

Oxfam Australia

ABN 18 055 208 636

Financial Report - 31 March 2021

Oxfam Australia
Corporate information
31 March 2021

This financial report covers the consolidated entity comprising Oxfam Australia and its subsidiary, Oxfam Australia Trading Pty Ltd ("the Group"). The Group's functional and presentation currency is AUD (\$).

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$000).

A description of the Group's objectives and of its principal activities is included in the review of operations and activities in the Directors' report on page 6.

Directors (non-executive)

Dennis Goldner	Chair (until August 2020) (retired August 2020)
Judith Slocombe	Chair (from August 2020)
Belinda Tallis	Deputy Chair
Peter Bars	Director
Ann Byrne	Director (retired August 2020)
Melissa Houghton	Director
Fiona Kotvojs	Director (leave of absence May 2020 – June 2020)
Geoff McClellan	Director
Sally McCutchan	Director
Timothy McMinn	Director
Gregory Ridder	Director (retired August 2020)
Desmond Rogers	Director (retired March 2021)
Jasmine-Kim Westendorf	Director
Alan Wu	Director

Staff Participants

James Riturban

Registered office and Principal place of business

130-138 Leicester Street
Carlton, Victoria, 3053
Phone: +61 3 9289 9444
www.oxfam.org.au

Solicitors

Corrs Chambers Westgarth
Level 25, 567 Collins St
Melbourne, Victoria 3000

Bankers

Westpac Banking Corporation
GPO Box 3433
Sydney, NSW 2001

Auditors

BDO
Collins Square, Tower 4
Level 18, 727 Collins St
Melbourne, VIC 3000

Oxfam Australia
Auditor's independence declaration

The Directors submit their report for the year ended 31 March 2021.

Directors

The names and details of the Directors in office during the financial year ended 31 March 2021 and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience, and special responsibilities

Dennis Goldner AM
Chair (until August 2020)
BEc (Hons), FAICD
Retired: August 2020

Dennis was a partner at Deloitte for 20 years, retiring in 2009. His earlier career was spent in the Australian and Victorian public sector, having worked in industry policy, trade and competition policy agencies reaching senior levels. He led Deloitte's Responsible Business agenda nationally and chaired The Deloitte Foundation for 10 years ending in 2019. Dennis is Treasurer of Oxfam International. He has completed terms on the board of The Royal Children's Hospital Melbourne, Library Board of Victoria, Deloitte Australia, Regional Arts Australia and Regional Arts Victoria (both as chair). Dennis has an honours degree in Economics from the University of Sydney and is a Fellow of the Australian Institute of Company Directors.

Dr Judith Slocombe AM
Chair (from August 2020)
BVSc (Melb), Post Grad Dip
Management (Melb), MBA
(Melb), FAICD, FAIM

Judith is a professional board director and business consultant with extensive experience across corporate, Government and non-profit organisations. In 2001 Judith was awarded Australia's most prestigious award for women in business, the Telstra Australian Business Woman of the Year. Judith is an entrepreneur, having built and sold her own business followed by many years' experience as a CEO and in senior executive roles in both the corporate and non-profit sectors, operating across Australia, New Zealand and South East Asia. Judith was CEO of the Alannah and Madeline Foundation for ten years, has since held a number of Interim CEO roles.

Judith has held a portfolio of non-executive directorships in various business sectors for over 15 years. She is a current director of Fight MND and Gardiner Dairy Foundation, and is Chair of the Consumer Advisory Panel at Walter + Eliza Hall Institute. She also sits on Oxfam International's Board. Former directorships include Australian Red Cross Blood Service, VicHealth, Open Universities Australia, South East Water, Young and Well CRC, Agriculture Victoria Services and Chair of the Lort Smith Animal Hospital.

Judith has an MBA from the Melbourne Business School, has studied Senior Executive Management at Harvard and is a Fellow of the Australian Institute of Company Directors. In 2003 she was awarded the Centenary Medal for service to the Australian Society in Business Leadership and received an Order of Australia award in 2018.

Belinda Tallis OAM
Deputy Chair
LLB, BEc, GDLP, GAICD,
TFASFA

Belinda is an experienced company director with expertise in financial services, not-for-profit organisations, strategy, legal, compliance, risk and governance. Until 2014, Belinda worked as a senior executive in the finance sector primarily in the funds management industry. Formerly a lawyer with 30 years commercial legal experience, Belinda spent 17 years as the head of legal & compliance and company secretariat for large global financial services firms with Asia Pacific operations including UBS Global Asset Management (Australia) Limited, Lazard Asset Management Pacific Co, Nikko Asset Management Australia Limited and BankSA. Belinda has been serving as a member on the compliance committees of investment fund managers since 2010 and has been acting as an executive and non-executive director since 2002 in both the commercial and not for profit space. Belinda has a Law/Economics degree from the University of Adelaide and is a Graduate of the Australian Institute of Company Directors and a Trustee Fellow of the Association of Superannuation Funds of Australia.

Directors' Report (cont.)

Peter Bars
BA

Peter was a partner at Deloitte Australia for 15 years acting as the Deloitte Technology and Innovation leader for the Asia Pacific Region. He has over 35 years information systems consulting and project experience in Australia, Asia, and Europe. Prior to joining Deloitte he was responsible for establishing Gartner Consulting in the Asia Pacific region. Peter specialised in the provision of consulting services to clients in areas such as IT strategic planning, system selection IT Due Diligence and vendor negotiation. Peter previously led all Deloitte client services for the Australian Department of Defence. He was up until recently the Deputy Chairman of the Deloitte Australian Board of Partners. Peter also was a member of the Deloitte Asia Pacific Board of Partners. Peter remains Chairman of the Deloitte Philippines Delivery Centre.

Ann Byrne
HDTS, GradDip (HRC),
GradDip (Superannuation),
FAICD, FAIST
Retired: August 2020

Until November 2013 Ann worked in the finance sector particularly in the management of superannuation funds (UniSuper and Superannuation Trust of Australia) and with the Australian Council of Superannuation Investors advocating for the effective management of environmental, social and governance investment risk to achieve long term sustainable performance. Ann is a Board member of LUCRF Super and a Board member of ECPAT International. Ann is a fellow of the Australian Institute of Company Directors and the Australian Institute of Superannuation Trustees.

