A young woman with braided hair, wearing a white sleeveless dress with a black belt and turquoise flip-flops, stands smiling in front of a wall with red and grey sections. She is leaning on a red wooden post. The background features a red-painted window frame and a grey-painted wall.

OXFAM NOVIB ANNUAL ACCOUNTS 2018-2019



OXFAM
Novib

OXFAM NOVIB ANNUAL ACCOUNTS 2018-2019

In line with Oxfam International, our reporting period covers the fiscal year April 1, 2018 to March 31, 2019. The Annual Report and Annual Accounts are available online at oxfamnovib.nl/jaarverslag.

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1.1 GENERAL INFORMATION

Oxfam Novib is a member of the Oxfam network and a worldwide development organization that mobilizes the power of people to fight poverty. Around the globe, we work to find practical and innovative ways for people to lift themselves out of poverty and thrive.

In the past decades, global extreme poverty has been cut in half. Billions of people are standing up to injustice, the trauma of war, and complex problems like climate change and economic inequality. But there is much more to be done. That is why Oxfam Novib exists: to tackle the injustices that cause and perpetuate poverty. We work to make the world safer and fairer for everyone. We exist to defeat poverty.

Our vision

A just world, without poverty. That is our vision. We want a world where people are valued and treated equally, enjoy their rights as full citizens, and can influence decisions affecting their lives.

Our values

When people's basic rights are respected, we can rid the world of poverty and injustice. This is what we stand for:

- **Empowerment**
Everyone, from our staff and supporters to people living in poverty, should feel they can be a catalyst for change.
- **Inclusiveness**
We seek out partnerships and embrace inclusive decision-making. We believe everyone has a contribution to make, regardless of visible and invisible differences.
- **Accountability**
We take full responsibility for our actions and are committed to the highest standards of integrity. We will also hold others – individuals as well as companies and governments – fully accountable for their actions.

Our approach

Oxfam's approach is rights-based. We believe sustainable development is about cooperating with people, enabling them to get what they need, because they are entitled to. That is why we help people around the world to stand up for their rights.

We use a combination of rights-based sustainable development programs, campaigns, advocacy, and humanitarian assistance in disasters and conflicts, while putting gender justice at the heart of all our programs. We challenge the structural causes of the injustice of poverty, and work with allies and partners locally and globally.

Together we tackle the root causes of poverty.

- **We overcome inequality**
 - We challenge the concentration of wealth and power in the hands of the few.
 - We fight to ensure that the wealthy pay their fair share of taxes, and that governments use that money to provide quality public health and education for everyone.
 - We campaign to change the systems that keep people trapped in the injustice of poverty.
- **We save lives**
 - We support communities to be better prepared to cope with shocks and uncertainties.
 - We work quickly to meet peoples' essential needs when disaster strikes, and we ensure the most vulnerable are kept safe from harm.
 - We partner with local humanitarian actors who play a leading role before, during, and after crises.
- **We defeat hunger**
 - We believe in a future where everyone has enough to eat and a fair chance to provide for their families.
 - We help people to build livelihoods that are more secure against the impact of climate change or sudden market shifts, which hit poor people hardest.

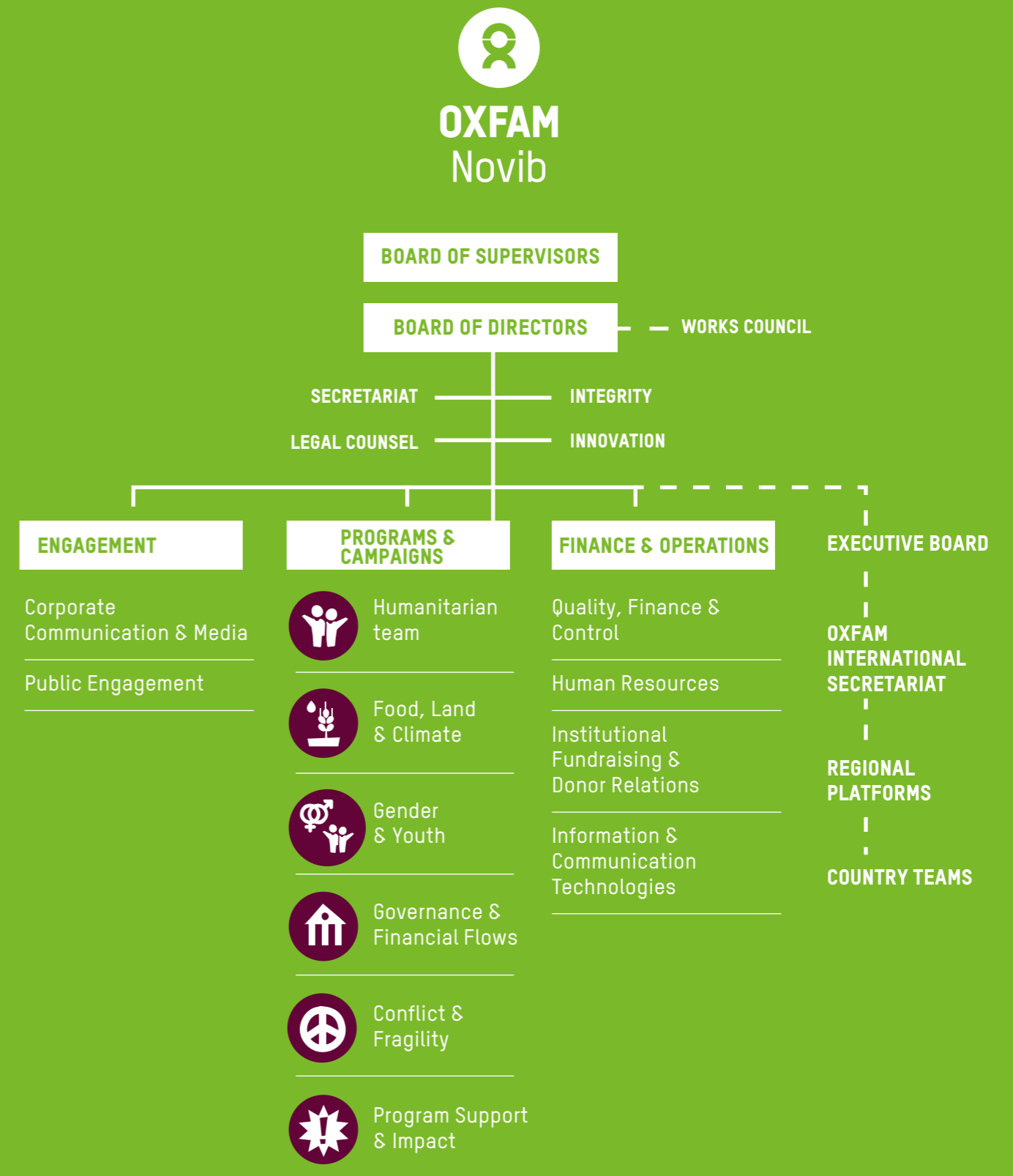
- We work with people to protect their land rights and make sure they can continue to grow the crops they depend on.
- We help people get a fairer deal for their work.
- **We create opportunity**
 - We champion people, especially women and youth, so that they can take their places as full and equal members in their communities and influence others to respect that.
 - We advocate for the right of women and youth to have full control over their bodies, income, and the decisions that affect their lives.
 - We support organizations where women have an equal role in leadership.
 - We see a world where all of us exercise our right to a life free from fear and violence.

Our goals

Oxfam Novib contributes to Oxfam's six strategic change goals as stated in the Oxfam Strategic Plan 2013-2019, 'The Power of People Against Poverty.'

- **The right to be heard**
More people will exercise civil and political rights to influence decision-makers and hold them accountable.
- **Advancing gender justice**
More women will claim and advance their right to lead, and violence against women will be significantly less socially-acceptable and prevalent.
- **Saving lives – now and in the future**
Fewer people will die or suffer as a result of natural disasters and conflict. Those most at risk will have exercised their right to have clean water, food, sanitation, and other fundamental needs met. More people will be free from violence and coercion, and better able to take control of their own lives in dignity.
- **Sustainable food**
People who live in rural poverty will enjoy greater food security, income, prosperity, and resilience through significantly more equitable and sustainable food systems.

