of vehicles and equipment	3.0	3.3
Property rental	17.5	16.7
Auditors' remuneration – statutory audit (GB)*	0.2	0.2
Auditors' remuneration – audit (overseas)	0.1	0.1
Auditors' remuneration – non-audit services	–	–
Rental income	(0.9)	(0.9)
Exchange rate differences	(0.5)	1.1
Irrecoverable VAT	1.3	0.7

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

The reported exchange rate gain was £0.5m (2006/07: loss £1.1m). This reported loss consists of three elements;

i) Gains and losses due to Oxfam using standardised monthly internal exchange rates compared with actual currency transaction rates.

Where these standardised rates differ from actual rates, the difference is reported as an exchange gain or loss. This reported loss has no impact on the level of resources available for programmes.

ii) The actual exchange gains/losses related to receiving income predominantly in Sterling and Euros and incurring charitable expenditure in currencies related to the US Dollar during a period in which the US Dollar has fluctuated.

iii) Fluctuation in the sterling value of assets and liabilities, mainly foreign currency bank account balances, held during the year.

## 8 TANGIBLE FIXED ASSETS

### Oxfam

	Freehold property £ m	Leasehold property £ m	Furniture fixtures equipment £ m	Motor vehicles £ m	Total £ m
<b>Cost</b>					
At 1 May 2007	7.9	14.8	27.9	4.0	54.6
Additions	–	0.1	2.9	0.7	3.7
Disposals	(0.1)	(3.5)	(1.8)	(0.5)	(5.9)
At 30 April 2008	7.8	11.4	29.0	4.2	52.4
<b>Depreciation</b>					
At 1 May 2007	2.5	14.2	18.4	2.9	38.0
Charge for the year	0.1	0.1	4.0	0.5	4.7
Disposals	–	(3.2)	(1.8)	(0.5)	(5.5)
At 30 April 2008	2.6	11.1	20.6	2.9	37.2
<b>Net Book Value</b>					
At 30 April 2008	5.2	0.3	8.4	1.3	15.2
At 30 April 2007	5.4	0.6	9.5	1.1	16.6

### Oxfam Group

	Freehold property £ m	Leasehold property £ m	Furniture fixtures equipment £ m	Motor vehicles £ m	Total £ m
<b>Cost</b>					
At 1 May 2007	7.9	15.1	28.4	4.5	55.9
Additions	–	0.1	2.9	0.7	3.7
Disposals	(0.1)	(3.6)	(2.0)	(0.6)	(6.3)
At 30 April 2008	7.8	11.6	29.3	4.6	53.3
<b>Depreciation</b>					
At 1 May 2007	2.5	14.3	18.8	3.4	39.0
Charge for the year	0.1	0.1	4.0	0.5	4.7
Disposals	–	(3.1)	(1.9)	(0.6)	(5.6)
At 30 April 2008	2.6	11.3	20.9	3.3	38.1
<b>Net Book Value</b>					
At 30 April 2008	5.2	0.3	8.4	1.3	15.2
At 30 April 2007	5.4	0.8	9.6	1.1	16.9

The book value of land (which is not depreciated) included in freehold properties is £1.6m (2006/07: £1.6m).

The net book value of leases over 50 years, grouped with the freeholds, is £nil (2006/07: £nil).

All tangible fixed assets are held for charitable use.

## 9 FIXED ASSET INVESTMENTS

Oxfam	Freehold Property £ m	Cash £ m	Unquoted* £ m	Investments	Programme related investments	Fixed asset investments
				Total £ m	Unquoted £ m	Total £ m
Market Value:						
At 1 May 2007	0.3	2.5	1.6	4.4	–	4.4
Additions	0.3	–	–	0.3	–	0.3
Revaluation	0.1	–	–	0.1	–	0.1
Disposals	–	–	–	–	–	–
At 30 April 2008	0.7	2.5	1.6	4.8	–	4.8

Oxfam Group	Freehold Property £ m	Cash £ m	Unquoted £ m	Investments	Programme related investments	Fixed asset investments
				Total £ m	Unquoted £ m	Total £ m
Market Value:						
At 1 May 2007	0.3	2.5	–	2.8	0.1	2.9
Additions	0.3	–	–	0.3	–	0.3
Revaluation	0.1	–	–	0.1	–	0.1
Disposals	–	–	–	–	–	–
At 30 April 2008	0.7	2.5	–	3.2	0.1	3.3

### 9a Investments

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

Freehold investment properties with an original cost of £0.4 million are included in the Balance Sheet at market value of £0.7 million. 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.

At 30 April 2008, Oxfam had an interest in the following subsidiary undertakings:

Organisation name	Country of registration	Nature of business	Class of share capital held	Parent company interest	Minority interest	Consolidation	Year End Date
Oxfam Activities Limited	United Kingdom	Raises funds through trading activities	Ordinary	100%	0%	Yes	30 April
Finance for Development Ltd	Azerbaijan	Micro-credit scheme	Ordinary	100%	0%	Yes	31 December
Coffee Producers Company Ltd	United Kingdom	Dormant	Special share	Oxfam have control of activities but no right to the assets	100%	No (not material)	30 June

The aggregate total amount invested in all Oxfam's subsidiaries is £1.6m (2006/07: £1.7m).

Their financial results for the year were:

	Oxfam Activities Ltd		Finance for Development	
	2008	2007	2008	2007*
	£ m	£ m	£ m	£ m
Income	17.2	17.1	0.9	–
Expenditure	(14.9)	(15.3)	(0.5)	–
Trading profit/(loss)	2.3	1.8	0.4	–
Loan interest paid to Oxfam	(0.2)	(0.2)	–	–
Profit gift aided to Oxfam	(2.1)	(1.6)	–	–
Profit for the year	–	–	0.4	–
Net Assets carried forward at 30 April	0.1	0.1	0.9	–

\* Last year, Finance for Development Ltd was not consolidated on the grounds of materiality. Its retained profits brought forward into 2007/08 of £0.5m have been included in 'Other Incoming Resources' (see note 2e).

On the Line Trust Limited and Coffee Producers Company Limited were dormant for both 2007 and 2008 and have no net assets.

In March 2008, Oxfam acquired a joint venture interest (50% ordinary shareholding) in Frip Ethique, a second-hand clothing company registered in Senegal. It has not been consolidated on the grounds of materiality.

In order to operate in some countries Oxfam is required by local legislation to establish 100% controlled, locally registered organisations. These are listed below. The accounts of these organisations are included within the accounts of Oxfam.