Melissa Houghton
MBA, BA, LLM

Based in NSW, Melissa is an experienced marketing and communications executive and owner of Eighty20 Communications. In her 20 plus years, Mel has worked with for corporates, government and not-for-profits, successfully developing and delivering communications and marketing strategies to drive the commercial outcomes for the organisation. The breadth of industry experience ranges from publishing, property, recruitment, telecommunications and food manufacturing having held senior positions in a number of large organisations including News Digital Media, Telstra, Defence Force Recruiting and the Green Building Council of Australia. She has a record of active community involvement and is a keen Oxfam Trailwalker participant.

Dr Fiona Kotvojs
D. Ed, MEd., MBA, Grad
Dip Bus Mgt, Grad Dip. Ed,
Grad Dip Asses & Eval., BSc
[Hon], GAICD
Leave of Absence: May
2020 – July 2020

Fiona brings 30 years' experience in the international development sector, encompassing design, management and evaluation of programs. She has a commitment to sustainability and capacity development, and is a recognised expert in these areas. Fiona has worked across a range of sectors including education, agriculture, fisheries, infrastructure, economic governance, community development and law and justice. This is supported by postgraduate qualifications in education, business and evaluation. Fiona is also a graduate of the Australian Institute of Company Directors. Community is a strong focus for Fiona. Consequently she maintains an active involvement in her community, including a number of leadership roles.

Geoff McClellan
Governance Committee
Chair
LLB, BEc

Geoff is an experienced senior executive, director and chairman. He is one of Australia's leading corporate litigators dealing with major strategic corporate disputes and regulatory matters for a significant cross section of ASX100 listed companies. He combines this with many years of experience in senior leadership, governance and global management positions at leading global law firm Herbert Smith Freehills (HSF). Until 2019 he was a partner of HSF. Geoff is a Director of Lifeline Australia Ltd, a past Chairman and Senior partner of Freehills and former Managing Partner of HSF.

Directors' Report (cont.)

Sally McCutchan OAM

FRAC Chair

GradDipAccFin, BEc, CPA,
GAICD

Sally is an Executive Director of Impact Investing Australia and is on the Australian National Advisory Board of the Global Steering Group for Impact Investment (GSG). She has extensive experience in finance, funds management and strategy, and has spent many years working in and understanding Asia Pacific markets. She has held senior roles with Accenture, JP Morgan Investment Management and SBC Warburg (now UBS). Sally is a non-executive director of: ygap, Indigenous Business Australia (IBA) Asset Management and Titan Securities (a NAB securitisation company). She is currently a member of the QBE Classification of Social Impact Committee and the Technical Advisory Group for DFAT's Emerging Markets Impact Investing Fund. She was a member of the Expert panel of the Social Impact Investing Taskforce in the Department of the Prime Minister and Cabinet and is on the Australian Sustainable Finance Initiative Working Group for mobilising capital. Sally is a Certified Practising Accountant and a Graduate of the Australian Institute of Company Directors and was recognised in 2020 with an Order of Australia award for her work in ethical investment. She holds a Graduate Diploma in Accounting and Finance and a Bachelor of Economics from Monash University.

Timothy McMinn

PEC Chair

MPP (Oxon), BEng, BCom,

Tim is an Associate Director of Commercial Partnerships at Investment NSW. Prior to joining NSW Government Tim worked with PwC in the UK, Australia and Singapore, focusing on international development, public health and healthcare, and economic and regional development. He has extensive not-for-profit governance experience with international development and social housing organisations in Australia and the UK. Tim is a long-time supporter of Oxfam Australia and served as the Western Australian State Committee Chair between 2009 and 2012. He remains active in the Oxfam supporter community. Tim has a Masters of Public Policy from the University of Oxford, and Bachelors of Civil Engineering and Commerce from the University of Western Australia.

Greg Ridder

BBus(Acc) GradDip(Mktg)
CPA GAICD

Retired: August 2020

Greg has an extensive career as an executive in the packaging industry, where he was formerly President of Asia Pacific Operations at NYSE listed Owens Illinois. He is a past President of the Packaging Council of Australia and has been a member of the Business Council of Australia. In the not-for-profit sector Greg has held interim leadership roles as CEO at the Australian Institute of Architects, CEO at Phoenix Australia - Centre for Posttraumatic Mental Health, and at World Vision Australia where he has been CFO. Greg's board roles include Kogan.com and Tibaldi Smallgoods, both of which he chairs, and also at Phoenix Australia - Centre for Posttraumatic Mental Health and Ethical Property Australia. Greg has completed an Accounting degree at RMIT, a Graduate Diploma in Marketing at Monash University and the Advanced Management Programme at INSEAD in France. He is a CPA and graduated member of the Australian Institute of Company Directors.

Des Rogers

BA (Creative Writing), MBA
(ongoing)

Retired: March 2021

Des is a respected Southern Arrernte Aboriginal man of the Pertame Clan from Central Australia and resided in his home town of Alice Springs for many years. He now lives in Brisbane. From founding an Aboriginal business incubator, mentoring youth in Alice Springs in response to culturally appropriate skills development and economic opportunities needs in the community for a period of 15 years he has continued to be mentor to many people.

Des is a highly skilled executive leader with extensive Board memberships in the not-for-profit and public sectors. He has provided strategic direction, demonstrated operations and facility management, community engagement, financial management and has a proven track record in driving organisational performance improvement and reform in line with corporate governance and governmental requirements.

Directors' Report (cont.)

Dr Jasmine-Kim Westendorf
PhD, BA (Hons)

Jasmine is a Senior Lecturer and an Australian Research Council DECRA fellow in International Relations at La Trobe University. Her research expertise revolves around peace processes and peacebuilding in contexts of civil war, inclusivity in peace and development processes, and sexual exploitation and abuse in peace and humanitarian operations, and she has published extensively on these issues. She has undertaken field research in Timor-Leste, Bosnia-Herzegovina, Nepal, Cyprus, Palestine, Cambodia, at UN Headquarters in New York and with the humanitarian sector in Geneva. Jasmine has conducted policy and research work with a range of NGOs including the Humanitarian Advisory Group, International Women's Development Agency, World Vision, ActionAid and others. Jasmine is a member of the Inter-Agency Standing Committee Task Team on Accountability to Affected Populations and Prevention of Sexual Exploitation and abuse. Jasmine has been extensively involved in designing, delivering and facilitating training for peacekeepers, peace builders and humanitarians globally. She is also a convenor of the Melbourne Free University.