OUR ORGANIZATION



- **Fair sharing of natural resources**

The world's most marginalized people will be significantly more prosperous and resilient, despite climate stress and rising competition for land, water, food, and energy sources.

- **Financing for development and universal essential services**

There will be higher quality and increased quantity of financial flows that target poverty and inequality.

Legal and organizational structure

Oxfam Novib is a Foundation (in Dutch: Stichting) registered with the Chamber of Commerce (Kamer van Koophandel or KvK) in The Hague under number 27108436.

One Oxfam

Oxfam Novib is an affiliate of the Oxfam confederation, in which nineteen likeminded organizations join forces to defeat poverty and injustice. Until September 2018 the confederation had twenty affiliates; unfortunately, Oxfam Japan had to close down because it did not manage to realize financial sustainability. Oxfam builds on the strengths of the separate affiliates to maximize its impact and achieve a truly global reach. Together we are active in more than 90 countries.

In accordance with the Oxfam 2020 plan, we are nearing completion of the One Oxfam initiative. This means we are becoming a stronger Oxfam, adjusting to new ways of working, with more affiliates in the global South; a confederation that is sustainable, accountable and relevant in every country in which we work. By moving towards a network of strong affiliates and strong empowered country offices, we are improving our collaboration, and enhancing our efficiency, cost effectiveness, impact, and ability to influence. In each country we have a single Oxfam program strategy, program and budget, and a single country team. Oxfam Regional Platforms, led by an Oxfam regional director, provide strategic leadership, deliver regional impact, and facilitate

connections between practitioners. Affiliates engage with countries and regions as Partner Affiliates, providing thematic and capacity-building support, as well as funding; some act as Executing Affiliates that provide back-office support. Oxfam Novib is an Executing Affiliate in thirteen countries, where the organization provides the necessary legal commitments, operational services, management support and systems to enable Oxfam to deliver effective programs. These countries are Afghanistan, Burundi, Cambodia, Egypt, Mozambique, Niger, Nigeria, Occupied Palestinian Territory and Israel (OPTI), Somalia, Tunisia, Turkey, Uganda and Vietnam.

In 2018-19 the confederation moved forward with supporting organizations in Turkey and Colombia to prepare for joining the confederation as new affiliates: affiliation in Turkey is planned to happen in the course of 2019. By the end of the reporting year, all regional directors had been recruited and all regional platforms were fully installed. For nearly all countries, line management responsibilities have now shifted from affiliates to Oxfam International.

Internal Oxfam projects

Oxfam Novib is actively working for improvements in a number of different areas through internal projects. We work at international level with the Oxfam confederation as well as nationally with partners in the Netherlands.

In 2018-19 Oxfam Novib participated in Oxfam International projects to continue developing the confederation and strengthening our Executing Affiliate role. Our main area of attention was further embedding the Integrity policy and harmonizing the approach to preventing and managing misconduct. Among other things, we launched a new Speak Up line and revised our safeguarding standard operating plan (SOP). In addition we made important steps towards harmonizing anti-terrorist

financing protocols throughout the confederation, and the development of holistic induction programs for new staff. In the Netherlands, we actively participated in the development of a sector-wide joint integrity action plan lead by Partos.

Looking back

In February 2018, the British newspaper 'The Times' reported a case of sexual misconduct by Oxfam Great Britain aid workers in Haiti. This incident occurred during the aid operation following the 2011 earthquake, and fast developed into a leading news story, which negatively affected the financial year 2018-19. We invested a great deal of effort in rebuilding the trust of our donors, not only improving the internal protocols on integrity and safeguarding but also communicating our commitment to make real changes in the way we work. This cultural change journey was initiated in 2018-19 and will continue in the coming year. Throughout this period we have been very thankful to our staff, constituency and supporters who stood by us, and we remain committed to delivering high-quality programs and impact, with care for our staff and our beneficiaries.

1.2 ACTIVITIES AND FINANCIAL POSITION

1.2.1 Core activities

Oxfam Novib is organized according to the following major themes: Governance and Financial Flows; Food, Land and Climate; Gender; Youth; Conflict and Fragility; and Humanitarian work.

1. Governance and Financial Flows

We support civil society organizations in empowering citizens to hold governments and the private sector to account, including protecting and widening the space for civic actions. We influence governments and international institutions to tackle tax evasion and avoidance. We encourage them to increase the transparency and

accountability of their budgets, and to ensure reliable fiscal policies. We engage them in enhancing development aid and innovative finance. We advocate for governments, international institutions, and the private sector to ensure an inclusive, sustainable, and stable financial sector; a sector that works in the public interest and that serves smallholders and people living in poverty with adequate financial services.

2. Food, Land and Climate

We support people living in poverty in their efforts to claim their right to food, land and water. In the long term this results in a more just food system, one which sustainably addresses the needs and aspirations of smallholders, agricultural workers, and vulnerable communities. We develop and implement a food justice campaign – GROW – addressing the unequal division of profit in international value chains, we work on specific value chain rights and the position of small-scale farmers (palm oil, rice, aquaculture) and work on land rights and water governance; and have a special program on the potential of traditional seeds in tackling food security and climate change.

3. Gender

We work towards changing the attitude of tolerance for gender discrimination. We challenge social norms and values that, even in the 21st century, try to legitimize and even promote the use of violence against women and girls; rules and structures that excuse the violation of their sexual and reproductive rights, and limit their full participation in political and income-generating activities. Together with our partners, we provide women and girls with opportunities to mobilize and raise their voices, to develop their leadership, to influence and participate in decision-making spaces, and to create sustainable economic opportunities in local markets using household methodologies. We put a lot of effort into 'walking the talk' ourselves, among

others, by training all staff with our gender e-modules.

4. Youth

We aim to work jointly with young people to challenge the barriers that prevent them from enjoying their rights. Ensuring that the next generation is educated and healthy, can earn a living as employees or as entrepreneurs, and awareness of the importance of developing leaders and movements for active citizens at a young age are crucial factors in the global fight against inequality and injustice. Harnessing the energy and strength of young people and working with this target group is core to Oxfam Novib's goal of creating transformational change. Furthermore, we strive to enable young people to participate in society and have an effective voice in decision-making processes which affect them, including in our own projects.

5. Conflict and Fragility

Our work on conflict and fragility takes a long-term approach that seeks to address the underlying root causes of conflict, such as structural inequality, marginalization, and lack of access to natural resources. We seek to create inclusive security for all, with an emphasis on the inclusion of women and marginalized groups.

6. Humanitarian work

We work closely with our partners – in collaboration with other Oxfam organizations – to deliver specialized and efficient emergency response. Our expertise covers two broad themes: emergency food security and livelihoods (EFSL), and water, sanitation and hygiene (WASH). Operating independently, without influence from any interest groups, we design and implement programs that are sensitive to existing tensions and violence. We make communities more resilient to future crises. To strengthen their ability to cope, we routinely incorporate disaster preparedness into our development work. We also take a long-term view to rebuilding when providing

emergency aid immediately after a crisis. We invest a lot in strengthening local humanitarian leadership and empower local organizations to lead and deliver humanitarian aid and to be prominently represented at national and international level.

1.2.2 Key financials

The financial year 2018-19 was one of recovery, and the organization is satisfied with the results achieved in the difficult environment where budget cuts needed to be introduced and fundraising activities were under pressure. The Haiti misconduct case negatively affected the income growth. Although direct fundraising in the Netherlands exceeded the annual target, key income indicators lagged behind during the whole year due to the lower than budgeted donor base. Thankfully, cancellations from regular donor stabilized and the institutional contracts awarded reached 85% of the target by the end of the financial year. However, donor acquisition numbers remained below the target; this is one of the major challenges in the year to come.

The net result was negative €1.8 million, which is €2.8 million lower than the anticipated budgeted amount of positive €1.0 million, but €4.0 million more than the previous financial year (negative €5.8 million). The €2.8 million deviation from the budget is caused by the €0.8 million lower than budgeted financial result, as well as the €2.0 million gap in the net fundraising results as a consequence of the €3 million drop in the planned Indirect Cost Recovery (ICR) income related to signed donor contracts in 2018-19. The ICR budget gap impacted the income from companies and from governments reported in the statement of income and expenditure. Furthermore, it is worth mentioning that the financial results were affected by the €0.7 million realized and unrealized Foreign Exchange losses, which were not budgeted, and also by the increase in the provision for bad loans to cover the

Nicaragua exposure in the microfinance portfolio due to the current economic and political situation of the country.