Organisation name	Country of registration	Nature of business
Oxfam UKI Inc	Barbados	As per Oxfam
Associação Recife – Oxford para a Cooperação ao Desenvolvimento	Brazil	As per Oxfam
Sociedad De Desarrollo Oxfam Limitada	Chile	As per Oxfam
Oxfam (India) Trust	India	As per Oxfam
Oxfam Great Britain	South Africa	As per Oxfam

## 9b Programme related investments

### Cafédirect plc

This comprises 903,000 ordinary shares of 25p each in Cafédirect plc, a company registered in Scotland, which represent a 10 per cent interest in the company. The principal activity of the company is the promotion of Fair Trade through the marketing and distribution of coffee and tea.

### The Guardian Share Company Limited

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

### Micro credit schemes

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

## 10 STOCKS

	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
Oxfam trading stocks	–	–	2.3	1.4
Humanitarian supplies	1.4	1.2	1.4	1.2
Other stocks	0.4	0.3	0.4	0.3
	<b>1.8</b>	<b>1.5</b>	<b>4.1</b>	<b>2.9</b>

All stocks relate to finished goods or goods for resale.

## 11 DEBTORS

	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
<b>Amounts falling due within one year</b>				
Amount due from subsidiaries	0.5	–	–	–
Loans to micro-credit schemes	–	–	1.4	–
Other debtors	1.9	2.1	2.1	2.2
Prepayments	4.0	3.8	4.1	3.9
Accrued income	1.0	0.8	1.1	0.8
Tax recoverable	5.5	5.0	5.5	5.0
Amounts due from institutional donors	11.6	8.7	11.6	8.7
	<b>24.5</b>	<b>20.4</b>	<b>25.8</b>	<b>20.6</b>
<b>Amounts falling due outside one year</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>
Loans to micro-credit schemes	–	–	1.0	–
Other debtors	0.2	–	0.2	–
	<b>0.2</b>	<b>–</b>	<b>1.2</b>	<b>–</b>
<b>Total debtors</b>	<b>24.7</b>	<b>20.4</b>	<b>27.0</b>	<b>20.6</b>

## 12 CASH AT BANK AND IN HAND

	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
Cash on short term deposit	37.5	46.0	37.5	46.0
Cash and bank balances	30.8	29.6	30.8	29.7
	<b>68.3</b>	<b>75.6</b>	<b>68.3</b>	<b>75.7</b>



## 13 CREDITORS – Amounts falling due within one year

	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
Trade creditors	6.4	8.0	6.9	8.9
Other tax and social security	1.4	1.1	1.4	1.1
Accruals	5.9	7.1	5.9	7.2
Deferred income *	1.0	0.9	1.0	0.9
Amount due to subsidiaries	–	0.7	–	–
Loans from micro credit schemes	–	–	0.5	–
Interest-free loans	0.2	0.2	0.2	0.2
	14.9	18.0	15.9	18.3

\* Deferred income of £0.5m arose in the year and £0.4m brought forward from 2007 was released.

## 14 CREDITORS – Amounts falling due after more than one year

	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
Loans from micro credit schemes	–	–	1.1	–
Other Loans *	–	–	–	0.1
Deferred income **	0.7	1.3	0.7	1.3
	0.7	1.3	1.8	1.4

\* There is no security on the loans and no interest is payable.

\*\* Deferred income of £0.6m was released in the year

## 15 PROVISIONS FOR LIABILITIES AND CHARGES

	Oxfam & Oxfam Group			
	End of Contract £ m	Dilapidations £ m	Other £ m	Total £ m
At 1 May 2007	6.9	1.4	0.2	8.5
Movement in the year	1.1	0.4	0.3	1.8
At 30 April 2008	8.0	1.8	0.5	10.3

The end of contract provision is a two-fold arrangement for staff on non-UK contracts. The first element is 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 loyalty, which is paid specifically to staff on fixed term contracts as an incentive to complete the full period of service.

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

## 16 CONTINGENT LIABILITIES

The following contingent liabilities existed at 30 April: West Africa Regional Centre (Senegal) – we are aware of a potential income tax liability but no claim has been received as yet; Oxfam North Sudan – five legal cases relating to staffing disputes (£32k); Oxfam Zimbabwe – one legal case regarding a staffing dispute (£5k).

Furthermore, 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 new 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 2007 has been calculated as £488,631. However, Oxfam has no intention of withdrawing from the Plan and at this moment in time the trustees of the Plan have no intention of winding it up; it is therefore unlikely that the liability will crystallise in the foreseeable future.

## 17 ENDOWMENT FUNDS

	Oxfam and Oxfam Group		
	At 1 May 2007 £ m	Unrealised gain in year £ m	At 30 April 2008 £ 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	1.1	0.1	1.2
Other permanent endowment funds	0.1	–	0.1
	<u>2.6</u>	<u>0.1</u>	<u>2.7</u>

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

## 18 RESTRICTED FUNDS

	Oxfam and Oxfam Group			At 30 April 2008 £ m
	At 1 May 2007 £ m	Income £ m	Expenditure £ m	
<b>REGIONAL FUNDS</b>				
CAMEXCA	1.2	7.7	(6.5)	2.4
HECA	2.2	27.8	(27.2)	2.8
West Africa	(0.1)	8.4	(6.9)	1.4
Humanitarian	0.3	1.4	(1.3)	0.4
MEEECIS	1.1	5.3	(3.7)	2.7
Southern Africa	1.8	8.8	(8.4)	2.2
South Asia	2.4	16.7	(15.0)	4.1
UKPP	–	0.4	(0.3)	0.1
South America	1.1	3.3	(4.0)	0.4
East Asia	(0.6)	16.6	(15.5)	0.5
Goods in Kind	–	8.6	(8.6)	–
Oxfam Unwrapped	7.5	8.9	(11.7)	4.7
Other Funds	0.5	1.4	(1.5)	0.4
DFID – Partnership Programme Agreement	0.1	10.4	(10.1)	0.4
<b>APPEALS</b>				
Asian Tsunami	1.9	0.2	(0.6)	1.5
Darfur/Chad	1.2	1.5	(1.8)	0.9
South Asia Earthquake	1.8	–	(0.9)	0.9
South Asia Floods	–	1.4	(1.4)	–
Bangladesh Cyclone	–	1.5	(1.0)	0.5
Other Appeal Funds	2.1	0.5	(1.5)	1.1
	24.5	130.8	(127.9)	27.4

The income and expenditure on the appeals below can be found within both the Appeals and Regional Funds sections as shown above.