Alan Wu
JP, BA, LLB, GDipLegPrac,
GradDipACG, LLM, FGIA, FCG,
MAICD

Alan is a Regional Coordinator at the Open Government Partnership, a multilateral project to make governments more inclusive, responsive and accountable. He also serves on the Board of Democracy in Colour, Australia's first racial justice initiative run by people of colour. Previously, Alan served as Chair of Australia's peak body for young people, where he led the successful campaign to re-establish a federal Minister for Youth position. He also helped secure new, annual government funding to ensure, for the first time in over a decade, that young Australians had a seat at the table wherever the national agenda was being shaped. He then served as an executive and lawyer with the Australian Government and worked across the Departments of Foreign Affairs and Trade, Attorney-General, and Prime Minister and Cabinet. Internationally, Alan has served as Special Envoy for Young People to the Executive Director of the UN Environment Programme, with the Australian National Commission for UNESCO, and the World Economic Forum's Global Shapers Community.

Board Staff Participant

James Riturban
MS, BA

James is a Programs Portfolio Manager for Oxfam Australia, overseeing its work in countries such as Timor Leste, Sri Lanka and Indonesia. With over 15 years of international development and humanitarian experience, he brings a strong technical background as the staff participant to the Oxfam Australia Board. Throughout his career, James has worked on humanitarian response, agriculture, economic development and gender-based programs in South and South East Asia, East Africa and the Middle East. James has a Bachelor's Degree in Rhetorical Studies and a Master's Degree in International Development from DePaul University in Chicago, USA.

Company Secretary

Sari Baird
BA/LLB (Melb), LLM (Melb)
GAICD

Sari has worked in the Australian charitable sector for over a decade and previously held roles in an ASX listed company and in legal and compliance roles in higher education. Sari commenced her career as a lawyer with Freehills in Melbourne and in Indonesia. Sari is a Director of the Charity Law Association of Australia and New Zealand and has been a member and Chair of the Art Gallery of Ballarat board, and a member of Sovereign Hill Museums board and her local Community Legal Centre. Sari is also a member of the Law Institute of Victoria's Charity and NFP Committee and the Australian Charity and Not-for-profit Commission's Sector Advisory Forum.

Oxfam Australia

Auditor's independence declaration

Corporate structure

Oxfam Australia

Oxfam Australia is an income tax exempt charitable organisation, incorporated as a company limited by guarantee and domiciled in Australia. Oxfam Australia has prepared a consolidated financial report incorporating the entity that it controlled during the financial year ended 31 March 2021. Today the organisation is a secular, independent, non-government, not-for-profit organisation working in 27 countries around the world, including Australia.

Oxfam Australia Trading Pty Ltd

Oxfam Australia Trading Pty Ltd is a fully owned subsidiary of Oxfam Australia and is an income tax exempt charitable organisation. In February 2019, the Board approved the full closure of trading activities which occurred during the course of 2019/2020.

Principal activities and objectives

Oxfam Australia is one of 21 Oxfam affiliates around the world that form the Oxfam confederation. At Oxfam Australia, we believe all lives are equal and no-one should live in poverty. We believe that in a wealthy world, poverty is unjustifiable and preventable, that the present state of inequality and injustice must be challenged, and that with the right support, people can change their lives for the better.

Oxfam Australia works with people and communities in our region. Our programs make a genuine and significant difference to people's lives, as we draw on our more than 60 years of experience in tackling poverty and inequality in the Asia, Africa, and the Pacific regions.

We also work in solidarity with First Nations Peoples to achieve equality and create the change they want to see.

We tackle inequality because poverty in the 21st century is less a problem of scarcity, rather the result of how resources, opportunities, and protections are distributed and wielded. That's why we are part of a global movement of people working together to eliminate poverty by tackling inequality.

We do this on three fronts:

1. We provide support and relief to communities in developing countries to protect and rebuild their lives in times of crisis;
2. We work with people and communities experiencing poverty and disadvantage to find sustainable ways to build fair and independent lives; and
3. We mobilise people to stand up and speak out, to influence those in power to ensure that people living in poverty have a say in the critical decisions that affect them, their families and communities.

Operating and financial review

We are reporting a consolidated operating surplus of \$5.0 million. Our surplus was primarily the result of a major staffing restructure during the year resulting in significant cost savings across the business, despite a reduction in income in both community support and grant income. Our Total Comprehensive position for the year is a surplus of \$5.1 million after recognising a small gain on revaluation of investments held.

Our consolidated income of \$61.4 million was a decrease of \$12.4 million from the prior year. Our most significant income stream was from community support income contributing \$32.8 million. We also received \$27.0 million of grant funding during the year which while lower than the prior year, was offset by a reduction in expenditure.

Our consolidated expenditure was \$56.4 million a decrease of \$21.0 million compared to the prior year. We spent \$41.3 million on long-term program development, advocacy and emergency responses during the year, a \$14.9 million decrease. This decrease was primarily driven by the impact of COVID-19 restrictions across the region that resulted in a slowing down of programs and associated expenditure. Expenditure on fundraising activity declined \$5.2 million primarily as a result of the cancellation of the annual Trailwalker events across Victoria, NSW and Queensland, along with a reduction in staffing costs as a result of the organisational restructure. Administration costs reduced as a result of savings in staff costs arising through the restructure process.

Our overall net asset position is strong, with a strong improvement in our working capital position compared to the prior year. As noted above, this is primarily due to a reduction in expenditure in our program activities that has resulted in a delay in cash spending. As COVID-19 restrictions ease, this is anticipated to increase again in the following financial year. During the year a

Oxfam Australia Auditor's independence declaration

decision was made to sell the Carlton office building that has resulted in the reallocation of the asset to receivables as a contract-of-sale was signed and settlement due to occur next financial year. The sale will allow a replenishment of reserves and together with the restructure of the organisation, will put Oxfam Australia into a stronger financial position to rebuild for the future.

In January 2021, Oxfam Australia was alerted to a suspected data incident. Oxfam Australia immediately launched an investigation and engaged IT forensic experts. This investigation found that supporters' information on one of Oxfam Australia's databases was unlawfully accessed by an external party. Following the investigation, Oxfam Australia notified the relevant authorities, being the Office of the Australian Information Commissioner (which has commenced an investigation following the incident), the Australian Cyber Security Centre and the Australian Federal Police. Oxfam Australia also alerted its supporters. There has been minimal direct financial impact during the year as a result of this incident with insurance coverage in place to cover costs. Directors were regularly briefed on this matter during the response.