The total income from fundraising activities in 2018-19 was below budget by €4.7 million, and €14.2 million lower than last year. Most of the decline was in the institutional fundraising income, including both effects, i.e. the lower than expected signed contracts as well as the drop in ICR income.

The total expenditure on goals was €1.0 million lower than budgeted, and €14.7 million lower than in 2017-18. Compared to last year, the main reduction in expenditure was in the program costs funded by Oxfam affiliates. The management and administration costs remained constant, with a slight deviation compared to the budgeted amount and down by €0.1 million compared to the previous year. The costs of generating income were €1.8 million lower than the budgeted amount and €2.4 million lower than the previous year. The balance of financial income and expenses was €0.8 million lower than budgeted, but showed €1.1 million better financial results than the previous year.

In addition, by the end of the financial year 2018-19 Oxfam Novib had sufficient cash and cash equivalents to cover its current debts and project obligations. The level of the contingency reserve (€14.9 million) remained within the desirable range of €13 million to €20 million. Although the contingency reserve did not drop below the desirable minimum in the financial year 2018-19, a further decline is expected in the following two years as a result of the Haiti misconduct case. The Board of Directors adopted several mitigating measures in the final multiannual budget for 2019-24. However, these measures require time to have the desired effect, and therefore the use of contingency reserve is expected to remain necessary. Oxfam Novib plans to increase the level of investments in direct fundraising in the next years.

Consequently, it expects to increase its income base and to be able to start rebuilding the contingency reserve from 2021-22 onwards. This shows that the organization is well-prepared to continue its operations, while retaining its healthy financial position, with no need for additional external funding in the form of loans from third parties.

1.2.3 Fundraising

Our supporters

Oxfam Novib builds a worldwide influencing network to help end poverty and inequality. This includes engaging a wide Dutch audience, that supports us in influencing the policies and practices of the Dutch government and companies, and contributes to financing our work.

Engaging the Dutch public in a market with many charities and regular givers supporting multiple organizations, requires us to invest in true engagement and activities that contribute to building trust with our supporters. The Haiti misconduct case and the related media attention only made this more necessary. In 2018-19 we saw a 6.9% decline in the number of individual supporters (from 331 thousand to 308 thousand), partly due to people canceling their regular gifts, and to a temporary stop of all our fundraising activities in the 'Haiti' aftermath.

Still, the vast majority of our supporters stayed with us, and ongoing donor research shows that trust and individual supporter satisfaction has again improved during the year. Our public engagement inspires existing and new supporters by demonstrating the progress and successes of our work. In our offline and online donor engagement materials we share compelling stories of the people we meet and support in our work, their challenges of injustice and the changes we bring, together with our supporters.

To inform both our supporters and a wider audience, we ran a multi-channel brand campaign from November 2018

to February 2019. Our commercial was broadcast on three major national TV channels, reaching almost 4.2 million people. Our Facebook page, Instagram ads and YouTube pre-rolls were viewed by nearly 3 million more people.

In 2018-19 we continued to develop issue-based public campaigns such as Behind the Barcodes, Stop Tax Avoidance and our fair climate petition, to inform and inspire (potential) supporters. We invited them to view our content and share their opinions. When the video featuring Rutger Bregman went viral after Davos by the end of January 2019, we used the momentum to launch our petition to 'End the Netherlands as Tax Haven', which resulted in 70,000 signatures within 3.5 months. Following an earthquake and tsunami that hit the Indonesian island of Sulawesi, the Dutch audience generously donated €15.6 million to the National Giro 555 Action, organized by Oxfam Novib and 10 other relief agencies.

Online media presence

In 2018-19 Oxfam Novib reaped the benefits of previous investments in our infrastructure for improved digital supporter journeys, with a new email and data system. We managed to increase the frequency of contact moments with our campaign supporters and to communicate our campaign results more systematically. The number of website visitors increased by 2.5%, up to almost half million, mainly due to our successful and popular blogs; 'How do I purchase sustainably made clothes' was by far the most popular blog.

After Facebook rigorously changed its algorithm in 2018, making it harder to reach our followers through non-promoted posts, we successfully switched to a new strategy. We created content specifically tailored to and designed for social media, and promoted it through Facebook campaigns. A good example of this successful strategy was the above mentioned video, in which

Rutger Bregman and Oxfam International Executive Director Winnie Byanyima discussed 'things that matter', shortly after the release of an annual report on global inequality, the 'Oxfam's Global Inequality Report', just before the World Economic Forum held by main world leaders in Davos, Switzerland.

Connecting with our individual donors

Our investment in realizing an increased number of contact moments with our individual donors resulted in three extra donor events reaching our entire supporters base. In addition we organized five small-scale regional events in Utrecht, Den Bosch, Amsterdam, The Hague and Groningen. At each event, on average visited by 150 donors, we engaged them in a thematic program consisting of an exhibition or documentary, combined with a lecture or presentation. Given the positive response, we will continue to organize and finetune these regional events.

Following the Haiti misconduct case we committed to updating our donors on steps taken with regard to safeguarding. We regularly reported on this in our supporter magazines, email newsletters, a dedicated (e)mailing to our existing and former individual donors, and an inhouse event in which we invited donors to visit our office.

In 2018-19 Oxfam Novib handled more than 57 thousand inbound customer contacts through 24 thousand emails, 25 thousand phone calls and almost 8 thousand letters. The reasons for contacting us ranged from administrative requests to questions about our work, and from complaints to proposals for cooperation. These contacts are a valuable source of information on what motivates our supporters.

Legacies and bequests

In 2018-19 we reached thousands of individual donors with our legacy campaign to highlight the possibilities – and benefits – of leaving a gift to

Oxfam Novib's work. We had items in our supporters magazine, Facebook ads, and meet-ups with our experts during donor events. At their request we visited some individual donors at home. All these activities led to more than 20 new pledges; these add to the 48 legacy gifts we received this financial year as a result of previous pledges. We are immensely grateful for these important commitments to support our work.

Major donors and private donations

In 2018-19 several major donors, private (family) foundations and special relations increased their funding of our work, which we greatly appreciate. Examples are Book-s4Life and the Soroptimist Club in Gouda, that support our project 'Marriage, no child's play'. In addition to our supporter magazine and email newsletters, we make regular personal visits to these important givers. Furthermore, we organized some special events, such as a special night at the International Documentary Festival Amsterdam (IDFA), where we screened a selection of documentaries, a lunch event in The Hague and several regional events.

The Dutch Postcode Lottery has been one of our most loyal donors, granting us another €13.5 million of core funding in 2018. Oxfam Novib and Free Press Unlimited's investigative journalism project 'Money Trail', which is supported by an additional grant from the Dutch Postcode Lottery, is running to all parties' satisfaction.

Entrepreneurs for Entrepreneurs

Oxfam Novib holds a longstanding and engaged Entrepreneurs for Entrepreneurs network, listing more than 550 Dutch entrepreneurs. Together they form the largest and most inspiring corporate social responsibility network for small and medium-sized enterprises (SMEs) in the Netherlands, supporting microfinance and SME development worldwide. In 2018/19 this network worked hard to add more value for its Dutch entrepreneur supporters, by helping them to contribute to the

Sustainable Development Goals (SDGs). We introduced the SDGs, or Global Goals, as a lens to look at their own organization, offering an introductory workshop (Dreamcatchers), inspirational dinners and the Entrepreneurs for the Goals Community. During events like IDFA on tour and the Oxfam Meet Up we arranged a workshop for Dutch entrepreneurs to connect the SDGs to their own business. Furthermore, we ran our 4-day SDG Challengers course with the first two companies to help them redesign their business.

Media

In 2018-19 Oxfam Novib received wide coverage on topics related to inequality, tax, and humanitarian crises, such as in Yemen, the Rohingyas in Bangladesh, and the ongoing dramatic situation for migrants in Greece and the Mediterranean. After cyclone Idai had raged over vast areas of Mozambique, Zimbabwe and Malawi, Oxfam Novib's media team assumed the leadership for Oxfam's global media work on the Idai response. This resulted in dozens of references in international media. We increased the visibility of Oxfam's humanitarian work by pitching a dozen radio interviews with our Humanitarian Team members.

