

Oxfam Australia

ABN 18 055 208 636

Financial Report - 31 March 2023

**Oxfam Australia
Directors' report
31 March 2023**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Oxfam Australia (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2023.

Directors

The following persons were directors of Oxfam Australia during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr. Judith Slocombe AM
Aleem Ali
Zainab Fazil
Geoff McClellan
Sally McCutchan OAM
Aurora Milroy
Margaret Thomas
Cliff Weeks
Dr. Jasmine-Kim Westendorf
Amanda Young

Information on directors

Name: Dr. Judith Slocombe AM
Title: Chair, Director
Qualifications: BVSc (Melb), Post Grad Dip Management (Melb), MBA (Melb), FAICD, FAIM
Experience and expertise: 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, and 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 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, Gardiner Dairy Foundation, 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.

Name: Aleem Ali
Title: Deputy Chair, Director
Qualifications: BA, GradDipCommServMgmt, GradCertDiv, MAICD
Experience and expertise: Aleem has spent more than 20 years seeding and mentoring the development of leading initiatives and social enterprises that advance inclusion, belonging and justice for diverse communities.

He is a mentor and advisor to various startups, community enterprises and government agencies.

As the CEO of Welcoming Australia, Aleem is working with leaders and organisations across the country to cultivate a culture of welcome and advance communities where people of all backgrounds can belong, contribute and thrive.

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Name: Zainab Fazil
Title: Director
Qualifications: BSc (Sociology), M Social Anthropology
Experience and expertise: Zainab is an experienced Program Manager who has over 15 years of experience in the international development sector. She has held senior roles with United Nations Office on Drugs and Crime (UNODC), the Foreign Commonwealth Development Office (FCDO) and is currently working for the NSW Department of Planning and Environment on the NSW Housing commitments in regional and metropolitan NSW to ensure improved delivery of housing choices, jobs, connections, services, environment and open spaces.

Zainab spent four and a half years as a Project Lead for a South Asia Association for Regional Countries (SAARC) project on Drug-related HIV. During her time with the FCDO she led high-value grant programs across a range of thematic areas including poverty reduction, humanitarian and emergency response and disaster resilience in Pakistan.

Zainab has a BSc with Honours in Sociology from the London School of Economics and Political Science and holds a Master's in Social Anthropology from the University of Sussex, United Kingdom.

With a keen interest in people management, mentoring, coaching and leading teams, Zainab has a Leadership and management Certification (Certificate IV) from the Australian Institute of Management (AIM). She hopes this will help expand her knowledge and skills on leadership in senior management roles and take her career to the next level.

Name: Geoff McClellan
Title: Director
Qualifications: LLB, BEc
Experience and expertise: Geoff is an experienced senior executive, director and chairman. He has had many years' experience as 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 has previously had ten years' experience as a Director of Lifeline Australia Ltd, a past Chairman and Senior partner of Freehills and former Managing Partner of HSF.

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Name: Sally McCutchan OAM
Title: Director
Qualifications: GradDipAccFin, BEc
Experience and expertise: Sally is the Executive Director of Portfolio Management at Breakthrough Victoria. She was a founding partner and the inaugural CEO of Bridges Australia an affiliate of a global leader in impact investing, Bridges Fund Management. 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: E&P Financial Group (ASX:EP1), Titan Securities (a NAB securitisation company), and Impact Investing Australia, a member of the Global Steering Group for Impact Investment (GSG). She is a member of the QBE Committee of Social and Environmental Impact, the wisdom circle of First Australians Capital, the LP Advisory Committee for Foundation North's Impact Fund, and the Technical Advisory Group for DFAT's Emerging Markets Impact Investing Fund. She was a member of the expert panel of the Australian Social Impact Investing Taskforce in the Department of the Prime Minister and Cabinet and 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.