Key Performance Indicators

The Board, together with management monitor our effectiveness by reporting performance against identified key financial performance indicators (KPIs). Management monitor these KPIs on a regular basis. Directors receive the KPIs for review prior to each Board meeting allowing all Directors to actively monitor the Group's performance.

The three principal KPIs for Oxfam Australia are:

- Program Investment Ratio: Program expenditure as a percentage of total expenditure
- Fundraising Cost Ratio: Fundraising expenditure as a percentage of total expenditure
- Administration Ratio: Administration costs as a percentage of total expenditure

	<u>2020/2021</u>	<u>2019/2020</u>
Program Investment Ratio:	73.3%	72.8%
Fundraising Cost Ratio	18.9%	20.1%
Administration Ratio:	7.8%	7.1%

In FY21, a cost allocation review was undertaken and benchmarked to the NGO sector to ensure that the basis of allocation is fair and equitable. FY20 has been restated utilising this approach to provide a reasonable basis for comparison.

Attendance at meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director is shown in the table below. All Directors serve on at least one of the Board's committees, which may also comprise Board-appointed external advisers (co-opted members).

	Directors' Meetings	Finance, Risk & Audit Committee	Governance Committee	Public Engagement Committee	Nominations Committee	Remuneration Committee
	Attended	Attended	Attended	Attended	Attended	Attended
Peter Bars	9 (10)	10 (10)	0 (1)	N/A	N/A	N/A
Ann Byrne	4 (4)	4 (6)	N/A	N/A	N/A	N/A
Dennis Goldner	4 (4)	10 (11)	1 (2)	2 (2)	2 (2)	N/A
Melissa Houghton	8 (10)	N/A	N/A	4 (4)	N/A	N/A
Fiona Kotvojs	7 (8)	N/A	5 (5)	N/A	N/A	N/A
Geoff McClellan	9 (10)	N/A	6 (6)	N/A	3 (3)	N/A
Sally McCutchan	10 (10)	11 (11)	N/A	N/A	N/A	N/A
Timothy McMinn	10 (10)	N/A	5 (6)	4 (4)	N/A	N/A
Greg Ridder	3 (3)	6 (6)	N/A	N/A	N/A	N/A
Desmond Rogers	5 (10)	N/A	N/A	N/A	N/A	N/A
Judith Slocombe	10 (10)	11 (11)	6 (6)	4 (4)	4 (4)	N/A
Belinda Tallis	9 (10)	10 (11)	N/A	N/A	N/A	N/A
Jasmine-Kim	9 (10)	N/A	5 (6)	3 (4)	N/A	N/A

Oxfam Australia
Auditor's independence declaration

Westendorf						
Alan Wu	10 (10)	N/A	6 (6)	N/A	N/A	N/A
Staff Participant	Attended	Attended	Attended	Attended	Attended	Attended
James Riturban	9 (10)	N/A	N/A	4 (4)	N/A	N/A

* Meetings eligible to attend are in brackets – meetings can be either face to face or virtual

Committee Membership

The Board's work is supported by the presence and operations of five standing committees: the Finance, Risk and Audit Committee; Public Engagement Committee; Governance Committee; Nominations Committee and Remuneration Committee. Members acting on the committees of the Board during the year were:

Finance Risk & Audit	Public Engagement	Governance	Nominations	Remuneration
S McCutchan ⁽¹⁾	T McMin ⁽¹⁾	G McClellan ⁽¹⁾	D Goldner ⁽¹⁾ (until 07/08/2020)	D Goldner ⁽¹⁾
P Bars (from 28/04/2020)				
A Byrne (until 07/08/2020)	M Houghton	P Bars (until 28/04/2020)	G McClellan	S McCutchan
D Goldner*	J Slocombe	D Goldner	J Slocombe ⁽²⁾ (from 07/08/2020)	G McClellan
J Slocombe	JK Westendorf	F Kotvojs	D Altman ⁽³⁾	T McMin
B Tallis	L Healy ⁽³⁾	T McMin	J Mitchell ⁽³⁾ (until 11/08/2020)	J Slocombe ⁽²⁾ (from 07/08/2020)
G Ridder (until 07/08/2020)	J Riturban ⁽⁴⁾	J Slocombe	Ai Leen Quah ⁽³⁾	
M Pryn ⁽³⁾		JK Westendorf	G Romanes ⁽³⁾	
B Watson ⁽³⁾		A Wu		
		I Anderson ⁽³⁾		

*served as Director member until retirement in 07/08/2020, at which time he was co-opted to the FRAC

(1): designates the chair of the committee

(3): honorary independent members of the committee and non-director during the reporting period

(2): designates multiple committee chairs

(4): staff participant

Liability of Members

Oxfam Australia is a company limited by guarantee. In the event of the company being wound up, the liability of Guarantor Members is limited to \$100.

Indemnification and insurance of directors and officers

The company has paid premiums in respect of a contract insuring all the Directors and officers of the economic entity against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their respective capacities, other than conduct involving wilful breach of duty in relation to the company. Disclosure of the premium amount paid is prohibited under the policy.

Auditor's independence and non-assurance related services

The Directors received and have accepted the attached Independence Declaration from the auditor of Oxfam Australia.

Signed in accordance with a resolution of the directors.


 Judith Slocombe
 Board Chair


 Sally McCutchan
 Finance Risk and Audit Committee Chair

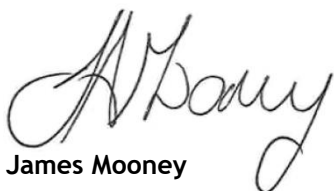
Melbourne, 13 August 2021

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF OXFAM AUSTRALIA

As lead auditor of Oxfam Australia for the year ended 31 March 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Oxfam Australia and the entities it controlled during the period



James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 13 August 2021

Oxfam Australia
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31 March 2021

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General information

The financial statements cover both Oxfam Australia as a consolidated entity consisting of Oxfam Australia and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Oxfam Australia's functional and presentation currency. Today the organisation is a secular, independent, non-government, not-for-profit organisation working in 27 countries around the world, including Australia.

Oxfam Australia is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

130-138 Leicester Street
Carlton, Victoria, 3053
Phone: +61 3 9289 9444
www.oxfam.org.au

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 August 2021. The directors have the power to amend and reissue the financial statements.