In Behind the Barcodes, Oxfam Novib secured extensive media exposure, increasing pressure on supermarkets to act, thus contributing to the success of this campaign. The same goes for our ongoing extensive publications in the media about the Fair Finance coalition; public campaigning and media coverage about poor performance in corporate social responsibility have once more proven to be a powerful tool for influencing corporate policies. Despite substantial coverage of our work, and the wide recognition of our expertise among journalists, Oxfam Novib's reputation experienced a serious challenge following the Haiti misconduct case. Ever since the story dominated the news in early 2018, Oxfam Novib has pursued an approach

of transparency on issues related to misconduct. We reported about the findings from extensive investigations into safeguarding policies and practices, and the steps taken to address the problems. Oxfam donors were, and will be, actively informed by letters from our executive director, and online reporting. As in other years, media contacts are being updated on Oxfam Novib issues in our two-weekly Media Alert.

Policy influencing and advocacy

Oxfam Novib engaged both decisionmakers and our supporters in a wide range of subjects related to the Dutch development policy. Based on the advice of Oxfam Novib and other NGOs on how to strengthen civil society worldwide, Dutch parliament adopted a motion which led to Dutch support for an EU Early Warning System on shrinking civic space. In April 2018 and March 2019, we invited local Yemeni humanitarian organizations to The Hague. The Yemeni aid workers shared their information and perspectives with policymakers, media and politicians, resulting in parliamentary questions, expert sessions, and various media interviews. Following the visit to Yemen by the head of our Humanitarian Team and a case study in the Fair Insurance Guide, we published an opinion article in the Dutch quality newspaper NRC, calling for a stop to arms trade (and investments in that trade) with Saudi Arabia. As a result, members of parliament asked questions and in February 2019 Minister Kaag of Foreign Trade and Development Cooperation discussed the controversial arms trade with insurance companies.

Since 2016, Oxfam Novib has campaigned for a reform of the widely disputed tax rulings of the Dutch Ministry of Finance with multinationals, which encourage aggressive tax avoidance and deprive developing countries of much-needed tax revenues. Furthermore, we contributed to the Dutch Tax Justice Network's efforts to prevent abolishment

of the dividend tax. In October 2018, public and parliamentary pressure led to a withdrawal of the government's dividend tax plans (though unfortunately replaced by lowered corporate tax rates), and one month later, the Finance Ministry announced several restrictions on tax rulings. An unexpected but much welcomed success was the decision by the Ministry of Foreign Affairs to maintain the ODA budget of €340 million for food security, for which Oxfam Novib had intensively lobbied both government and parliament.

1.2.4 Policies

Investment policy

Oxfam Novib's investment activities relate to our mission to end injustice and poverty. In order to realize this mission, the organization invests in Oxfam Novib Fund, which is managed by Triple Jump BV on behalf of Oxfam Novib. The Fund provides funding to microfinance institutions in order to support access to finance for the poorest, because they have no access to the official banking system. Oxfam Novib also made equity investments in the past to enlarge the lending opportunities to the poorest. All these investments are disclosed in section 3.6.2 'Financial fixed assets' and their results are included in section 3.7.10 'Balance of financial income and expenses'.

Oxfam Novib has set a number of investment criteria which allow to maximize mission-related objectives while at the same time managing the financial risks resulting from these investment activities. The investment criteria set targets on the following aspects, amongst others:

- a single microfinance institution (MFI) is eligible for a maximum of 7.5 percent of the total Oxfam Novib fund (ONF) microfinance portfolio;
- investments in any single local currency may not exceed 7.5 percent of ONF's total microfinance portfolio (except in the case of XOF, where up to 10 percent is permitted);

- un-hedged local currencies may not account for more than 30 percent of ONF's total microfinance portfolio.
- the total investment in subordinated debt is limited to 15 percent;
- the total indirect investments in holdings may not exceed 15 percent of the total microfinance portfolio.

The investment criteria are laid down in the contract between Oxfam Novib and Triple Jump BV. In addition, the criteria are measured and monitored via quarterly portfolio and management reports.

The investments in microfinance are long-term in accordance with the mission of Oxfam Novib to defeat poverty. The life of outstanding loans and guarantees is reported in section 3.6.2 'Financial fixed assets'.

Oxfam recognizes the importance of sustainable development for people living in poverty, and the long-term benefits of becoming a more sustainable organization. Oxfam takes responsibility for and is committed to managing the labor and environmental standards in its operations and supply chains. In order to embed appropriate management of these standards, Oxfam adheres to an ethical and environmental purchasing policy. This framework is also included in the microfinance loans investment criteria. More concretely, the Oxfam Novib Fund, among others, does not allow providing loans to any commercial activity in relation to weapons, gambling, crypto currencies, pornography or sex industry.

The foreign exchange risk on loans granted through microfinance in developing countries is hedged by means of forward exchange contracts. In order to avoid any currency risk to our beneficiaries, such contracts always match the duration and amount of the long-term microfinance contract, except where there is no market for forward exchange contracts in the local currency. However, in accordance with the investment criteria mentioned above, the total un-

hedged FX exposure may not exceed 30 percent of the total investment portfolio.

Policy on the size and the function of reserves and funds

In accordance with the Dutch Accounting Standard for Fundraising organizations (RJ 650), Oxfam Novib's equity is divided into reserves and funds:

- within the reserves, a distinction is made between the contingency reserve and the earmarked reserves. The earmarked reserves are intended for purposes that have been approved by the Board of Directors and the Board of Supervisors;
- the funds are resources that are tied to particular purposes by third parties.

Contingency reserve

The contingency reserve exists to ensure that the organization is able to meet its obligations in the future. This reserve is intended to guarantee the continuity of the organization. In line with the model developed, the desirable size of the contingency reserve has been calculated on the basis of an estimate of the income flow insecurity and cost flexibility. The Directive for the Financial Management of Charities (*Richtlijn Financieel Beheer Goede Doelen*) was taken into account in making the calculation. This calculation indicates a desirable minimum size of €13 million and a maximum size of €20 million.

Earmarked reserves

Earmarked reserve for Oxfam Novib projects

The earmarked reserve for Oxfam Novib projects consists of the part of the unrestricted net assets comprising the funds earmarked in any year – from the income from direct fundraising, from the Dutch Postcode Lottery, and from the net income of the publishing house – for program development, program implementation and innovation. Approved grants to be disbursed from these funds to partner organizations and own project implementation are recognized in the statement of income and expenditure and charged to this earmarked reserve.

Earmarked reserve for loans and guarantees

The earmarked reserve for loans and guarantees comprises two elements. The first element consists of all funds intended for the provision of loans and investments in the Triple Jump Innovation Fund. When a loan is repaid, a corresponding amount is added to the earmarked reserve for loans and guarantees and withdrawn from the earmarked fund for loans to partner organizations. Conversely, when a loan is disbursed, the corresponding amount is withdrawn from the earmarked reserve for loans and guarantees and added to the earmarked fund for loans to partner organizations.

The second element of this reserve consists of the value of the participating interests held in The Currency Exchange Fund (TCX), ASN-Novib Fund, Oikocredit, Triple Jump B.V. and Impact Investment B.V. which have been financed from Oxfam Novib's own resources. These participating interests are held in order to enable the organization to carry out its lending activities as effectively as possible.

Earmarked reserve for management and administration costs

The earmarked reserve for management and administration costs (the 'ICR reserve') is used to finance operational support costs. The level of this earmarked reserve is determined with due regard for internal guidelines designed to guarantee the continuity of the project cycle.

1.2.5 Risk and uncertainty

Oxfam Novib works in a complex, multilevel and dynamic environment. It is therefore of paramount importance that we identify risks on different levels within the organization and manage them adequately. Risk management is considered a high priority throughout the organization. Oxfam Novib has integrated risk management at all organizational levels, as well as in our relationships with

our partner organizations. Additionally, all different risk areas are included in our top 10 strategic priorities for the new year. Our risk approach is based on the risk management policy of the Oxfam confederation.