Name: Aurora Milroy
Title: Director
Qualifications: BA (Hons), LLB (Hons), MPP (Oxon)
Experience and expertise: Aurora is a Palyku woman from Western Australia. She is currently an academic at the University of Western Australia's Law School, and co-lead on the Indigenisation of the Juris Doctor. She has held previous roles as the Senior Policy Advisor at the Coalition of Aboriginal and Torres Strait Islander Peak Organisations, and as Manager of the Indigenous Knowledge Institute at the University of Melbourne and has worked across the government, tertiary and not-for-profit sectors and has an interest in systems transformation, Indigenous public policy and public administration.

Aurora has a Masters of Public Policy from the Blavatnik School of Government at the University of Oxford as well as a Bachelor of Laws (Hons) and Bachelor of Arts (Hons) from the University of Western Australia.

Name: Margaret Thomas
Title: Director
Qualifications: BA (Hons) Masters of Development Studies
Experience and expertise: Margaret was a senior international development professional. From 2012 until 2021 she worked for the United Nations Development Programme (UNDP) in New York, most recently as the Head of the Development Impact Group and previously as the Senior Adviser for the Corporate Strategy and Governance Group. Prior to joining UNDP, Margaret worked for the Australian Agency for International Development (AusAID) for over twenty years. Margaret's overseas positions in AusAID included Head of the Papua New Guinea and the Timor Leste country offices, and an earlier posting in the Philippines. In Canberra, Margaret served as Head of the Pacific Branch, was an adviser to the Minister for Foreign Affairs and concluded her career with AusAID as First Assistant Director General with a focus on corporate reform issues.

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Name: Cliff Weeks
Title: Director (resigned May 2023)
Qualifications:
Experience and expertise: Cliff is a Yamatji man from the Midwest in Western Australia. He is an experienced senior executive with 20 years' experience in government administration. He is currently the General Manager, Offshore Resources, Department of Industry Science and Resources, Australian Government. Cliff was previously the Assistant Investment Commissioner, Northern Territory Government, Coordinator General for remote service delivery in Western Australia and Director General for the Department of Aboriginal Affairs. He was one of the youngest people appointed to lead a government department in the WA Public Sector at the age of 36 and the only Aboriginal Director General in Australia during his tenure.

Cliff has held several directorships in government and non-government sectors over the last 10 years. He is currently a Director for the Australian Childhood Foundation, Independent Chair for the Cockburn Sound Management Council and Non-Executive Director for CASPA Services Ltd. Former statutory directorships include Chair of the Aboriginal Affairs Coordinating Committee and Ex-Officio Aboriginal Cultural Materials Committee. His career focus has been on Aboriginal affairs, housing, infrastructure and regional development.

Name: Dr Jasmine-Kim Westendorf
Title: Director
Qualifications: PhD, Ba(Hons)
Experience and expertise: Jasmine is an Associate Professor of International Relations and Australian Research Council DECRA Fellow at La Trobe University. Her current research focuses on sexual exploitation and abuse in peacekeeping and humanitarian operations; her past work has looked broadly at issues around the challenges to effective international involvement in peace processes and questions of inclusivity in peace processes. She has conducted field research globally and has published numerous books, journal articles and essays on these topics.

Jasmine has also 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 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

Name: Amanda Young
Title: Director
Qualifications: LLB, Grad Dip Legal Prac
Experience and expertise: Amanda is a Pacific Island descendant who has devoted 27 years of her career to reducing inequalities, a sustained commitment which has led her across five sectors: legal, government, commercial, economic and academic. From her first job as a criminal lawyer, she transitioned to designing public policy in challenging domains such as Indigenous wage reparations, police misconduct, Stolen Generations. In 2012 she pivoted towards First Nations economic development, creating an Indigenous business program at the Victorian Chamber of Commerce and then becoming a transformative leader as CEO of First Nations Foundation, (national Indigenous economic wellbeing). In January 2023 Amanda joined Pollination Group, a global climate advisory where she works at the intersection of climate, capital and Indigenous people. Amanda is a global Atlantic Fellow for Social and Economic Equity from the London School of Economics, has undertaken executive study at Harvard, Stanford and Cambridge. She is also Chair of Pollination Foundation and a volunteer director of the Crescent Institute