The total Asian Tsunami income and expenditure for the year can be analysed as follows:

	At 1 May 2007 £ m	Income £ m	Expenditure £ m	At 30 April 2008 £ m
Emergency Appeal Fund	1.9	0.2	(0.6)	1.5
East Asia	(1.0)	13.0	(11.9)	0.1
South Asia	1.1	6.1	(5.9)	1.3
Total	2.0	19.3	(18.4)	2.9

The total Darfur/Chad income and expenditure can be analysed as follows:

Region	At 1 May 2007 £ m	Income £ m	Expenditure £ m	At 30 April 2008 £ m
Emergency Appeal Fund	1.2	1.5	(1.8)	0.9
HECA	(0.6)	3.6	(3.3)	(0.3)
West Africa	–	2.2	(2.2)	–
Total	0.6	7.3	(7.3)	0.6

The total South Asia Floods income and expenditure can be analysed as follows:

Region	At 1 May 2007 £ m	Income £ m	Expenditure £ m	At 30 April 2008 £ m
Emergency Appeal Fund	–	1.4	(1.4)	–
South Asia	–	0.8	(0.8)	–
Total	–	2.2	(2.2)	–

The total Bangladesh Cyclone income and expenditure can be analysed as follows:

Region	At 1 May 2007 £ m	Income £ m	Expenditure £ m	At 30 April 2008 £ m
Emergency Appeal Fund	–	1.5	(1.0)	0.5
South Asia	–	1.5	(1.5)	–
Total	–	3.0	(2.5)	0.5

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 amounted to £10.4m (2006/07: £8.3m). The trustees consider that the likelihood of reimbursement is of sufficient level to justify the carrying of these deficit funds at the end of the year.

## 19 UNRESTRICTED FUNDS

Movements on unrestricted funds are as follows:

### Oxfam

	General reserves	Designated fund fixed assets*	Designated fund other	Pension reserve	Total
	£ m	£ m	£ m	£ m	£ m
At 1 May 2007	48.8	14.7	0.1	(20.1)	43.5
Surplus/(deficit) for the year	3.5	(4.2)	–	(1.8)	(2.5)
Gains and losses	–	–	–	4.8	4.8
Transfers between funds	(7.7)	3.6	–	4.1	–
At 30 April 2008	44.6	14.1	0.1	(13.0)	45.8

### Oxfam Group

	General reserves	Designated fund fixed assets *	Designated fund other	Pension reserve	Funds held in non-charitable subsidiary	Total
	£ m	£ m	£ m	£ m	£ m	£ m
At 1 May 2007	48.6	14.9	0.1	(20.1)	0.1	43.6
Surplus/(deficit) for the year	4.0	(4.2)	0.4	(1.8)	–	(1.6)
Gains and losses	–	–	–	4.8	–	4.8
Transfers between funds	(8.0)	3.4	0.5	4.1	–	–
At 30 April 2008	44.6	14.1	1.0	(13.0)	0.1	46.8

\* Included in the designated fund fixed assets is a revaluation reserve of £0.1m.

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

	At 1 May 2007	Surplus for the year	Transfers between funds	At 30 April 2008
	£ m	£ m	£ m	£ m
Seoul peace prize	0.1	–	–	0.1
Micro credit scheme retained reserves	–	0.4	0.5	0.9
<b>Oxfam and Oxfam Group</b>	<b>0.1</b>	<b>0.4</b>	<b>0.5</b>	<b>1.0</b>

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.

Transfers to/(from) the fixed asset designated fund represent capital additions less disposal proceeds. Transfers to the pension reserve represent contributions paid into the scheme during the year.

## 20 COMMITMENTS

### a. Capital

At 30 April the following capital expenditure had been authorised and contracted for:

	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
Within one year	–	0.3	–	0.3

### b. Financial

At 30 April Oxfam had committed the following amount in grants to international projects which will form part of the grants allocated in future years:

	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
Within one year	9.9	9.5	9.9	9.5
Between two and five years	0.6	2.9	0.6	2.9
	<u>10.5</u>	<u>12.4</u>	<u>10.5</u>	<u>12.4</u>

### c. Operating leases

At 30 April there were the following annual commitments under non-cancellable operating leases:

	Oxfam		Oxfam Group	
	2008 £ m	2007 £ m	2008 £ m	2007 £ m
<b>i) Land and Buildings</b>				
Operating leases which expire:				
Within one year	2.8	3.8	2.8	3.8
In the second to fifth years inclusive	9.6	8.8	9.6	8.8
After five years	5.4	5.1	5.4	5.1
	<u>17.8</u>	<u>17.7</u>	<u>17.8</u>	<u>17.7</u>
<b>ii) Vehicles</b>				
Operating leases which expire:				
Within one year	0.1	–	0.1	–
In the second to fifth year inclusive	0.2	0.2	0.2	0.2
	<u>0.3</u>	<u>0.2</u>	<u>0.3</u>	<u>0.2</u>

### d. Pension scheme commitments

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

#### i) Defined benefit pension scheme

The assets of the pension scheme are held separately from those of Oxfam and are administered by The Pensions Trust. The pension cost is determined on the advice of independent qualified actuaries. An actuarial valuation was carried out at 30 April 2008 by a qualified independent actuary, based on the amendment to the provisions of FRS17 (issued December 2006).

The scheme was closed to new members on 31 January 2003. As a result, under the 'attained age' method of valuation, the current service cost increases as the members of the scheme approach retirement. The scheme is funded and the employer's contribution is 11.1% of pensionable pay (2006/07: 9.8%). The employees' contribution is 5.0% of pensionable pay. The pension costs for this scheme for the year were £1.8m (2006/07: £1.8m). Contributions paid by Oxfam GB during the year were £4.0m (2006/07: £2.9m). In addition, Oxfam Ireland and Oxfam International paid £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 30 April 2009 is £4.0m.