Risks at confederation level: One Oxfam

Oxfam Novib works as One Oxfam within the Oxfam 2020 model. This model strengthens the way that we work together on our common mission, but also brings with it an interdependency risk that requires careful management. Within the One Oxfam model, Oxfam Novib acts as Executing Affiliate in thirteen country offices, providing back-office services. In the countries in which we are active only as a Partner Affiliate, other Oxfam affiliates provide these services. Line management in all country offices is carried out by Oxfam International.

Close cooperation within the confederation mitigates the risks of interdependency. In addition, risks are mitigated by means of a clear framework on roles and responsibilities and on how (as a confederation) we work together to prevent risk areas from materializing and to mitigate them.

Risks at the organizational level: The Risk Register

Oxfam Novib's Risk Register identifies potential internal and external risks, classifies these risks, and defines and monitors mitigation measures. Our risk register is assessed every six months; alternately renewed and updated, on issues such as the progress of the (renewed) mitigation measures. Both the renewal and the updates are carried out in close consultation with the management team and the board of directors, before being submitted to the Board of Supervisors.

Based on the risks mentioned in the risk register, we establish mitigation measures, which are monitored through the Balanced Scorecard and through the update of the register itself.

Safeguarding the organization’s reputation for integrity is a strategic top priority for Oxfam Novib. We will continue to focus on creating a ‘safe and brave’ place for all internal and external stakeholders involved. Given the increasing collaboration between Oxfam affiliates, we will also work together on safety and integrity for all of Oxfam worldwide.

Risks at the country level: control framework

Oxfam Novib provides a control framework for the countries in which we work as an Executing Affiliate. All of these country offices have separate risk profiles (including financial risks). Wherever and whenever needed, Oxfam Novib supports its country offices from our office in The Hague. We minimize risks by providing support and training, as well as through a solid control framework. Furthermore, all main risk areas are tested and checked regularly by our internal audit department. When audits prove that risks are not managed and mitigated well enough, we draft an action plan, provide support, and plan a follow-up.

Risks at the project level: partner assessments

Risks within the projects Oxfam executes are managed throughout the entire process. The Oxfam Novib Project Cycle describes our ways of working and the checks and balances we have implemented. This includes project risk assessments and mitigation measures.

When a (local) partner organization implements a project, a financial and governance risk assessment is carried out as part of the assessment of this partner. A uniform risk assessment method, ‘Risk Assessment Method Oxfam Novib’ (RAMON), is mandatory whenever we take on a new partner organization. This includes checks on governance and integrity within the partner organization. In addition, an annual update of the findings is obligatory. We manage risks regarding our partners through this tool

and through periodical reporting and field visits. As country offices manage the relationships with Oxfam’s local partners, potential risks are carefully managed from the country itself. Payments to partner organizations are made only when all contractual conditions have been fulfilled.

The RAMON method is used within the countries in which Oxfam Novib acts as an Executing Affiliate. In the countries in which we are a Partner Affiliate, we rely on the methodology of other affiliates to cover the risk when taking on a new partner.

Risks at the personal level: security and safety

As we work in high-risk, conflict-sensitive and fragile areas, the safety of our employees is paramount. Oxfam Novib provides mandatory security training for all travelling employees, a global toolkit for security management, security briefings in-country, and constant monitoring of the security situation in designated areas. If a security situation prevents our staff from working safely, our projects continue to be closely monitored from another location.

In order to ensure a safe working environment for all Oxfam Novib employees, the organization complies with an anti-bullying and anti-harassment policy in addition to the Oxfam Code of Conduct. Oxfam Novib provides in-house confidential counselors, both in The Hague and in the country offices for which we are an Executing Affiliate. Also, (potential) violations of our code of conduct can be reported through our Speak Up protocol, which provides a number of reporting channels; these mechanisms are available for anyone who feels the need to speak up about unwanted behavior in or outside the workplace.

Risk at privacy level: GDPR and data privacy

As a rights-based organization, Oxfam

Novib is committed to taking care with the use and processing of personal data belonging to the people and organizations with which we work. People have the right of access to their personal data and the right to rectify these. The EU’s General Data Protection Regulation (GDPR) replaced the Data Protection Directive that was previously in place within the EU. The GDPR requires personal data to be processed lawfully, fairly and in a transparent manner. Oxfam Novib prepared for this legal change by launching an internal GDPR project and adopting the 10-step approach promoted by the Dutch Data Protection Authority. Following an assessment of the processing activities across the organization, we created a data processing register, which is one of the key requirements under the GDPR. Also, we enforced security measures with external parties which process personal data on behalf of Oxfam Novib, through Data Processor Agreements. We continuously work to raise awareness and build capacities on the new legislation with an e-learning course, as well as ensuring user-friendliness on our websites and keeping our privacy statements updated.

The measures Oxfam Novib has taken to mitigate the risks mentioned in this section are sufficient to absorb the financial consequences related to these risks.

1.3 INFORMATION ABOUT THE BOARD OF DIRECTORS

The Directors of Oxfam Novib are appointed following a formal and transparent procedure. Vacancies on the Board of Directors are published internally and externally. According to this formal procedure, the members of the Remuneration Committee of the Board of Supervisors work with the Executive Director to select the most suitable candidate. A formal proposed appointment is submitted to the Works Council for advice.

Oxfam Novib adheres to the Advisory Scheme for the Remuneration of Directors of Charity Organizations of Goede Doelen Nederland (the Association of Fundraising Organizations) and the Samenwerkende Brancheorganisaties Filantropie (SBF) Code of Good Charity Governance. The ‘Remuneration Policy for the Board of Directors’ is based on the criteria of this Scheme and on the SBF Code relating to remuneration, job grading, and maximum salary for directors.

In 2018-19, the composition of the Oxfam Novib Board of Directors changed. Farah Karimi decided to end her assignment after serving the organization for ten years as our Executive Director. In her place, Michiel Servaes was appointed as Oxfam Novib’s new Executive Director and chair of the Board of Directors. Michiel started his term on October 1, 2018. Additionally, in September 2018, Arnold Galavazi stepped down as Director of Operations and was replaced by Pauline Mulder, who has since been acting as Director of Finance and Operations. Ton Meijers stayed on as Director of Programs and Campaigns.

For remuneration details refer to 3.7.9.2 ‘Salary and emoluments paid to directors’.

Composition of the Board of Directors Michiel Servaes (1972)

Michiel Servaes started as Executive Director on October 1, 2018, replacing Farah Karimi. As Executive Director and chair of the Board of Directors, Michiel Servaes has final responsibility for the strategic direction and organizational development of Oxfam Novib. He is also the responsible director for the Public Engagement Unit, the Corporate Communication Unit and the Oxfam Novib Innovation Team.

Within Oxfam International, Michiel Servaes is a member of the Executive Board, the Executive Board Operational Committee and the Executive Board Humanitarian Committee.

Michiel Servaes represents Oxfam Novib on the Board of the Foundation of Cooperating Aid Organizations (Samenwerkende Hulporganisaties, the Dutch umbrella organization for emergency appeals).

Ton Meijers (1958)

Ton Meijers started as Director of Programs & Campaigns in September 2017 after managing the Program, Support, and Impact Unit at Oxfam Novib. He is responsible for the Thematic Units, the Program and Support & Impact Unit, including the Humanitarian Team.

Ton Meijers is chair of the Executive Committee (EXCOM) of Oxfam Novib fund, he represents Oxfam Novib in the board of the Dutch Relief Alliance (DRA) and is member of the board of Partos.

Within Oxfam International, he is a member of the Influencing Platform and the Long Term Development & Knowledge Platform.

Pauline Mulder (1974)

Pauline Mulder started as Director Finance & Operations on September 30, 2018, replacing Arnold Galavazi. She is responsible for the Corporate Groups: Institutional Funding & Donor Relations (IFDR), Human Resources, ICT, and Quality Finance & Control, as well as responsible for the Integrity team. She also is chair of the Oxfam Sweden Board. Pauline Mulder holds consultation meetings with the Works Council and negotiates with the Union on the Collective Labor Agreement on behalf of the Board of Directors.

Pauline Mulder also is chair of the Crisis Management Team, chair of the Value Board and member of the Supervisory Board of Triple Jump.