Oxfam Australia
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2021

		Consolidated	
		2021	2020
	Note	\$'000	Restated
			\$'000
Revenue			
Grants (government and non-government)	4	27,007	33,487
Community support income	5	32,767	39,935
Investment income	6	105	78
Other operating income	7	1,541	278
Total revenue		<u>61,420</u>	<u>73,778</u>
Expenses			
Program costs	8	(41,323)	(56,176)
Fundraising expenses		(10,674)	(15,863)
Administration and other operating costs	9	(4,150)	(5,512)
Foreign exchange (loss) / gain		(231)	210
Total expenses		<u>(56,378)</u>	<u>(77,341)</u>
Surplus/(deficit) from continuing operations		5,042	(3,563)
Deficit from discontinued operations		<u>-</u>	<u>(352)</u>
Surplus/(deficit) for the year	22	5,042	(3,915)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		-	4,401
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income		<u>105</u>	<u>(56)</u>
Other comprehensive income for the year		<u>105</u>	<u>4,345</u>
Total comprehensive income for the year		<u><u>5,147</u></u>	<u><u>430</u></u>
Total comprehensive income for the year is attributable to:			
Continuing operations		5,147	782
Discontinued operations		<u>-</u>	<u>(352)</u>
Members of Oxfam Australia		<u>5,147</u>	<u>430</u>
		<u><u>5,147</u></u>	<u><u>430</u></u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Oxfam Australia
Consolidated statement of financial position
As at 31 March 2021

		Consolidated 2020	
	Note	2021 \$'000	Restated \$'000
Assets			
Current assets			
Cash and cash equivalents	10	20,400	6,359
Trade and other receivables	11	10,291	3,034
Other financial assets	12	903	621
Other assets	13	237	601
		<u>31,831</u>	<u>10,615</u>
Non-current assets classified as held for sale	14	19,600	-
Total current assets		<u>51,431</u>	<u>10,615</u>
Non-current assets			
Other financial assets	12	20	20
Property, plant and equipment	15	2,250	21,962
Right-of-use assets		-	408
Intangibles	16	3,875	4,911
Other assets	13	-	1,609
Total non-current assets		<u>6,145</u>	<u>28,910</u>
Total assets		<u>57,576</u>	<u>39,525</u>
Liabilities			
Current liabilities			
Trade and other payables	17	5,483	5,911
Contract liabilities	18	17,136	9,481
Borrowings	19	9,649	3,168
Lease liabilities		-	447
Provisions	20	3,136	3,503
Total current liabilities		<u>35,404</u>	<u>22,510</u>
Non-current liabilities			
Lease liabilities		-	80
Provisions	20	631	541
Total non-current liabilities		<u>631</u>	<u>621</u>
Total liabilities		<u>36,035</u>	<u>23,131</u>
Net assets		<u>21,541</u>	<u>16,394</u>
Equity			
Reserves	21	16,876	17,005
Retained surpluses/(accumulated deficits)	22	4,665	(611)
Total equity		<u>21,541</u>	<u>16,394</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Oxfam Australia
Consolidated statement of changes in equity
For the year ended 31 March 2021

Consolidated	Restricted Reserves \$'000	Financial asset Reserves \$'000	Revaluation surplus Reserves \$'000	Collective Resource Allocation Reserves \$'000	Retained surpluses \$'000	Total equity \$'000
Balance at 1 April 2019	4,563	16	11,102	614	(331)	15,964
Deficit for the year	-	-	-	-	(3,915)	(3,915)
Other comprehensive income for the year	-	(56)	4,401	-	-	4,345
Total comprehensive income for the year	-	(56)	4,401	-	(3,915)	430
Transfer to / (from) reserves	(1,879)	-	(1,482)	(274)	3,635	-
Balance at 31 March 2020	<u>2,684</u>	<u>(40)</u>	<u>14,021</u>	<u>340</u>	<u>(611)</u>	<u>16,394</u>
Consolidated	Restricted Reserves \$'000	Financial asset Reserves \$'000	Revaluation surplus Reserves \$'000	Collective Resource Allocation Reserves \$'000	Retained surpluses \$'000	Total equity \$'000
Balance at 1 April 2020	2,684	(40)	14,021	340	(611)	16,394
Surplus for the year	-	-	-	-	5,042	5,042
Other comprehensive income for the year	-	105	-	-	-	105
Total comprehensive income for the year	-	105	-	-	5,042	5,147
<i>Transactions with members in their capacity as members:</i>						
Transfer to / (from) reserves	(234)	-	-	-	234	-
Balance at 31 March 2021	<u>2,450</u>	<u>65</u>	<u>14,021</u>	<u>340</u>	<u>4,665</u>	<u>21,541</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Oxfam Australia
Consolidated statement of cash flows
For the year ended 31 March 2021

		Consolidated 2020	
	Note	2021 \$'000	Restated \$'000
Cash flows from operating activities			
Receipts from customers		397	3,638
Receipts from donors and Government		61,316	67,998
Payments to suppliers and employees		(21,730)	(26,366)
Payments for projects		(33,391)	(49,968)
Interest received		9	35
Interest paid in relation to lease liabilities		(90)	(309)
		<hr/>	<hr/>
Net cash from/(used in) operating activities		6,511	(4,972)
Cash flows from investing activities			
Payments for property, plant and equipment	15	(9)	(8)
Payments for intangibles	16	(23)	(3,287)
Purchase of investments		(177)	(165)
Proceeds from disposal of property, plant and equipment		-	3,595
Interest and dividend received		96	44
		<hr/>	<hr/>
Net cash from/(used in) investing activities		(113)	179
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings		8,090	(2,000)
Repayment of lease liabilities		(447)	(672)
Payment of trade finance facility		-	(10)
		<hr/>	<hr/>
Net cash from/(used in) financing activities		7,643	(2,682)
Net increase/(decrease) in cash and cash equivalents		14,041	(7,475)
Cash and cash equivalents at the beginning of the financial year		6,359	14,023
Effects of exchange rate changes on cash and cash equivalents		-	(189)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	10	<u>20,400</u>	<u>6,359</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The consolidated entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments. As permitted by AASB 1053 for early adoption of AASB 1060, comparative information has not been provided for these new disclosures.