Board Staff Participants

Name: Sarah Madacki
Qualifications: B Bus
Experience and expertise: Sarah is the Head of Pacific Transition for Oxfam Australia, working across both operational and programmatic areas in Fiji, Vanuatu, Solomon Island and Papua New Guinea. Sarah has also worked extensively across the Asia region and brings a strong operational and programmatic background as the staff participant to the Oxfam Australia Board. Sarah's career spans over 25 years, ten of which has been in the not-for-profit sector, encompassing expertise in operational leadership, structural transformation, and human resources.

Name: James Riturban (until August 2022)
Qualifications: MS BA
Experience and expertise: James was 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

Name: Sari Baird (resigned March 2023)
Qualification: BA/LLB (Melb), LLM (Melb), GAICD
Experience and expertise: 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, 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 during the reporting year NFP Committee and the Australian Charity and Not-for-profit Commission's Sector Advisory Forum.

Name: Stephanie Szkilnik (commenced May 2023)
Title: Interim Co-General Counsel and Company Secretary
Qualifications: BA (Media & Communications); DipLang (French); JD
Experience and expertise: Stephanie is an experienced lawyer having worked in the Legal Team at Oxfam Australia since 2020 following a career as a corporate / mergers and acquisitions lawyer at global law firm, Baker McKenzie. Stephanie was appointed as Company Secretary of Oxfam Australia on 1 May 2023 after returning from the United Kingdom, where she was hosted by Oxfam Great Britain. She was previously secretary of Bahay Tuluyan Philippines Australia Inc., a registered Australian charity which supports its partner organisation in the Philippines to prevent and respond to abuse and violence against children in the Philippines. Stephanie is a member of the Charity Law Association of Australia and New Zealand and the Law Institute of Victoria.

Board Observer

Name: Rashmi Mattewada
Title: Board Observer
Qualifications: MBA, CA, BCom/LLB
Experience and expertise: Rashmi has advised on economic policy reforms for over eleven years at the Australian Government Treasury, and regulated banks at the Australian Prudential Regulation Authority. Recognised as a 2021 McKinsey Next Generation Women Leader, she leads inclusion initiatives for women and culturally diverse networks. She was a pro bono consultant for Good Shepherd, paralegal at Women's Legal Service Victoria, and a volunteer at Epworth Hospital and Noah's Ark.

Rashmi has a Master of Business Administration (Dean's Honours) from Melbourne Business School, where she co-founded the Sustainable Business Club. She is a Chartered Accountant, an admitted Australian Lawyer, and has Bachelor of Commerce and Bachelor of Laws degrees from The University of Melbourne.

Objectives

Oxfam Australia is one of 21 Oxfam affiliates around the world that form the Oxfam confederation. We work together to achieve Oxfam's ultimate goal of a just world without poverty where people influence decisions that affect their lives, enjoy their rights, and assume their responsibilities — a world in which everyone is valued and everyone is treated equally.

Principal activities

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 to address poverty and inequality, and we support humanitarian responses to crises around the globe. 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.

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 of the Directors to actively monitor the Group's performance.

The three principal KPIs for Oxfam Australia are:

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

	2022/2023	2021/2022
	%	%
Program Investment Ratio	63.2%	68.4%
Fundraising Cost Ratio	26.7%	20.8%
Administration Ratio	9.7%	10.7%

Our Program Investment ratio was impacted by challenges in operating environments where we deliver programs. The Fundraising Cost ratio has increased and reflects spend in the current year and investment in new products. The Administration ratio has decreased year on year primarily reflecting reduced staff costs.

In addition, there are other accountability measures that the Board monitors, including reserves levels, levels of grant income in comparison to community support income and the breakdown of program costs between direct program costs, program support and program management.