Within Oxfam International, she is a member of the Executing Affiliate Working Group and the Safeguarding Coordination Group.

Farah Karimi (1960)

Farah Karimi stepped down as Executive

Director on 30 September, 2018. She started as Executive Director on February 1, 2008. As Executive Director and chair of the Board of Directors, Farah Karimi had final responsibility for the strategic direction and organizational development of Oxfam Novib. She also was the responsible director for the Public Engagement Unit, the Corporate Communication Unit, and the Oxfam Novib Innovation Team and was chair of Oxfam Sweden. She was also chair of the Executive Board of the Oxfam Novib Fund.

Within Oxfam International, Farah Karimi was a member of the Executive Board, the Executive Board Operational Committee, the Executive Board Long Term Development and Knowledge Committee, the Executive Board Humanitarian Committee and of the Executive Board Finance, Risk and Audit Committee.

Farah Karimi represented Oxfam Novib on the Board of the Foundation of Cooperating Aid Organizations (Samenwerkende Hulporganisaties, the Dutch umbrella organization for emergency appeals).

Arnold Galavazi (1956)

Arnold Galavazi left our organization on September 1, 2018. He was appointed as Director of Operations in September 2014. He was responsible for the departments of Quality, Finance & Control, Human Resources, ICT, Institutional Funding and Donor Relations and Facility Services. Arnold Galavazi held consultation meetings with the Works Council and negotiated with the Union on the Collective Labor Agreement on behalf of the Board of Directors.

Arnold Galavazi also chaired the Value Board, the goal of which is to oversee and define investment thresholds and evaluate, prioritize, and select new investments for the Board of Directors’ approval.

Within the Oxfam International confederation, he was member of the Executing Affiliate Working Group.

1.4 OUTLOOK

For the coming period Oxfam Novib will continue delivering on our mission, programs and campaigns, showing that we are worthy of the trust of our public. We will continue investing in creating a safe and brave working space for the people we work with and for; continuing to ensure we make visible that we are reliably, competently, and honestly committed to the highest standard of integrity. For the year ahead, apart from delivering our programs, we will be focusing on ten priority areas:

1. Safe & brave workplace: we are committed to an organization that is safe, open and stimulating. Therefore, special attention is given to the following themes: integrity, working culture, well-being of employees and investment in people.
2. Human Resource (HR) reform and development: we will implement an HR improvement plan to upgrade the support processes and systems to ensure that the HR Unit can operate as a strategic partner for the whole organization.
3. Program 2025: we will develop a vision for 'Program 2025', in which we will make a coherent and compelling outline for our program work for the next five years.
4. Strategic Partnership (SP) 2: we will prepare for the next SP cycle by developing new proposals, in cooperation with consortium partners. The SP2 process consists of a consultation phase and bid development phase.
5. Modernization of IT: we will develop new systems to make improvements in our IT infrastructure. We will cooperate with other Oxfam affiliates to develop shared or inter-operational platforms.
6. Branding: we will reassess our brand positioning, fine-tune it and modernize it, to communicate better our identity and authenticity.

7. NL Strategy: we will reinforce the Going Dutch process as our internal platform where we pinpoint opportunities for visibility and impact, set priorities and safeguard the quality of our communication with the general public.
8. Youth engagement: we will engage young people in our work and mission. Organization of concrete activities and developing of target group strategies will go hand in hand.
9. Oxfam Strategic Plan (OSP): we will actively contribute to the process of writing the next Oxfam Strategic Plan 2020-30.
10. We will analyze our support services to Country Offices, not only for improvement but also to collect input for the ongoing OSP discussions.

Although we acknowledge that our annual plan for 2019-20 is ambitious, we are confident that we will achieve the desired results.

In terms of investment, in the next financial year we will continue investing in engaging with our Dutch public, to increase our structural donor base, and we will be dedicating time to engage youth supporters. At the same time we will maintain last year's budget cuts in the organizational costs.

In March 2019, the Supervisory Board approved the financial plan for 2019-20 as well as the four-year multiannual budgets. The financial year 2019-20 budget assumes a negative net result of €0.8 million, which is in line with the budget published in the previous financial statements. The budget components are disclosed in the table presented on the next page.

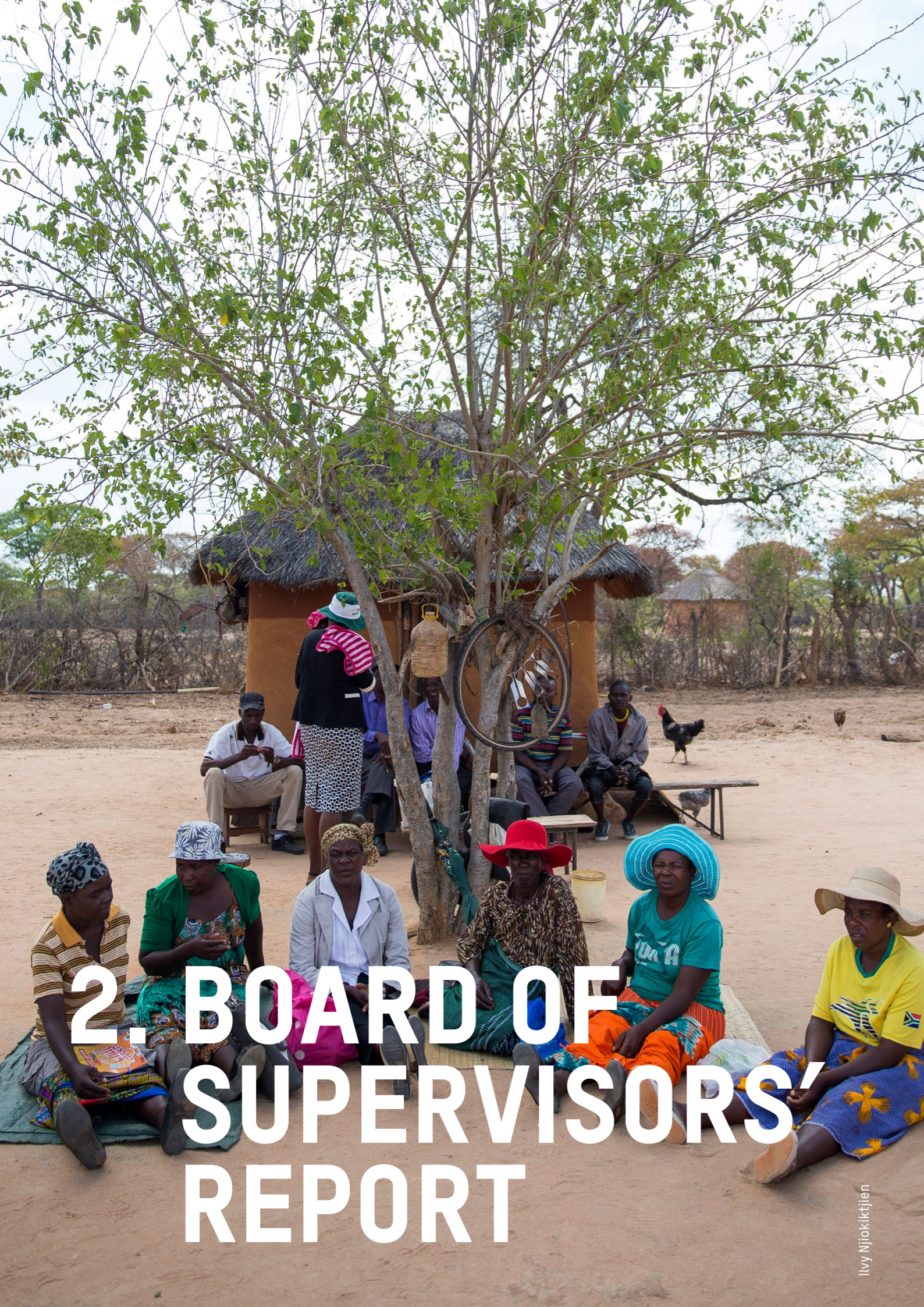
The total income from fundraising activities budgeted for the financial year 2019-20 is €10.8 million higher compared to the budget approved in March 2018 and published in the previous Annual

Accounts. The restricted income from institutional donors is €11.9 million higher compared to the previous budget while the unrestricted income is €1.1 million lower. The lower unrestricted income is mainly related to the €2.4 million expected drop in direct fundraising income due to the decline in the active structural donor-base, affecting not only the income from companies but also the income from private donations in Sweden and in the Netherlands. This reduction is partly compensated by the expected €1.3 million higher Indirect Cost Recovery (ICR) income as a consequence of the planned higher institutional fundraising income from governments.