Going concern

Historically the Group had accumulated significant deficits over several years, however in the current year a net surplus of \$5.1 million was recorded. The Directors have assessed the position of the Group and believe that there are grounds to prepare the financial statements on a going concern basis. In adopting the going concern basis the Directors have considered mitigating factors inclusive of:

- Partial payment for the sale of the Group's property in Carlton, VIC on 26 July 2021 of \$9.7 million with the remaining funds to be received in February 2022;
- The Bank Australia facility has been fully repaid from the above proceeds of the property sale on 28 July 2021;
- The Group restructured during the year reducing its workforce and operating costs going forward;
- Balance sheet shows improved working capital position as at 31 March 2021; and
- Cash on hand as at 31 July 2021 is \$26.0 million.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

These financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Oxfam Australia ('company' or 'parent entity') as at 31 March 2021 and the results of all subsidiaries for the year then ended. Oxfam Australia and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 1. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Oxfam Australia's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Income tax

As the consolidated entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Other financial assets

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 1. Significant accounting policies (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 20, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Capitalisation of developed software

Initial capitalisation of costs is based on management's judgment that technological and economic feasibility is confirmed and when the preliminary project stage has been completed. In determining the amounts to be capitalised, management make assumptions regarding the expected future cash generation of the project, expected period of benefits and determination of whether the expenditure will result in significant functionality. The Group's policy is to capitalise expenditure for new product development or product development that significantly enhances existing software that is expected to result in significant economic benefits. The Group's management determines the estimated useful lives and related amortisation for its software. The estimate is based on projected product lifecycle and could change significantly as a result of technical innovations.

Valuation of land and buildings carried as property, plant and equipment

The Group carries its office properties in-use at revalued amounts, with changes in fair value being recognised in Other Comprehensive Income. The Group engaged an independent valuation specialist to assess the fair value of its properties as at 31 March 2020. The independent valuation specialist utilised different methodologies including a capitalisation of net leasing income approach in conjunction with the direct comparison approach with reference to transactions involving properties of a similar nature, location and condition as well those involving similar sized and located land parcels for development purposes. Each methodology was given consideration in determining the highest and best use of the property.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Note 3. Restatement of comparatives

Correction of misstatement

Management of Oxfam Australia, while preparing the financial statements of the Company for the year ended 31 March 2021, identified that Partner Affiliate grants which are recorded over time under the requirements of AASB 15 Revenue from Contracts with Customers were incorrectly accounted for. The net profit or loss impact of this adjustment is nil.

The misstatement in applying the policy in the previous year's financial statements represents a prior period accounting misstatement which must be accounted for retrospectively in the financial statements in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Consequently, the Group has adjusted all comparative amounts presented in the current period's financial statements affected by the accounting misstatement.

Reclassification of comparatives

In FY21, a cost allocation review was undertaken and benchmarked to the NGO sector to ensure that the basis of allocation is fair and equitable. FY20 has been restated utilising this approach to provide a reasonable basis for comparison.

	2020 Reported \$'000	2020 Adjustment \$'000	2020 Reclassification \$'000	2020 Restated \$'000
Grants (government & non-government)	34,886	(1,399)	-	33,487
Community support income	39,935	-	-	39,935
Investment income	78	-	-	78
Other operating income	278	-	-	278
Program costs	(55,369)	1,399	(2,206)	(56,176)
Fundraising expenses	(15,235)	-	(628)	(15,863)
Administration and other operating costs	(8,346)	-	2,834	(5,512)
Foreign exchange (loss) / gain	210	-	-	210
Surplus/(deficit) for the year	(3,563)	-	-	(3,563)

Statement of financial position at the beginning of the earliest comparative period

	1 April Reported \$'000	1 April Adjustment \$'000	1 April Restated \$'000
Current assets			
Trade and other receivables	1,634	1,399	3,033
Current liabilities			
Unexpended grant income	8,081	1,399	9,480

Note 4. Grants (government and non-government)

	Consolidated 2021 \$'000	2020 Restated \$'000
Australian government grants (DFAT)	10,949	19,635
Non-government Australian grants	7,103	4,259
Non-government overseas grants	8,396	9,154
Overseas government grants	559	439
	<u>27,007</u>	<u>33,487</u>
Grants (government and non-government)	<u>27,007</u>	<u>33,487</u>

Accounting policy for grant income

Grants are received by the Group from government and non-government organisations. The terms and conditions of each grant are reviewed to determine if the requirements of AASB 15 Revenue from Contracts with Customers are met. If AASB 15 applies to a transaction or part of a transaction, the Group applies the general principles of this standard to determine the appropriate revenue recognition. Under AASB 15, revenue is recognised when (or as) the performance obligation is satisfied. Any income received where the performance obligation is not yet satisfied as at reporting date, is recorded as deferred income.

Where a grant or other income does not meet the requirements of AASB 15, the Group considers the application of AASB 1058 Income of Not-for-Profit Entities. Under AASB 1058, the asset received will be recognised and measured at fair value in accordance with other applicable Australian Accounting Standards. Upon initial recognition of the asset, this Standard requires the Group to consider whether any other financial statement elements (called 'related amounts') should be recognised.

Under AASB 1058, the Group recognises revenue immediately in the profit and loss for the excess of the initial carrying amount of the asset and the consideration to acquire it after recognising any other related amounts.

All revenue from grant contracts relates to services that sufficiently specific programs are transferred over time.

The total amount of contract liabilities arising from contracts with customers is represented by the total of unexpended grant income as presented within the Statement of Comprehensive Income.

Note 5. Community support income

	Consolidated 2021 \$'000	2020 Restated \$'000
Donations and gifts	30,666	38,076
Legacies and bequests	2,101	1,859
	<u>32,767</u>	<u>39,935</u>

Accounting policy for community support income

Community Support Income is recognised when control over that income has been obtained.

Note 6. Investment income

	Consolidated 2021 \$'000	Consolidated 2020 Restated \$'000
Interest received or receivable	9	34
Dividends received	96	44
	<u>105</u>	<u>78</u>

Accounting policy for investment income

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Note 7. Other operating income

	Consolidated 2021 \$'000	Consolidated 2020 Restated \$'000
Other income	141	275
Insurance claims	1,400	3
	<u>1,541</u>	<u>278</u>

Accounting policy for other income

Other income is recognised when it is received or when the right to receive payment is established.