Operating and financial review

We are reporting a consolidated operating deficit of \$2.4 million. Our deficit was primarily the result of program implementation challenges resulting in lower than expected spend rates for projects. Delays were due to two reasons: the external context and operating environments in countries where we deliver programs and the subsequent release of funding, and internal challenges with change processes at country and regional level.

Our consolidated income of \$54 million was a decrease of \$8.8 million from the prior year. Our most significant income stream was from community support income contributing \$33.5 million and we are very grateful for the ongoing support from all our donors. We also recognised grant funding of \$19.9 million during the year which while lower than the prior year, was partially offset by a reduction in expenditure.

Our consolidated expenditure was \$56.3 million, in line with the prior year. We spent \$35.6 million on our long-term program development, advocacy and emergency responses during the year, a \$3.3 million decrease on prior year. Expenditure on fundraising activity of \$15.2m was an increase on prior year spend by \$3.4 million. This is a 'normalising' of spend as we return to post COVID-19 fundraising activity. This spend also includes investment in new products that will likely see results into future financial periods. The challenges with cost-of-living pressures have also seen the competition for fundraising support increase. Administration costs reduced as a result of vacancy rates and therefore in staff costs.

Our overall net asset position continues to be strong, as is our working capital position. Assets include the proceeds from the sale of the Carlton office building. These proceeds will be deployed to an investment fund providing ongoing long-term income to Oxfam for investment in strategic initiatives. During this year, the Board approved the sale of our property at Hutt Street in Adelaide, and this has resulted in the reallocation of the asset to Non-current assets classified as held for sale. We expect this sale to close in the coming months.

Over the past decade, Australia's ODA contributions diminished to 0.2% of GNI, positioning Australia at 27 out of 30 OECD Development Assistance Committee members, despite being the 10th richest. The ALP has an ongoing party policy platform commitment to work towards contributing 0.5% of GNI to ODA. Oxfam Australia is keen to see this realised by the current government on a pathway to towards the globally shared Sustainable Development Goal of 0.7% GNI to ODA.

Looking forward, the organisation continues to promote social justice and fight poverty while maintaining a sound financial position. We need to ensure we continue to focus on building an efficient, effective and resilient organisation into the future.

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	Nominations Committee	Remuneration Committee
	Attended	Attended	Attended	Attended	Attended
Aleem Ali	6 (6)	4 (6)	N/A	N/A	N/A
Zainab Fazil	6 (6)	3 (6)	N/A	N/A	N/A
Geoff McClellan	5 (6)	N/A	3 (4)	N/A	N/A
Sally McCutchan	6 (6)	6 (6)	N/A	N/A	N/A
Aurora Milroy	6 (6)	N/A	3 (4)	N/A	N/A
Judith Slocombe	6 (6)	5 (6)	2 (4)	N/A	N/A
Margaret Thomas	6 (6)	5 (6)	N/A	N/A	N/A
Cliff Weeks	4 (6)	5 (6)	N/A	N/A	N/A
Jasmine-Kim Westendorf	5 (6)	N/A	4 (4)	N/A	N/A
Amanda Young	4 (6)	N/A	3 (4)	N/A	N/A
Co-optees	Attended	Attended	Attended	Attended	Attended
Rohan Wolfers	N/A	5 (6)	N/A	N/A	N/A
Alan Wu	N/A	N/A	4 (4)	N/A	N/A
Staff Participant	Attended	Attended	Attended	Attended	Attended
Sarah Madacki	3 (4)	N/A	N/A	N/A	N/A
James Riturban	1 (2)	N/A	N/A	N/A	N/A
Board Observer	Attended	Attended	Attended	Attended	Attended
Rashmi Mattewada	2 (2)	2(2)	N/A	N/A	N/A

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

Meetings of directors

Committee Membership

The Board's work is supported by the presence and operations of four standing committees, the Finance, Risk and Audit Committee, Governance Committee, Nominations Committee and Remuneration Committee. The Board chair is an *ex officio* member of Governance Committee and FRAC. Members acting on the committees of the Board during the year were:

Finance Risk & Audit

Sally McCutchan⁽¹⁾
Aleem Ali
Zainab Fazil
Margaret Thomas
Cliff Weeks
Judith Slocombe
Rohan Wolfers⁽²⁾

Governance

Geoff McClellan⁽¹⁾
Aurora Milroy
Jasmine Westendorf
Amanda Young
Judith Slocombe
Alan Wu

Nominations

Judith Slocombe⁽¹⁾
Geoff McClellan
Dennis Altman⁽²⁾
Nadia Chaves⁽²⁾
Ai Leen Quah⁽²⁾
G Romanes⁽²⁾

Remuneration

Judith Slocombe⁽¹⁾
Sally McCutchan
Geoffrey McClellan

(1): designates the chair of the committee (2): honorary independent members of the committee and non-director during the reporting period

Contributions on winding up

In the event of the company being wound up, Guarantor Members are required to contribute a maximum of \$100 each.

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Indemnity and insurance of 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



Judith Slocombe



Sally McCutchan

18 August 2023

DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF OXFAM AUSTRALIA

As lead auditor of Oxfam Australia for the year ended 31 March 2023 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.



Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 18 August 2023

Oxfam Australia
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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. 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:

355 William Street
West Melbourne, Victoria, 3003
Phone: 1800 088 110
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 18 August 2023. 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 2023

	Note	Consolidated 2023 \$'000	2022 \$'000
Revenue			
Grants (government and non-government)	3	19,875	25,871
Community support income	4	33,450	34,906
Investment income	5	501	234
Other operating income	6	145	1,787
Total revenue		<u>53,971</u>	<u>62,798</u>
Expenses			
Program costs	7	(35,566)	(38,937)
Fundraising expenses		(15,051)	(12,869)
Administration and other operating costs	8	(5,469)	(4,943)
Foreign exchange gain/(loss)		(229)	(153)
Total expenses		<u>(56,315)</u>	<u>(56,902)</u>
(Deficit)/surplus for the year	22	(2,344)	5,896
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income		<u>(30)</u>	<u>(87)</u>
Other comprehensive income for the year		<u>(30)</u>	<u>(87)</u>
Total comprehensive income for the year		<u><u>(2,374)</u></u>	<u><u>5,809</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 2023

	Note	Consolidated 2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	9	29,572	35,326
Trade and other receivables	10	7,978	6,223
Other financial assets	11	2,247	2,212
Term deposits		90	-
Other assets	12	830	2,076
		<u>40,717</u>	<u>45,837</u>
Non-current assets classified as held for sale	13	2,192	-
Total current assets		<u>42,909</u>	<u>45,837</u>
Non-current assets			
Property, plant and equipment	14	207	2,479
Right-of-use assets	15	890	1,291
Intangibles	16	1,815	2,857
Total non-current assets		<u>2,912</u>	<u>6,627</u>
Total assets		<u>45,821</u>	<u>52,464</u>
Liabilities			
Current liabilities			
Trade and other payables	17	3,775	3,327
Contract liabilities	18	12,863	16,570
Lease liabilities	19	567	817
Provisions	20	2,761	3,422
Total current liabilities		<u>19,966</u>	<u>24,136</u>
Non-current liabilities			
Lease liabilities	19	346	480
Provisions	20	533	498
Total non-current liabilities		<u>879</u>	<u>978</u>
Total liabilities		<u>20,845</u>	<u>25,114</u>
Net assets		<u>24,976</u>	<u>27,350</u>
Equity			
Reserves	21	5,154	4,859
Retained surpluses	22	19,822	22,491
Total equity		<u>24,976</u>	<u>27,350</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 2023