Furthermore, in order to compensate for the financial effects of the Haiti misconduct case, the Board of Directors, in March 2018, took the decision to make budget cuts in 2018-19 up to an amount of €5.4 million. For 2019-20, these austerity measures have been maintained and a conscious decision has been made to finance the remaining budget gap of €3.6 million from equity, specifically €1.9 million from the contingency reserve and €1.7 million from the project reserve. The use of contingency reserve is the same as agreed in March 2018, all necessary additional investments and reductions in income sources have been dealt with in a budget-neutral way, compensated by budget cuts elsewhere. By the end of the financial year 2019-20, the project reserve will be €13.2 million and the contingency reserve will remain temporarily at the level of the desirable minimum of €13 million, dropping further in 2020-21 and recovering progressively from 2021-22 onwards. The choices made in the multiannual budget are considered responsible and sustainable, ensuring that the organization is well-prepared to continue delivering its mission in the future.

MULTI ANNUAL BUDGET 2019-2024

Amounts in thousands of Euros	FY 2019-20 (March 2018)	FY 2019-20 (March 2019)	FY 2020-21 (March 2019)	FY 2021-22 (March 2019)	FY 2022-23 (March 2019)	FY 2023-24 (March 2019)
INCOME						
Income from private individuals	22,038	22,027	23,119	24,166	25,124	26,058
Income from companies	26,971	8,277	6,342	7,256	7,555	7,713
Income from lottery organisations	16,900	18,200	19,000	18,700	18,800	19,000
Income from government subsidies	77,363	92,077	100,023	108,773	111,528	114,388
Income from affiliated non-profit organisations	31,370	44,460	28,307	26,974	28,271	29,415
Income from other non-profit organisations	0	0	0	0	0	0
Income from delivery of products / services	4,608	4,987	3,173	1,359	1,359	1,359
Other income	0	0	0	0	0	0
Income from fundraising activities	179,248	190,028	179,965	187,229	192,638	197,934
EXPENDITURE						
Food, Land and Climate	41,558	38,889	36,684	38,304	39,111	39,945
Governance and Financial Flows	41,672	52,032	47,779	48,090	49,066	50,076
Conflict and Fragility	40,022	12,283	11,747	12,148	12,347	12,554
Gender and Youth	35,913	15,297	14,325	15,011	15,352	15,706
Emergency	1,809	54,601	50,803	53,300	54,544	55,830
Public Engagement	8,462	7,541	7,595	7,623	7,772	7,958
Expenditure on goal 'structural poverty alleviation'	169,437	180,643	168,933	174,477	178,192	182,069
Direct fundraising	7,227	6,717	7,265	7,169	7,460	7,838
Third-party campaigns	480	505	501	513	513	513
Securing government grants	1,570	1,772	1,669	1,670	1,671	1,671
Costs of generating income	9,276	8,995	9,436	9,352	9,644	10,022
Management and administration costs	2,499	2,337	2,298	2,302	2,318	2,341
Expenditure from fundraising activities	181,212	191,975	180,667	186,131	190,154	194,432
Balance of financial income and expenses	1,114	1,114	1,170	1,227	1,285	1,345
NET RESULT	(849)	(832)	468	2,325	3,769	4,847
APPROPRIATION OF NET RESULT						
Added / charged to: contingency reserve	(1,916)	(1,889)	(721)	1,715	2,319	2,019
Added / charged to: project reserve	(800)	(1,679)	(1,655)	(1,722)	(946)	368
Added / charged to: other earmarked reserves	2,827	3,696	3,874	3,412	3,529	3,647
Added / charged to: funds	(960)	(960)	(1,029)	(1,081)	(1,134)	(1,188)
NET RESULT	(849)	(832)	468	2,325	3,769	4,847



2. BOARD OF SUPERVISORS' REPORT

Ily Njokiktijen

The Board of Supervisors has a supervisory role at Oxfam Novib and functions as the employer and a sounding board for the Board of Directors. The Board of Supervisors upholds the principles of the Code of Good Governance for Charities and acts accordingly. The Board of Supervisors exercises its supervisory role prospectively as well as retroactively.

The mandate and tasks of the Board of Supervisors are laid down in bylaws and further detailed in a regulation. Members of the Board of Supervisors are recruited on the basis of an agreed profile and through open advertisement.

The Board of Directors of Oxfam Novib consists of one Executive Director and two Directors. The Directors are primarily responsible for the realization of the organization's objectives and take the necessary decisions to this end.

In 2018-19, the Board of Supervisors met four times for the regular face-to-face meetings and had a strategy day together with the Board of Directors. The Supervisors, and the Chair in particular, also regularly act as a sparring partner and sounding board for the Board of Directors. In addition, they commonly join meetings with stakeholders and events organized by Oxfam Novib.

Composition and functioning of the Board of Supervisors

The Board of Supervisors has seven members and was chaired by Hanzo van Beusekom until November 1, 2018, and by Peter Verbaas from that date onwards. In 2018 four new members were recruited. The maximum period of tenure of Hanzo van Beusekom as the chair expired on January 1, 2019, Kees Tukker did not seek reappointment for a third term and Jan van Zijl had to resign due to personal reasons. Moreover, the Board of Supervisors wished to recruit a seventh member. The bylaws prescribe that the Board of Supervisors consists of three to seven members.

Peter Verbaas (1959)

Peter Verbaas was first appointed in November 2012. His maximum period of tenure will end in 2021. He was appointed chair of the Board of Supervisors in November 2018, replacing Hanzo van Beusekom. By way of his position as Chair of Oxfam Novib's Board of Supervisors, he is a member of the Board of Supervisors and the Finance, Risk and Audit Committee (FRAC) of Oxfam International.

Peter Verbaas is a partner at Charistar, a not-for-profit consultancy for impact with clients in the charity sector, culture, education, and sports. His other positions include a non-executive position at VU Medisch Centrum Fonds, and membership of the Non-Executive Board of ASN Beleggingsbeheer.

Joyeeta Gupta (1964)

Joyeeta Gupta was first appointed in November 2012, with a maximum period of tenure ending in 2020. She is a member of the new programs and campaigns committee.

Joyeeta Gupta is Professor of Environment and Development in the Global South at the University of Amsterdam (UvA) Faculty of Social and Behavioral Sciences, and at the IHE Institute for Water Education in Delft. Her other positions include that of Vice-Chair of the Committee on Development Cooperation and membership of the Advisory Council on International Affairs. Joyeeta Gupta is presently Co-Chair of the UN Environment's Global Environmental Outlook-6: Healthy Planet, Healthy People, which was adopted by the United Nations Environment Assembly in March 2019.

Laurien Koster (1950)

Laurien Koster was appointed in June 2015, with a maximum period of tenure ending in 2024. She has been Chair of the remuneration committee since June 2015.

In 2017, Laurien Koster was appointed the independent chair of the Children's Rights Collective (KRC), a coalition of NGOs. Until 2015, she was Chair of the Netherlands Institute for Human Rights and of its predecessor, the Equal Treatment Commission. Laurien Koster's prior experience includes being President of the Court in Alkmaar and more than 32 years as a judge and a lawyer.

Christel de Lange (1989)

Christel de Lange was appointed in July 2018, with a maximum period of tenure ending in 2027. She is a member of the financial committee.

Christel de Lange works for the Dutch Ministry of Finance at the Inspectorate of the Budget. Until 2018, she was a member of the Advisory Council on Youth within the Council of Europe. Her previous experience includes working as a strategy consultant and board membership of the Dutch National Youth Council. At the latter, Christel focused on local and European youth participation and human rights education.