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

#### Financial assumptions

	April 2008 %	April 2007 %	April 2006 %
Rate of increase in salaries	4.80	4.50	4.30
Rate of increase of pensions (deferred and in payment)	3.30	3.00	2.80
Rate of inflation	3.30	3.00	2.80
Rate used to discount scheme liabilities*	6.30	5.40	5.10

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

The mortality assumptions adopted at 30 April 2008 imply the following life expectancies at age 65:

	2008 Years	2007 Years
<b>Non-pensioners:</b>		
Males	22.4	21.6
Females	25.2	24.4
<b>Pensioners:</b>		
Males	21.6	20.7
Females	24.4	23.6

#### Scheme assets and expectation of return

	April 2008 £ m	April 2007 £ m	April 2006 £ m	April 2005 £ m	April 2004 £ m
Equities	44.0	45.2	41.1	36.0	32.4
Government Bonds	18.6	22.6	20.2	12.3	10.6
Property	4.9	–	–	–	–
Cash	0.6	0.4	0.4	0.4	0.5
Total fair value of assets	68.1	68.2	61.7	48.7	43.5
Present value of scheme liabilities	(81.1)	(88.3)	(85.0)	(70.8)	(60.3)
Net pension liability	(13.0)	(20.1)	(23.3)	(22.1)	(16.8)

	Expected rate of return at 2008 %	Expected rate of return at 2007 %	Expected rate of return at 2006 %
Equities	8.00	8.00	8.00
Government Bonds	5.40	5.00	4.50
Property	8.00	–	–
Cash	5.00	5.25	4.50
<b>Total</b>	<b>7.26</b>	<b>6.99</b>	<b>6.83</b>

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

## Analysis of amounts charged to statement of financial activities

	2008 £ m	2007 £ m
Current service cost	1.9	1.7
Interest cost on scheme liabilities	4.8	4.4
Expected return on assets in the scheme	(4.9)	(4.3)
Net finance charge	(0.1)	0.1
Actual return less expected return on pension scheme assets	(7.9)	0.4
Experience gains on liabilities	1.6	0.1
Changes in assumptions underlying the present value of scheme liabilities	11.1	1.5
Total actuarial gain recognised	4.8	2.0

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since 1 May 2004 is a loss of £1.3m (2006/07: £6.1m loss).

## Reconciliation of opening and closing balances of the present value of the scheme liabilities as at 30 April

	2008 £ m	2007 £ m
Scheme liabilities at the start of the year	88.3	85.0
Current service cost	1.9	1.7
Interest cost	4.8	4.4
Contributions by scheme participants	0.7	0.8
Actuarial gain	(12.7)	(1.6)
Benefits paid	(1.9)	(2.0)
Scheme liabilities at the end of the year	81.1	88.3

The actual return on scheme assets for the year was a loss of £3.0m (2006/07: £4.7m gain).

## Reconciliation of opening and closing balances of the fair value of the scheme assets as at 30 April

	2008 £ m	2007 £ m
Scheme assets at the start of the year	68.2	61.7
Expected return on scheme assets	4.9	4.3
Actuarial gain/(loss)	(7.9)	0.4
Contributions by employer	4.1	3.0
Contributions by scheme participants	0.7	0.8
Benefits paid	(1.9)	(2.0)
Scheme assets at the end of the year	68.1	68.2

## History of experience gains and losses

	2008	2007	2006	2005	2004
Difference between the expected and actual return on scheme assets (£m)	(7.9)	0.4	6.5	(0.1)	1.9
As % of scheme assets	(11.6%)	0.6%	10.6%	(0.3%)	4.3%
Experience gains on scheme liabilities (£m)	1.6	0.1	0.1	1.0	0.1
As % of liabilities	2.0%	0.0%	0.1%	1.5%	0.1%

### ii) Defined contribution pension scheme

For employees not in the defined benefit scheme Oxfam operates a Stakeholder Pension Scheme. This is a unit-linked money purchase scheme from Norwich Union. From 1 January 2003 Oxfam contributed double the employee contributions up to a maximum of 10% of pensionable pay. Oxfam contributed £1,074,306 (2006/07: £801,752) to this pension scheme in relation to the year ended 30 April 2008.

### iii) Alternative pension arrangements

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



## 21 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

<b>Oxfam</b>	<b>Unrestricted funds £ m</b>	<b>Restricted funds £ m</b>	<b>Endowment funds £ m</b>	<b>Total funds £ m</b>
Fund balances at 30 April 2008 are represented by:				
Tangible fixed assets	15.2	–	–	15.2
Investment assets	2.1	–	2.7	4.8
Current assets	67.4	27.4	–	94.8
Current and long term liabilities and provisions	(25.9)	–	–	(25.9)
Pension liability	(13.0)	–	–	(13.0)
Total net assets at 30 April 2008	45.8	27.4	2.7	75.9

<b>Oxfam Group</b>	<b>Unrestricted funds £ m</b>	<b>Restricted funds £ m</b>	<b>Endowment funds £ m</b>	<b>Total funds £ m</b>
Fund balances at 30 April 2008 are represented by:				
Tangible fixed assets	15.2	–	–	15.2
Investment assets	0.6	–	2.7	3.3
Current assets	72.0	27.4	–	99.4
Current and long term liabilities and provisions	(28.0)	–	–	(28.0)
Pension liability	(13.0)	–	–	(13.0)
Total net assets at 30 April 2008	46.8	27.4	2.7	76.9

## 22 RELATED PARTY TRANSACTIONS

During the year, Ruth Mayne, the wife of Phil Bloomer who is a member of the Corporate Management Team, undertook consultancy work for Oxfam, editing Oxfam's Accountability Report. In line with Oxfam's standard consultancy terms and conditions, she received £1,064 (2006/07: £nil) in respect of this work. There were no outstanding related party transactions at 30 April 2008.

# ACKNOWLEDGEMENTS

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



The European Commission



ECHO



The United Nations



LOTTERY FUNDED



Dubai Cares



Oxfam acknowledges funding from the Big Lottery Fund (BLF) of £455,056 from the Young People's Fund – Scotland for the Roars not Whispers Program<sup>1</sup>, £83,597 for The Million Cisterns Program in Brazil<sup>2</sup>, £63,336 for Ensuring the Rights of Migrant Workers in the UK<sup>3</sup>, £61,307 for Gender and Regeneration in the UK<sup>4</sup> and £42,733 for the Anti-Poverty Network in Wales<sup>5</sup>.

Oxfam received funding from the Commonwealth Education Fund (CEF) of £128,045 for Mainstreaming Gender in CEF Partners Globally<sup>6</sup>, £76,921 for the Education Advocacy Program in Southern Africa<sup>7</sup>, £75,007 for the Global Campaign for Education in Southern Africa<sup>8</sup> and £6,802 for the Education Advocacy Program in India<sup>9</sup>.