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 2021	2,450	65	14,021	340	4,665	21,541
Surplus for the year	-	-	-	-	5,896	5,896
Other comprehensive income for the year	-	(87)	-	-	-	(87)
Total comprehensive income for the year	-	(87)	-	-	5,896	5,809
Transfer to / (from) reserves	300	-	(12,687)	377	12,010	-
Transfer of realised gain of financial assets at FVOCI to accumulated surplus	-	80	-	-	(80)	-
Balance at 31 March 2022	<u>2,750</u>	<u>58</u>	<u>1,334</u>	<u>717</u>	<u>22,491</u>	<u>27,350</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 2022	2,750	58	1,334	717	22,491	27,350
Deficit for the year	-	-	-	-	(2,344)	(2,344)
Other comprehensive income for the year	-	(30)	-	-	-	(30)
Total comprehensive income for the year	-	(30)	-	-	(2,344)	(2,374)
Transfer to / (from) reserves	(104)	-	-	(403)	507	-
Transfer of realised gain of financial assets at FVOCI to accumulated surplus	-	832	-	-	(832)	-
Balance at 31 March 2023	<u>2,646</u>	<u>860</u>	<u>1,334</u>	<u>314</u>	<u>19,822</u>	<u>24,976</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 2023

	Note	Consolidated	
		2023	2022
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers, donors and Government		48,008	67,521
Payments to suppliers and employees		(26,945)	(30,989)
Payments for projects		(26,502)	(31,064)
Interest received		404	179
Interest paid in relation to lease liabilities		(64)	(117)
		<u> </u>	<u> </u>
Net cash (used in)/from operating activities		(5,099)	5,530
Cash flows from investing activities			
Payments for property, plant and equipment	14	(15)	(296)
Purchase of investments		(155)	(1,377)
Proceeds from disposal of property, plant and equipment		-	21,155
Interest and dividend received		97	55
		<u> </u>	<u> </u>
Net cash (used in)/from investing activities		(73)	19,537
Cash flows from financing activities			
Repayment of from borrowings		-	(9,649)
Repayment of lease liabilities		(582)	(492)
		<u> </u>	<u> </u>
Net cash used in financing activities		(582)	(10,141)
Net (decrease)/increase in cash and cash equivalents		(5,754)	14,926
Cash and cash equivalents at the beginning of the financial year		<u>35,326</u>	<u>20,400</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>29,572</u></u>	<u><u>35,326</u></u>

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

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Notes to the consolidated financial statements
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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.

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.

Reclassification of comparatives

Comparative figures where appropriate, have been reclassified to be comparable with the figures presented for the current financial year.

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 2023 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'.

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.

Note 1. Significant accounting policies (continued)

Income tax

The consolidated entity is a charitable institution under the terms of subsection 50-5 of the Income Tax Assessment Act 1997 in all jurisdictions in which it operates and is therefore exempt from paying income tax, except for operations in Sri Lanka.

As per the Island Revenue Act No.24 of 2017, all Non-Governmental Organisations operating in Sri Lanka are liable to pay Income Tax at the rate of 28% plus an additional 3% on amounts received in each year of assessment by way of grant, donation or contribution.

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.

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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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 judgement 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.

Note 3. Grants (government and non-government)

	Consolidated	
	2023	2022
	\$'000	\$'000
Australian government grants (DFAT)	14,914	12,446
Non-government Australian grants	625	4,961
Non-government overseas grants	3,800	6,321
Overseas government grants	536	2,143
	<hr/>	<hr/>
Grants (government and non-government)	<u>19,875</u>	<u>25,871</u>

Accounting policy for grant income

Grants are received by Oxfam Australia 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, Oxfam Australia 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.

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Note 3. Grants (government and non-government) (continued)

Where a grant or other income does not meet the requirements of AASB 15, Oxfam Australia 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 Oxfam Australia to consider whether any other financial statement elements (called 'related amounts') should be recognised.

Under AASB 1058, Oxfam Australia 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 Consolidated Statement of Comprehensive Income.

Note 4. Community support income

	Consolidated	
	2023	2022
	\$'000	\$'000
Donations and gifts	31,573	30,394
Legacies and bequests	1,877	4,512
	<u>33,450</u>	<u>34,906</u>

Accounting policy for community support income

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

Note 5. Investment income

	Consolidated	
	2023	2022
	\$'000	\$'000
Interest received or receivable	404	179
Dividends received	97	55
	<u>501</u>	<u>234</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.