Note 8. Program costs

	Consolidated 2021 \$'000	Consolidated 2020 Restated \$'000
Funds to overseas programs	34,222	44,348
Domestic programs	568	659
Program support costs	5,551	7,731
Public policy and education programs	663	2,711
Development and effectiveness	319	727
	<u>41,323</u>	<u>56,176</u>

Accounting policy for program expenditure

Expenditure on program related activities in Australia is recognised when incurred. Expenditure on overseas program related activities is recognised when the funds are spent by the overseas field office.

Due to the economic impacts of COVID-19, Oxfam Australia has received JobKeeper payments of \$4,783,650 during the financial year. This has been allocated to program and administration costs as appropriate.

Note 9. Administration and other operating costs

	Consolidated	2020
	2021	Restated
	\$'000	\$'000
Depreciation - buildings	28	50
Depreciation - plant and equipment	288	525
Amortisation of intangible assets	15	40
Lease payments - operating leases	-	47
Lease interest expense	90	195
Salaries	1,747	1,913
Superannuation	246	187
Bank charges	23	37
Insurance	196	201
Other operating costs (including IT)	1,521	2,593
Other operating costs - indirect tax exposures	(4)	(276)
	<u>4,150</u>	<u>5,512</u>

Note 10. Cash and cash equivalents

	Consolidated	2020
	2021	Restated
	\$'000	\$'000
<i>Current assets</i>		
Cash at bank	<u>20,400</u>	<u>6,359</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 11. Trade and other receivables

	Consolidated	2020
	2021	Restated
	\$'000	\$'000
<i>Current assets</i>		
Other receivables	<u>10,291</u>	<u>3,034</u>

Accounting policy for trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 12. Other financial assets

	Consolidated 2021 \$'000	2020 Restated \$'000
<i>Current assets</i>		
Listed equity investments (i)	345	160
Term deposits and corporate bonds (ii)	558	461
	<u>903</u>	<u>621</u>
<i>Non-current assets</i>		
Unlisted equity investments (iii)	<u>20</u>	<u>20</u>

(i) Listed equity investments are classified as financial assets held at fair value through other comprehensive income (FVOCI). These investments are categorised as Level 1 in the fair value hierarchy.

(ii) Term deposits and bonds are classified as financial assets held at amortised cost. These investments represent restricted funds retained for program work in future years.

(iii) Unlisted equity investments are classified as financial assets held at fair value through other comprehensive income (FVOCI). These investments are held for long-term investment purposes.

Note 13. Other assets

	Consolidated 2021 \$'000	2020 Restated \$'000
<i>Current assets</i>		
Prepayments - others	<u>237</u>	<u>601</u>
<i>Non-current assets</i>		
Inter-affiliate security deposit	<u>-</u>	<u>1,609</u>

Accounting policy for right of return assets

Accounting policy for inter-affiliate deposit

The inter-affiliate deposit above consists of a deposit with Oxfam Solidarite ASBL, an independent affiliate of Oxfam International, which provides a guarantee to a contract between the European Union and Oxfam in the Pacific, an executing affiliate country office of Oxfam Australia

Note 14. Non-current assets classified as held for sale

	Consolidated 2021 \$'000	2020 Restated \$'000
<i>Current assets</i>		
Assets classified as held for sale	<u>19,600</u>	<u>-</u>

Note 14. Non-current assets classified as held for sale (continued)

In May 2020, the Board of Directors approved a resolution agreeing to seek expressions of interests for an outright sale of the property located in 130-138 Leicester St, Carlton, Victoria. On 30 July 2020 a sale contract was executed with a price higher than the carrying value of the asset. This property is classified as held for sale as at 31 March 2021 with a value of \$19,600,000.

Accounting policy for non-current assets classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 15. Property, plant and equipment

	Consolidated	
	2021	2020
	\$'000	Restated \$'000
<i>Non-current assets</i>		
Freehold land and buildings - at cost	2,849	22,449
Less: Accumulated depreciation	(602)	(574)
	<u>2,247</u>	<u>21,875</u>
Plant and equipment - at cost	2,871	3,385
Less: Accumulated depreciation	(2,868)	(3,298)
	<u>3</u>	<u>87</u>
	<u><u>2,250</u></u>	<u><u>21,962</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Freehold land and buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 April 2020	21,875	87	21,962
Additions	-	9	9
Classified as held for sale (note 14)	(19,600)	-	(19,600)
Disposals	-	(30)	(30)
Depreciation expense	(28)	(63)	(91)
Balance at 31 March 2021	<u><u>2,247</u></u>	<u><u>3</u></u>	<u><u>2,250</u></u>

Note 15. Property, plant and equipment (continued)

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 31 March 2020 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Accounting policy for property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	5 years
Plant and equipment	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 16. Intangibles

	Consolidated	
	2021	2020
	\$'000	Restated \$'000
<i>Non-current assets</i>		
Software - at cost	7,561	7,538
Less: Accumulated amortisation	(3,686)	(2,627)
	<u>3,875</u>	<u>4,911</u>

Note 16. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Computer software \$'000
Balance at 1 April 2020	4,911
Additions	23
Amortisation expense	(1,059)
	<hr/>
Balance at 31 March 2021	<u>3,875</u>

Accounting policy for intangible assets

Intangible assets are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful life of the asset. The estimated useful life varies and as a result the amortisation method is reviewed at the end of each annual reporting period. The amortisation has been recognised in "Program Costs", "Fundraising expenses" and "Administration costs" lines of the Statement of Comprehensive Income. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 to 5 years.

Note 17. Trade and other payables

	Consolidated 2020 2021 \$'000	2020 Restated \$'000
<i>Current liabilities</i>		
Trade and other payables	<u>5,483</u>	<u>5,911</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18. Contract liabilities

	Consolidated 2020 2021 \$'000	2020 Restated \$'000
<i>Current liabilities</i>		
Contract liabilities	<u>17,136</u>	<u>9,481</u>

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 19. Borrowings

	Consolidated 2021 \$'000	2020 Restated \$'000
<i>Current liabilities</i>		
Inter-affiliate loan	-	3,168
Secured loan facility	9,649	-
	<u>9,649</u>	<u>3,168</u>

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Credit facilities

The Group has a \$9.5 million Bank Australia facility with an interest rate of 3.71%. The facility expires in December 2021.