Oxfam also acknowledges funding from the Australian Agency for International Development (AusAID), Canadian International Development Agency (CIDA), Danish International Development Agency (DANIDA), Department for International Development (DFID), Department for Work and Pensions, European Commission and ECHO – Humanitarian Aid department of the European Commission, Foreign and Commonwealth Office (FCO), Government of Belgium, Government of Finland, Government of Germany, Government of Ireland Department of Foreign Affairs (Irish Aid), Government of Luxembourg, Government of the Netherlands, Norwegian Agency for Development Cooperation (NORAD), Scottish Government, Swedish International Development Cooperation Agency (SIDA), Swiss Development Cooperation (SDC), United Nations Democracy Fund (UNDEF), United Nations Development Program (UNDP), United Nations Educational, Scientific and Cultural Organisation (UNESCO), Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations World Food Program (WFP), Food and Agriculture Organisation of the United Nations (FAO), United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), United Nations Children's Fund (UNICEF), US Agency for International Development (USAID-OFDA), World Bank.

The Alice Ellen Cooper Dean Charitable Foundation, The Allan and Nesta Ferguson Charitable Trust, The Asia Foundation, Band Aid Trust, The Balcombe Trust, The Beautiful Store, The Bill and Melinda Gates Foundation, The Constance Travis Charitable Trust, The D G Charitable Trust, Dubai Cares, Eagle Charitable Trust, Ellen & Ronald Carr-Webb Memorial Trust Fund, Entwicklungshilfe Klub, Ford Foundation, Isle of Man Overseas Aid Committee, Lundin for Africa, The Newman Charitable Trust, NHS Highland Primary Care Trust, Prospect Trade Union, The Rufford Maurice Laing Foundation, ShareGift, Soroptimist International, States of Guernsey Overseas Aid Commission, States of Jersey Overseas Aid Commission, The Sulney Fields Charitable Trust, The Tolkien Trust, The Waterloo Foundation, The 1989 Willan Charitable Trust, The William and Flora Hewlett Foundation, Elma Philanthropies, CARE USA.

Special thanks to founder partners of the Oxfam 365 Alliance, for their generous support of our emergencies work, Vodafone Foundation and Aviva plc.



Abbott Mead Vickers, Accenture, Bettys and Taylors of Harrogate, Cafédirect, Clymac Ltd, The Co-operative Bank, The Co-operative Group, Corporate Mobile Recycling Ltd, Excel Securities Plc, Google.inc, The Language Factory, Marks and Spencers, Monsoon Accessorize Trust, MTV Networks Europe, Romo Ltd, Sony BMG, State Street Bank & Trust Company, Turner & Townsend plc, United Business Media, Universal Telecom / Timepiece LDA, v the youth volunteering charity, Xfm.

Our thanks also for the generous support of Oxfam International affiliates and their donors around the world including: Oxfam America, Oxfam Australia, Oxfam in Belgium, Oxfam Canada, Oxfam Deutschland, Oxfam Hong Kong, Intermon Oxfam; Oxfam Ireland, Oxfam Japan, Oxfam New Zealand, Oxfam Novib, Oxfam Quebec.

<sup>1</sup> Roars not Whispers Program spend: £529,689

<sup>2</sup> The Million Cisterns Program in Brazil spend: £152,879

<sup>3</sup> Ensuring the Rights of Migrant Workers in the UK spend: £44,032

<sup>4</sup> Gender and Regeneration in the UK spend: £64,133

<sup>5</sup> Anti-Poverty Network in Wales spend: £22,448

<sup>6</sup> Mainstreaming Gender in CEF Partners Globally spend: £103,704

<sup>7</sup> Education Advocacy Program in Southern Africa spend: £58,876

<sup>8</sup> Global Campaign for Education in Southern Africa spend: £68,923

<sup>9</sup> Education Advocacy Program in India spend: £6,122

## Introduction

Being accountable is a key value for Oxfam, which strengthens our legitimacy and is vital to fulfilling our mission. All organisations need to be accountable to their stakeholders, and as we demand greater accountability from others we recognise that we need to become more accountable ourselves.

In December 2007, Oxfam published an 'Accountability Report' for the first time<sup>1</sup> based on the accountability standards of the Global Reporting Initiative. The report set out our approach to accountability, the progress we made during the financial year 2006/07 and our plans for the period of our Strategic Plan 2007–2010.

This annex to the Annual Report and Accounts for 2007/08 should be read in the context of the Accountability Report 2006/07. It provides an update on the progress we have made in 2007/08 and sets out any changes to our plans to improve our accountability in the future. The sections that follow in this annex mirror the sections in last year's Accountability Report.

## Our Humanitarian Work

The work to achieve the aims we set out in our first report is largely ongoing. Important progress has been made during 2007/08 through a number of key actions and events:

- We have adopted a framework for accountability in our humanitarian work. Alongside the framework we have developed a range of resources and made them available to staff.
- We have communicated our commitment to accountability to our staff at a global meeting, regional and country workshops, and a special edition newsletter.
- Oxfam has also started looking at integrating accountability measures into our humanitarian initiatives and our work to improve the management of humanitarian programmes. This includes exploring staff recruitment and training aspects that can influence attitudes and behaviour related to accountability.
- New Monitoring, Evaluation and Learning procedures were implemented in a review in Zimbabwe in April 2008. It included an evaluation of the participation of our stakeholders in the programme and gave them an opportunity to provide feedback on Oxfam's performance. This was the first collaborative review to include beneficiaries' voices in a systematic way. The review was communicated back to the individuals and communities it affected.

- Oxfam is participating in the Emergency Capacity Building (ECB) initiative and the Steering Committee for Humanitarian Response (SCHR)<sup>2</sup> peer review process in two humanitarian country programmes. We will be reviewed in September 2008 and February 2009.
- We have started to apply our Complaints Policy in our humanitarian work. Participation in the peer reviews in 2008/09 will assess whether the complaint mechanisms are working effectively.
- Two allegations of sexual exploitation or abuse were made against Oxfam GB in 2007/08, compared to 12 in 2006/07. One case, involving a contractor, is with the police, and the contract has been terminated. No further action will be taken by Oxfam. An investigation of the second case concluded there was no case to be answered, and no further action was taken by Oxfam.
- There is a marked drop in the level of reporting allegations, investigations or outcomes for central trend spotting and analysis. This is a serious concern and improvements need to be made in the coming year.

To take our work in this area forward during 2008/09, one key humanitarian programme per Oxfam Region is due to implement the full complement of accountability commitments. We plan to trial further innovative approaches to humanitarian accountability. Work will also be progressed during the year on the implementation of the Open Information Policy.

## Our Long-term Development Work

A current focus in this area is our **accountability to our partners**. In 2007/08 we began the implementation of our partnership policy that had been developed in 2006/07.