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Note 6. Other operating income

	Consolidated	
	2023	2022
	\$'000	\$'000
Other income	145	498
Insurance claims	-	1,289
	145	1,787
	145	1,787

Accounting policy for other income

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

Note 7. Program costs

	Consolidated	
	2023	2022
	\$'000	\$'000
Funds to overseas programs	25,412	30,418
Domestic programs	1,090	646
Program support costs	7,769	7,130
Public policy and education programs	1,068	428
Development and effectiveness	227	315
	35,566	38,937
	35,566	38,937

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.

Note 8. Administration and other operating costs

	Consolidated	
	2023	2022
	\$'000	\$'000
Depreciation - buildings	28	28
Depreciation - plant and equipment	94	25
Depreciation - right of use assets	588	481
Lease payments - operating leases	47	17
Lease interest expense	64	117
Salaries	2,902	1,676
Superannuation	342	213
Bank charges	321	321
Insurance	312	312
Other operating costs (including IT)	771	1,753
	5,469	4,943
	5,469	4,943

Defined contribution superannuation expense

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

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Note 9. Cash and cash equivalents

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Cash at bank	<u>29,572</u>	<u>35,326</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 10. Trade and other receivables

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Other receivables	<u>7,978</u>	<u>6,223</u>

Accounting policy for trade and other receivables

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

Note 11. Other financial assets

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Listed equity investments (i)	1,496	1,381
Term deposits and corporate bonds (ii)	<u>751</u>	<u>831</u>
	<u>2,247</u>	<u>2,212</u>

Accounting policy for listed equity investments

(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.

Accounting policy for term deposits and bonds

(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.

Note 12. Other assets

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Prepayments - others	<u>830</u>	<u>2,076</u>

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Note 13. Non-current assets classified as held for sale

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Land and buildings	2,192	-

In December 2022, the Board of Directors approved negotiations with a preferred bidder for the property located in Hutt Street, Adelaide. On 2 June 2023 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 2023 with a value of \$2,192,000.

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 14. Property, plant and equipment

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Non-current assets</i>		
Freehold land and buildings - at cost	260	2,849
Less: Accumulated depreciation	(260)	(629)
	-	2,220
Plant and equipment - at cost	379	3,152
Less: Accumulated depreciation	(172)	(2,893)
	207	259
	207	2,479

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Note 14. Property, plant and equipment (continued)

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 2022	2,220	259	2,479
Additions	-	15	15
Classified as held for sale (note 13)	(2,192)	-	(2,192)
Depreciation expense	(28)	(94)	(122)
Write on/(off) of assets	-	27	27
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	<u>-</u>	<u>207</u>	<u>207</u>

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
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 15. Right-of-use assets

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Non-current assets</i>		
Properties - right-of-use	1,970	1,772
Less: Accumulated depreciation	<u>(1,080)</u>	<u>(481)</u>
	<u>890</u>	<u>1,291</u>

Additions to the right-of-use assets during the year were \$197,771 and depreciation charged to profit or loss was \$588,000.

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Note 15. Right-of-use assets (continued)

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 16. Intangibles

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Non-current assets</i>		
Software - at cost	5,428	7,561
Less: Accumulated amortisation	<u>(3,613)</u>	<u>(4,704)</u>
	<u><u>1,815</u></u>	<u><u>2,857</u></u>

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 2022	2,857
Write off of fully amortised assets - cost	(2,038)
Write off of fully amortised assets - accumulated amortisation	2,038
Write off of assets	(94)
Amortisation expense	<u>(948)</u>
Balance at 31 March 2023	<u><u>1,815</u></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 the "Fundraising expenses" line of the Consolidated 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.

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Note 17. Trade and other payables

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Trade and other payables	<u>3,775</u>	<u>3,327</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	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Contract liabilities	<u>12,863</u>	<u>16,570</u>

Accounting policy for contract liabilities

Contract liabilities for grants received in advance is the unutilised amount of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant.