Note 20. Provisions

	Consolidated 2021 \$'000	2020 Restated \$'000
<i>Current liabilities</i>		
Annual leave	1,532	1,241
Long service leave	888	1,622
Lease make good	-	215
Redundancy	716	425
	<u>3,136</u>	<u>3,503</u>
<i>Non-current liabilities</i>		
Long service leave	<u>631</u>	<u>541</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 21. Reserves

	Consolidated	2020
	2021	Restated
	\$'000	\$'000
Revaluation surplus reserve	14,021	14,021
Collective resource allocation reserve	340	340
Net unrealised movement on investment reserve	65	(40)
Restricted Income reserve	2,450	2,684
	<u>16,876</u>	<u>17,005</u>

Accounting policy for reserves

As determined by the Board, it is Oxfam Australia's policy to retain only sufficient reserves to safeguard the continuity of its operations. The Reserves policy seeks to strike a balance between spending on the organisation's development and humanitarian relief purposes, maintaining appropriate levels of investment in the retail operation and maintaining the minimum level of resources necessary to ensure uninterrupted operations. The Board of Oxfam Australia reviews the level of reserves held periodically.

Restricted reserves

These are tied to a particular purpose as specified by donors or at the time of launching a public appeal. The organisation has committed to spend these funds in accordance with promises made to donors, i.e. they are not available for use in other areas of the agency's work.

Collective Resource Allocation reserve

These are tied to a particular purpose as specified by agreement with Oxfam International. The organisation has committed to spend these funds in Operating Expenses of overseas Country Offices.

Financial asset reserve

This comprises the cumulative net change in the fair value of equity instruments through other comprehensive income (FVOCI).

Revaluation surplus reserve

This comprises the cumulative net change in the fair value of properties until the properties are derecognised or impaired.

Note 22. Retained surpluses/(accumulated deficits)

	Consolidated	2020
	2021	Restated
	\$'000	\$'000
Retained surpluses/(accumulated deficits) at the beginning of the financial year	(611)	2,952
Surplus/(deficit) for the year	5,042	(3,563)
Transfer from other reserves	234	-
	<u>4,665</u>	<u>(611)</u>

Accounting policy for retained surpluses

General unrestricted funds: these represent funds which are available for the general purposes of the organisation.

Designated unrestricted reserves: these are reserves which may be allocated for specific purposes and which are as a result not immediately available for general usage.

Note 22. Retained surpluses/(accumulated deficits) (continued)

The specific purposes are as follows:

- (i) To ensure the continuity of operations in the event of a temporary downturn in income.
- (ii) To recognise that a portion of reserves is invested in the organisation's fixed assets and is not therefore available for other purposes.
- (iii) To ensure that we have sufficient liquidity to cover short term fluctuations in revenue / expenditure.

Note 23. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2021 \$	2020 Restated \$
Aggregate compensation	<u>1,085,119</u>	<u>1,568,306</u>

Compensation structure

The compensations made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2021 \$	2020 Restated \$
Short-term employee benefits	990,976	1,459,219
Superannuation	<u>94,143</u>	<u>109,087</u>
	<u>1,085,119</u>	<u>1,568,306</u>

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company, BDO Audit Pty Ltd (2020: Ernst & Young Australia):

	Consolidated 2021 \$	2020 Restated \$
<i>Audit services -</i>		
Audit of the financial statements	<u>65,000</u>	<u>106,000</u>
<i>Other services -</i>		
Assurance related	2,000	15,000
Non-assurance related: transaction support	-	10,000
Accounts preparation fee	<u>6,000</u>	<u>-</u>
	<u>8,000</u>	<u>25,000</u>
	<u>73,000</u>	<u>131,000</u>

Note 25. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 26.

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2021	2020
	\$'000	Restated \$'000
Payment for goods and services:		
Purchase of goods from subsidiaries	-	8

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2021	2020
	\$'000	Restated \$'000
Current payables:		
Trade payables to subsidiaries	-	91

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021	2020
		%	Restated %
Oxfam Australia Trading Pty Ltd	Australia	100.00%	100.00%

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$'000	Restated
		\$'000
Surplus/(deficit)	5,042	(3,563)
Other comprehensive income for the year	105	4,345
Total comprehensive income	5,147	782

Statement of financial position

	Parent	
	2021	2020
	\$'000	Restated
		\$'000
Total current assets	51,431	9,131
Total assets	57,576	38,099
Total current liabilities	35,404	21,081
Total liabilities	36,035	21,702
Equity		
Revaluation surplus reserve	14,021	14,022
Other reserves	340	339
Net unrealised movement on investment reserve	65	(39)
Restricted Income reserve	2,450	2,685
Retained surpluses/(accumulated deficits)	4,665	(610)
Total equity	21,541	16,397

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in the notes, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Note 28. Contingent assets and liabilities

The consolidated entity had no contingent assets or liabilities as at 31 March 2020 and 31 March 2021.

Note 29. Commitments

The consolidated entity had no commitments for capital expenditure as at 31 March 2020 and 31 March 2021.

Note 30. Events after the reporting period

On 26 July 2021 Oxfam Australia received partial payment for the sale of the Group's property in Carlton, VIC of \$9.7 million with the remaining funds to be received in February 2022. The Bank Australia facility has been fully repaid from the above proceeds of the property sale on 28 July 2021.

No other matter or circumstance has arisen since 31 March 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Governance and accountability

Oxfam Australia is a member agency of the Australian Council For International Development (ACFID) including being an accredited signatory to the Code of Conduct for Non Government Development Organisations (NGDOs). This Code of Conduct defines standards of governance, management, financial control and reporting with which NGDOs should comply and identifies mechanisms to ensure accountability in NGDOs use of public monies.

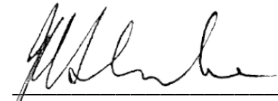
Oxfam Australia
Directors' declaration
31 March 2021

In the directors' opinion:

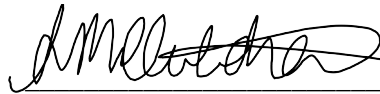
- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 March 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This report is signed in accordance with a resolution of the directors.

On behalf of the directors



Judith Slocombe



Sally McCutchan

13 August 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Oxfam Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Oxfam Australia (the company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Oxfam Australia, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 March 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A stylized, handwritten signature of the BDO firm, rendered in black ink.

A handwritten signature in black ink, which appears to read 'James Mooney'.

James Mooney
Director

Melbourne, 13 August 2021