- We developed and communicated a new partnership toolkit, comprised of a series of minimum standards and good practice guidelines. This work was informed by input from our partners and includes mechanisms for partners and others to hold Oxfam to account as well as the need to hold good partner conversations to jointly agree on effective ways of working.
- Workshops have been held in a number of Oxfam's Regions to support implementation of the Partnership Policy. All staff are now expected to hold formal and open discussions with partners about how we both want to work together, to agree clearly what Oxfam's responsibilities in the partnership are, and to put in place mechanisms to enable the partners and others to hold Oxfam to account. This is now a key element of the letter of agreement with all funded partners.

---

<sup>1</sup> [http://www.oxfam.org.uk/resources/accounts/downloads/3430\\_accountability\\_report\\_web.pdf](http://www.oxfam.org.uk/resources/accounts/downloads/3430_accountability_report_web.pdf)

<sup>2</sup> Steering Committee for Humanitarian Relief – <http://www.humanitarianinfo.org/iasc/content/about/schr.asp>

Partner feedback will be incorporated in 50 per cent of staff performance reviews by May 2009, with a target of 100 per cent by May 2010. We aim to provide a set of clear expectations for staff and minimum standards for our accountability to people in poverty, by the end of January 2009.

Work also continued on developing and implementing the **Monitoring, Evaluation and Learning (MEL)** system.

- Programme monitoring reviews were introduced in 28 per cent of all programmes in 2007/08, just under our 33 per cent target. Most of these included partners' views directly or indirectly in the process and some included the voices of people living in poverty. Monitoring reviews will take place in two-thirds of all programmes in 2008/09. Partners will be included in these reviews in a range of ways appropriate to the context.
- As planned, we piloted global impact indicators in the East Asia, South Asia, and West Africa Regions during 2007/08 to measure our impact over time. This work was only partly effective and has now been integrated into work with DFID on monitoring and evaluating our Programme Partnership Agreement.
- A new Programme Evaluation Policy has been drafted and will be put into practice during 2008/09. It aims to improve the quality of our programmes and programme and policy decisions, ensuring that the results of our work are more transparent and enabling us to be more accountable to our stakeholders.
- In taking our MEL work forward, a further 35 per cent of countries will introduce annual Country Learning Reviews in 2008/09, to bring the total to two-thirds. They will contribute to Regional Learning Reviews, which will run in three Regions in 2008/09 (East Asia, MEEECIS and Southern Africa). Strategic Learning Reviews, targeting specific areas of work such as livelihoods, gender, and HIV and AIDS, will be brought to our Council of Trustees over the next two years, with the HIV and AIDS review scheduled for September 2008.

In addition, in 2009/10 there will be an opportunity for Oxfam staff and other key stakeholders to stand back and reflect on what we are delivering through our programme around the world, as well as identifying learning that can be fed back into our work and future strategy development.

To ensure that we can use our **learning from our humanitarian work** in our long-term development work, a small working group has developed an outline plan for increasing accountability to people in poverty for Oxfam's overall programme. This outline plan will be developed further and implemented over the next two years.

The **complaints policy** and implementation guidelines were distributed to staff in autumn 2007 as planned.

### Our campaigning

Progress has been made during 2007/08 in the following areas:

- Oxfam has continued to adapt and apply the new approach to **Monitoring, Evaluation and Learning** to campaigns, with an increased use of the 'impact chain' logical framework to communicate to stakeholders what we are trying to achieve. We planned to include an impact chain in all our campaign plans by April 2008, but only three out of six target programmes had included one by then.
- We have **supported national campaigning** through increased resources, with more campaign staff in Oxfam's eight international Regions. We began to work with national staff, allies and partners to develop and implement a systematic plan for building campaigning capacity in key countries. A coordinator has been appointed to lead this work in the future.
- We have produced an advocacy toolkit, which is now available to staff on our Intranet. In addition, a guidebook entitled 'What is Quality Media?' will be completed by the end of 2008 for international use, and there are plans to develop a comprehensive campaigning toolkit for partners and staff in the coming year.
- There was a slight increase in the number of exchanges and secondments between northern and southern staff last year, and International division staff attended a divisional learning day on campaigning.
- **Working in alliance** with others is a key aspect of our approach to campaigning work and we plan to adapt and apply our new Partnership Policy to our campaigning work with partners and allies. All staff received a copy of the policy document and, while it has not yet been systematically applied at team level to existing or new Campaigns and Policy Division (CPD) partners, the policy will be put in place for all CPD-led partnerships during 2008/09.
- We also planned to systematically put in place sustainable exit policies for when we move on from issues or alliances, so that we can be explicit with partners about our plans and they can hold us to account. However, when we joined the Climate Action Network it was not possible to establish an exit policy. The network is an alliance of over 200 organisations from around the world that want to address climate issues. They do not rely on our funding, and our role and investment (just like all the other members) in this alliance will depend on external environmental changes, so it is not possible to agree an exit strategy at the outset.

## The environment and climate change

In the report last year we set ourselves the target of reducing our UK **carbon footprint** emissions by 27 per cent – 4,555 tonnes – over three years from a 2006/07 baseline. During the first year of this programme we have achieved a 2,892 tonne reduction (17 per cent), as shown in the table below.

Oxfam GB Carbon footprint in the UK	Oxfam CO <sub>2</sub> 2006/07	Oxfam CO <sub>2</sub> 2007/08
Air travel booked in the UK	2,401	2,427
Air freight	762	825
Car fleet	354	254
Van fleet	115	118
Road freight	118	188
Work-related own car use	76	182
Work-related public transport	179	201
Commuter travel	1,597	1,641
Paper use	2,648	1,729
Electricity – shops and warehouses	6,738	5,150
Electricity – offices	1,107	517
Gas – shops & warehouses	523	487
Gas – offices	232	241
Waste to landfill from Oxfam House	18	18
Waste to landfill from rest of operations	18	18
<b>Total tonnes CO<sub>2</sub></b>	<b>16,888</b>	<b>13,996</b>

We have also started to measure our emissions from road and air transport around the world. This data is still incomplete and shows inconsistencies of measurement in some of our country offices around the world. We will be implementing plans to reduce them during 2008/09, but we are not yet in a position to measure the totality of our carbon footprint outside the UK.

The **reuse and recycling** of books and bric-a-brac items, which are not of sufficient quality to sell in the shops, has continued to improve. We have aggregated unsold books from Oxfam shops, and we will sell them online from a book barn in Huddersfield. This improves our recycling options, and we are currently looking at doing more of this. Recycling bric-a-brac is more difficult, as the range of un-saleable goods donated to us is diverse. We have identified a role for Environment Champions, who will be involved in all aspects of energy conservation, waste reduction, and recycling across the shop network. We hope to have at least one Environment Champion in each area and that they will help to minimise bric-a-brac wastage. In addition, we launched an initiative with Marks and Spencer to encourage the reuse of clothes through a clothes exchange scheme, which increased donations to and sales from our shops.