Note 19. Lease liabilities

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Lease liability	<u>567</u>	<u>817</u>
<i>Non-current liabilities</i>		
Lease liability	<u>346</u>	<u>480</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	588	817
One to five years	352	480
More than five years	-	-
	<u>940</u>	<u>1,297</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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Note 19. Lease liabilities (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 20. Provisions

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Annual leave	1,391	1,419
Long service leave	982	1,062
Redundancy	388	941
	<u>2,761</u>	<u>3,422</u>
<i>Non-current liabilities</i>		
Long service leave	<u>533</u>	<u>498</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.

Note 21. Reserves

	Consolidated	
	2023	2022
	\$'000	\$'000
Revaluation surplus reserve	1,334	1,334
Collective resource allocation reserve	314	717
Financial asset reserve	860	58
Restricted income reserve	2,646	2,750
	<u>5,154</u>	<u>4,859</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 and maintaining the minimum level of resources necessary to ensure uninterrupted operations. The Board of Oxfam Australia reviews the level of reserves held periodically.

Oxfam Australia
Notes to the consolidated financial statements
31 March 2023

Note 21. Reserves (continued)

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

	Consolidated	
	2023	2022
	\$'000	\$'000
Retained surpluses at the beginning of the financial year	22,491	4,665
(Deficit)/surplus for the year	(2,344)	5,896
Transfer from/(to) financial asset reserve	(832)	(80)
Transfer from revaluation surplus reserve	-	12,010
Transfer from collective resource allocation reserve	403	-
Transfer from restricted reserves	104	-
	<u>19,822</u>	<u>22,491</u>
Retained surpluses at the end of the financial year	<u>19,822</u>	<u>22,491</u>

Accounting policy for retained surpluses

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

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

The specific purposes are as follows:

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

Note 23. Key management personnel disclosures

Compensation

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

	Consolidated	
	2023	2022
	\$	\$
Aggregate compensation	<u>1,273,657</u>	<u>1,197,901</u>

Oxfam Australia
Notes to the consolidated financial statements
31 March 2023

Note 23. Key management personnel disclosures (continued)

Compensation structure

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

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	1,162,479	1,097,549
Superannuation	111,178	100,352
	<u>1,273,657</u>	<u>1,197,901</u>

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2023	2022
	\$	\$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit of the financial statements	<u>87,200</u>	<u>69,100</u>
<i>Other services - network firms</i>		
Assurance related	-	4,850
Accounts preparation fee	6,000	5,500
	<u>6,000</u>	<u>10,350</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.

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.

Oxfam Australia
Notes to the consolidated financial statements
31 March 2023

Note 26. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Oxfam Australia Trading Pty Ltd	Australia	100%	100%
Oxfam in the Pacific	Fiji	100%	100%
OXFAM INTERNATIONAL PNG INC.	Papua New Guinea	100%	100%
Oxfam Trust Board (Incorporated)	Solomon Islands	100%	100%
THE OXFAM (VANUATU) COMMITTEE (INC.)	Vanuatu	100%	100%

Note 27. Contingent liabilities

The consolidated entity had no contingent liabilities as at 31 March 2022 and 31 March 2023.

Note 28. Contingent assets

The consolidated entity had no contingent assets as at 31 March 2022 and 31 March 2023.

Note 29. Commitments

The consolidated entity had no commitments for capital expenditure as at 31 March 2022 and 31 March 2023.

Note 30. Events after the reporting period

On 2 June 2023 a sale contract was executed for the property located in Hutt Street, Adelaide with a price higher than the carrying value of the asset. This property is classified as held for sale as at 31 March 2023 with a value of \$2,192,000.

No other matter or circumstance has arisen since 31 March 2023 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 2023

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 2023 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

18 August 2023

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 registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2023, 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 2023 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 2022*.

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

The Directors 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 Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group'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



Elizabeth Blunt
Director

Melbourne, 18 August 2023