Oxfam's consumption of electricity in the use of our **properties and information technology** is the

largest single contributor to our carbon footprint. In September 2007, we signed a contract with Ecotricity to supply all our electricity within the UK, which guarantees that 100 per cent of the electricity used in Oxfam House and 28 per cent of the electricity used in the shop network will be from renewable sources.

In addition, we have also introduced energy-saving measures such as changing feature spotlights to highly efficient LED units, fitting timers to drinking water boilers, and improving the effectiveness of the automatic lighting controls. Since one-third of Oxfam House's total electricity consumption is for the computer room, the IT department will pursue a strategy of replacing its equipment with more carbon-efficient alternatives. We also aim to manage better our use of electricity, particularly in the shop network, and will invest in energy-efficient lighting and heating as part of a programme of shop upgrades.

With a target of reducing the use of **air transport** by Oxfam staff by a further 15 per cent during 2007/08, we introduced a policy to use trains rather than air for all UK and Eurostar destinations, and we invested in video conferencing and improved audio and web-conferencing equipment to reduce the need for face-to-face meetings.

The changes in our travel policy enabled us to cut the CO<sub>2</sub> associated with our short-haul flights from the UK by 30 per cent. Long-haul air travel booked from the UK has not yet shown any significant change in response to our efforts. Overall we have failed to reduce the CO<sub>2</sub> output from air travel booked in the UK, which shows a 1 per cent increase.

To improve the fuel economy of the **Trading vehicle fleet** in the UK, we introduced a new standard vehicle during the last year. The impact of this change will be seen in reduced CO<sub>2</sub> emissions in future years.

Against our target of reducing **paper usage** by 15 per cent over three years, we achieved a 35 per cent reduction in the first year.

The level of recycling from Oxfam House rose from 30 per cent in 2006/07 to over 41 per cent by April 2008, just below our target of 50 per cent. Further initiatives are planned to increase the level of recycling in 2008/09.

## People: staff and volunteers

Oxfam continues to seek to be a fair and decent employer of staff and volunteers, meeting the standards which we would expect of other organisations we might partner, seek to influence, or use as a supplier. Progress against our three-year plan in this area is set out below:

- Oxfam places great emphasis on the development of its own staff – particularly enabling staff from developing countries to move into leadership positions. We have invested significantly in management training, and higher proportions of posts are now being filled internally (60 per cent of those at Levels A and B (senior management) and 50 per cent at Levels C and D (middle management) during 2007/08, compared to 49 per cent and 34 per cent respectively in 2006/07).
- To increase the diversity of our work force in the UK and internationally, we have adopted a Positive Action Policy and guidelines, which are now starting to be implemented. Three divisions out of six have met the target on black and minority ethnic representation in the UK, but improvements are needed in the other three. We will also continue our progress on gender diversity.
- During 2007/08 we carried out a review of our Final Salary Pension scheme (which is closed to new members). The proposals were subject to extensive consultation with pension scheme members and the final proposals reflected feedback from members on key issues. While the outcome means a reduction in pension benefits, the changes, to be implemented from October 2008, will reduce the current deficit and future risks, offering greater security to the employees who are members.

Internationally, we continue to work in very challenging circumstances in relation to security and health and safety and we place great emphasis on the effective management of these issues. In 2007/08 there were three accidental deaths (compared to six in 2006/07). In the first incident an Oxfam staff member and a staff member of a partner organisation died in a road accident in Moxico, Angola. In the second incident a staff member was robbed and shot

in Kotido, Uganda in an incident unconnected to his work for Oxfam. Investigations were carried out in both cases and management actions taken as appropriate.

The following table provides more detailed year-on-year comparisons for key information in this area:

Staff	2006/07	2007/08
UK based staff turnover (12-month rolling average for staff on open-ended contracts)	17%	16%
Completion of performance reviews	100% UK based staff 87% international staff	100% 84%*
Pension scheme membership – % of UK based staff as at 30 April (Final salary and stakeholder schemes)	43%	47%
Number of UK employment tribunal cases	3	1
<b>Diversity</b>		
Gender (UK-based women shown as % of total UK based workforce)	67%	66%
% of international workforce from non-OECD countries	Over 90%	96.7%**
UK based staff registered as disabled	2.9%	3.2%
<b>Health &amp; Safety</b>		
UK based staff sick absence	2.1%	2.0%

\* This is an estimate at the end of August 2008, and is expected to rise once the phasing in of our single global database is completed. More accurate figures will be available in 2009.

\*\* The 6.7% increase is primarily related to more accurate reporting mechanisms.

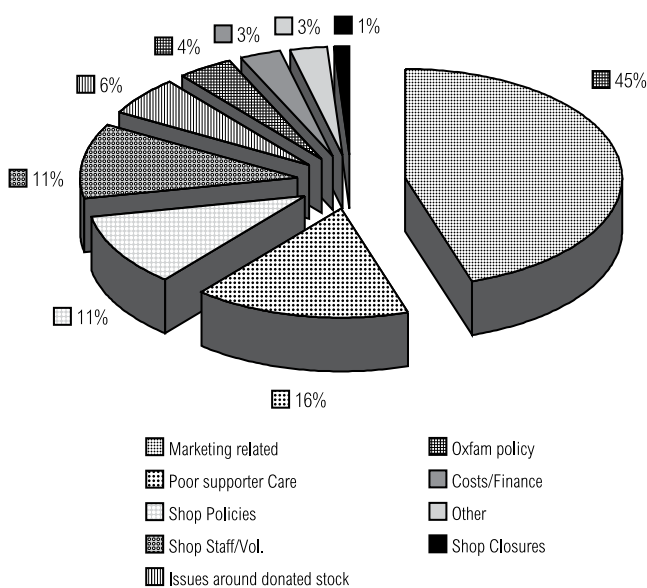
Going forward, implementation of our new global Human Resources system, planned for 2008/09, will improve international HR data, including for the first time being able to measure sickness absence internationally. Oxfam carries out a full staff survey and a volunteer survey every two years to provide feedback to Oxfam management. The next survey is due to take place in 2008/09, and we are continuing to address the issues raised in last year's survey.

## Donors and Supporters

As our report last year explained, accountability to our donors and supporters is enormously important to us. In accordance with the plan set out last year, we have made significant progress in a number of areas.

Oxfam now records and reports on the complaints we receive and in 2007/08 we recorded 1,921 complaints from the public, broken down as follows:

**Breakdown of Complaints by Type**



- Of these 1,921 complaints, 1,192 related to our fundraising policies and practices, and 72 of them met the Fundraising Standards Board's (FRSB) complaint definition and, therefore, were reportable as part of our statutory reporting to them. The 72 complaints were subsequently resolved, so no further action or escalation was necessary. No complaints were referred or made directly to the FRSB. A further 583 complaints were about our trading policies and procedures, and the remaining 146 were about other Oxfam policies and practices. We deal with complaints according to our complaints policy and will track the trend of these statistics going forward.

The table below shows other key statistics that we monitor in this area and the comparison with last year.

	2006/07	2007/08
UK Telephone Preference Service	9 complaints	1 complaint
Information Commission	2 complaints	0 complaints
Donor Reports and Audits		
reports submitted on programme implementation to donors	1,105	756
audits conducted by donors	50	52

We continue to track the views and opinions of the UK public and our supporters. We have conducted research investigating the perceptions, experience and performance of Oxfam from the perspective of various stakeholders.

## Ethical Purchasing

Oxfam set itself the target of managing 95 per cent of high-risk goods<sup>3</sup> and services ethically, according to our in-depth ethical purchasing programme, by 2010, and steady progress has been made, reaching 63 per cent in 2007/08.

- All 72 suppliers of retail products were managed according to our programme: 39 were Fairtrade accredited and 29 registered on SEDEX, the online ethical trading database, which shares audit information and, therefore, minimises the need for its members to undertake audits; the other four were managed in other ways.
- All 24 suppliers of print and promotional products were also managed according to the programme: 13 were registered on SEDEX and one audit was carried out, which resulted in tangible benefits for workers; the other 11 were managed in other ways.
- The office facilities provider joined SEDEX for its entire UK business, there were increased checks into the sourcing of humanitarian relief products such as buckets and water tanks, and our PC supplier reported progress in its ethical programme. In addition, 72 lower-risk suppliers were mapped in Trading and Supporter Marketing and 11 earmarked for further assessment. Progress was slower in the area of Publications.

Oxfam ensured that suppliers of all retail products where spend is over £25,000 per annum have an ethical audit as a condition of business (except Fair Trade suppliers, whose standards are vetted within the accreditation process). In 2007/08, 13 of the 24 suppliers in this category were Fairtrade accredited. Of the remaining 11, seven were audited and committed to continuous improvement, and the remaining four committed to an audit as a condition of doing business with Oxfam.

Oxfam developed more robust environmental assessment tools and procedures with SEDEX and environmental NGOs during 2007/08. In addition, a SEDEX Environmental Group, with Oxfam's input, developed a questionnaire to assess standards internationally at factory level, which went live in April 2008. From 2008/09 we will use the improved environmental assessment tools and procedures

<sup>3</sup>Ethically high-risk' applies to suppliers of: 1) products or services from industries known to have poor labour and environmental standards; 2) products we sell; and 3) products associated with the brand, where spend exceeds £5,000.

developed during 2007/08 and better integrate them with our framework for managing labour standards.

Under a WWF-led scheme, Forest and Trade Network, Oxfam improved product specification and learned to gather more accurate data on the source and composition of timber and paper. We also influenced suppliers to source more sustainable forest products. Our targets for 2008/09 include an increase in card products for Christmas 2008 that carry the Forest Stewardship Council (FSC) mark.

### Governance

Oxfam's governance arrangements are shown on our website and in the Annual Report section of this document. The Accountability Report 2006/07 set out plans to improve our accountability in terms of governance of the organisation in four key areas:

- Following changes in the UK Companies Act 2006 and the UK Charities Act 2006, a working group has started a review of our constitution. Oxfam GB is now also registered in Scotland.
- In February 2008, Council adopted an Oxfam-wide Open Information Policy that makes appropriate information available to stakeholders. We have also contributed to an Open Information Policy for the Disaster Emergencies Committee, which is currently being reviewed.
- At the end of the year the consultancy firm KPMG reviewed our whistle-blowing arrangements to ascertain how well they compare to some good practice models. Some improvements in our International Division were proposed, which will be put into place in 2008/09, and we will look to ensure that these extend to beneficiaries and partner organisations as well as staff.
- Oxfam has been an active participant in the Global Reporting Initiative (GRI) working group for the Not-For-Profit Sector Supplement. It aims to provide a credible, consistent and comparable reporting framework for the economic, environmental and social performance of all organisations in the not-for-profit sector, and we will use this to guide our own approach to accountability once it is available (expected to be in 2009).

During the year we have invested in counter-fraud work, especially training more staff in dealing with dishonesty, and this has contributed towards a culture where fraud and loss are not tolerated. One short-term result of this is that more incidences are being reported, which has influenced the amount of loss we are actually now finding. This is helping us understand where we need to improve our controls and will lead in the longer term to wider reduction of loss. Losses of £298,652 (0.1 per cent of annual turnover) were identified and reported to the Charity Commission during 2007/08, compared to £183,444 in 2006/07.

In 2007/08 Oxfam was not subject to any fines or prosecutions for non-compliance with laws and regulations in the UK. We are not aware of any prosecutions anywhere else in the world that should be reported.

### Conclusion

We remain committed to the plans set out in our report last year for the three years of our Strategic Plan (2007–2010) and this update records the progress we have made in the first year. Our approach to accountability continues to evolve and we recognise that we still have a long way to go to be fully accountable. Our website includes a table that shows how our approach to accountability meets the requirements of the GRI Reporting Guidelines.

We continue to welcome and encourage comment and feedback on our programmes, policies and approaches through our website ([www.oxfam.org.uk](http://www.oxfam.org.uk)) or by writing to us at [enquiries@oxfam.org.uk](mailto:enquiries@oxfam.org.uk) or the Company Secretary, Oxfam, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK.

On behalf of the Council of Trustees:



John Gaventa  
Chair of Oxfam  
2 October 2008



**Chair: John Gaventa**  
**Vice chair: Angela Sealey**  
**Honorary Treasurer: Gareth Davies**  
**Chief Executive: Barbara Stocking DBE**

Oxfam is a registered charity in England and Wales (no 202918) and Scotland (SCO 039042) and a company limited by guarantee registered in England No 612172 at Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY. Oxfam GB is a member of Oxfam International.

BC: 142260 Inhouse: 3790