Kris Douma (1961)

Kris Douma was appointed in July 2018, with a maximum period of tenure ending in 2027. He is chair of the financial committee. Kris Douma is a director at PRI, the UN-supported initiative Principles for Responsible Investment, in London. Before joining PRI, he was interim manager at NBA, the Dutch professional organization for accountants. He spent seven years as director responsible investment and governance at MN, a fiduciary asset manager for pension funds. He started his career as a consultant and manager at FNV trade unions. Between 2003 and 2006 he served as a member of parliament for the PvdA (social democrats) in the Lower House of Dutch parliament.

Inge Hutter (1959)

Inge Hutter was appointed in October 2018, with a maximum period of tenure ending in 2027. She is a member of the remuneration committee.

Inge Hutter is rector at the International Institute of Social Studies (ISS), The Hague, of Erasmus University Rotterdam, a position that she has held since August 2015. She is also professor of Participatory and Qualitative Research in Population and Development. Before joining ISS, she worked at the Faculty of Spatial Sciences of the University of Groningen, including as professor of Demography and Dean. She received her PhD cum laude from the University of Groningen in 1994, conducting research on nutrition of women during pregnancy and the effects on well-being of women and children in South India. She has conducted several (participatory) research projects in India, Cameroon, Malawi and the northern part of the Netherlands, and has supervised PhD researchers from / working in India, Bangladesh, Pakistan; Tanzania, Uganda, Ghana; the Netherlands and USA.

Martijn Dadema (1975)

Martijn Dadema was appointed in November 2018, with a maximum period of tenure ending in 2027. He is a member of the new programs and campaigns committee.

He is currently Mayor of Raalte, a municipality of 37,500 inhabitants in the eastern part of the Netherlands. He is a seasoned former diplomat with extensive experience and knowledge in international peace and security, development cooperation, conventional arms control, environment as well as the United Nations, World Bank and IMF. Between 2000 and December 2014, when he became Mayor Raalte, he held various positions at the Dutch Ministry of Foreign Affairs, including Head of Arms Exports and Control, deputy Head of Political affairs at the Netherlands Mission to the UN in New York, first secretary and deputy permanent representative to UNEP and UNHABITAT in Nairobi.

Hanzo van Beusekom (1972)

Hanzo van Beusekom was first appointed in January 2010, and was Chair of the Board from October 2013 onwards. He ended his term in November 2018. Hanzo van Beusekom is a Member of the Executive Board at the Dutch Authority for the Financial Markets (AFM). Before that, he was a partner at Clear Conduct, a strategic consulting firm specializing in regulatory practice, risk management, and business conduct. He also was a senior consultant with the World Bank aiming to improve financial inclusion.

Kees Tukker (1955)

Kees Tukker was first appointed in November 2012. He left our Board of Supervisors in July 2018.

As an independent consultant and advisor, Kees Tukker has worked for organizations in the media and in mental health care. As a media professional he has held several leading positions in major public broadcasting organizations. He has also written several books, most recently *De voedselcommissaris* ('The Food Commissioner'). This factual story about a leading figure in the Dutch food supply during Word-War II was published fall 2018.

Jan van Zijl (1952)

Jan Van Zijl was appointed in June 2015. He left our Board of Supervisors in June 2018.

Jan Van Zijl is a former Member of Parliament. He also was Chair of the MBO Council and Chair of Cooperation Organization for Vocational Education, Training and the Labor Market. Until January 2017, Jan Van Zijl was Chair of the Dutch Council for Refugees. Jan Van Zijl is Vice-President of the pension fund ABP. His other positions include Chair of the Foundation Learning from Each Other (an NGO in Peru), membership of the Advisory Board of Foundation Instituut Gak Fund and Chair of World Skills Netherlands.

The Board of Supervisors as a sounding board

The Board of Supervisors is regularly informed about and consulted on major changes and important strategic choices relating to, among others, organizational development, operations, finance, the strategic direction of Oxfam Novib and decisions relating to Oxfam International. Recurring topics include the Oxfam Strategic Plan process, confederation development, major projects, strategic policy choices, organizational issues, innovation and integrity.

The Board of Supervisors in its supervisory role

In its supervisory role, the Board of Supervisors approved the Board of Directors' Balanced Scorecards, the 2017-18 Annual Accounts and Board Report, the 2017/18 Oxfam Novib Annual Report, and the 2018-19 Annual Plan and Budget. The 2017/18 Annual Report on Internal Audits and the Annual Report on possible fraud and irregularities were also discussed with the Board of Supervisors.

The financial committee, a subcommittee of the Board of Supervisors, prepares advice for the Board of Supervisors on the Annual Accounts, the budget, and the financial reports. The committee members also monitor major projects, the follow-up of points raised in internal and external audits, recommendations in the auditor's management letter and the updating of the Risk Register.

The Board of Supervisors is informed by the Board of Directors as well as the Works Council, and through staff presentations on various fields of activity of Oxfam Novib. The Board of Supervisors also keeps abreast through the members' individual contacts within the organization and via participation in events and activities.

The Board of Supervisors as an employer

A second subcommittee of the Board of Supervisors is the remuneration committee, as the Board of Supervisors also serves as the employer of the Board of Directors. The members of this committee conduct performance reviews with the members of Board of Directors. In 2018, the committee recruited two new directors: Pauline Mulder as Director Finance & Operations, effective September 1, and Michiel Servaes as Executive Director,

effective October 1. Arnold Galavazi (former Director of Operations) and Farah Karimi (former Executive Director) have left the organization.

Oxfam International

The Oxfam International Board of Supervisors holds at least one but usually two face-to-face meetings each year. The Chair of Oxfam Novib's Board of Supervisors participates in these meetings on behalf of the organization. Among other things, the Oxfam International Board of Supervisors reviews and adopts proposals for confederation development, operational plans, budget, and governance in its meetings. In October both Hanzo van Beusekom and Peter Verbaas joined the meeting. The March 2019 meeting was attended by Peter Verbaas.

The Oxfam Novib Board of Supervisors participates in strategic discussions on the future of Oxfam International. The BoS was closely involved with the supervision of the remediation measures of the 2018 safeguarding crisis.

Compensation

Members of the Board of Supervisors perform their duties unremunerated. Costs of travel and accommodation made in the performance of their function are reimbursed, based on a regulation applicable to all Oxfam Novib staff members and volunteers of Oxfam Novib. A total of €7 thousand was paid out in reimbursements in 2018-19.

Closing remarks

The Board of Supervisors would like to thank Kees Tukker, Jan van Zijl and Hanzo van Beusekom for their diligent service and excellent insights over the past years.

The Board of Supervisors would like to take this opportunity to thank all Oxfam Novib staff members for their outstanding work in the past year. We should not forget all the excellent work we accomplish, and that Oxfam Novib has a positive impact on the lives of so many.

In a world of growing inequalities and humanitarian crises, we are thankful for the ongoing support through hearts and minds of all our volunteers and donors who back our staff at Oxfam Novib.

Peter Verbaas

Chair of the Board of Supervisors of Oxfam Novib

3. CONSOLIDATED FINANCIAL STATEMENTS

3.1 CONSOLIDATED BALANCE SHEET AS AT MARCH 31 AFTER APPROPRIATION OF NET RESULT

Amounts in thousands of Euros	FY 2018-19	FY 2017-18	Section
ASSETS			
Tangible fixed assets	7,195	7,566	3.6.1
Financial fixed assets	58,050	55,899	3.6.2
Inventories	32	19	3.6.3
Receivables from governments			
Long-term	8,665	6,200	
Current	16,093	11,514	
	24,758	17,714	3.6.4
Receivables	43,464	45,059	3.6.4
Cash and cash equivalents	81,212	71,876	3.6.5
TOTAL	214,712	198,133	
LIABILITIES			
Reserves and funds			
Reserves			
Contingency reserve	14,854	16,033	3.6.6.1
Earmarked reserves	43,960	42,533	3.6.6.1
	58,814	58,566	
Funds	45,085	47,156	3.6.6.2
	103,898	105,722	
Provisions	2,321	2,743	3.6.7
Debts			
Long-term	1,436	648	
Current	16,193	15,660	
	17,629	16,307	3.6.8
Project liabilities			
Long-term	31,802	25,676	
Current	59,061	47,685	
	90,863	73,361	3.6.9
TOTAL	214,712	198,133	

3.2 CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18	Section
INCOME				
Income from private individuals	22,291	20,702	23,703	3.7.1
Income from companies	17,333	33,644	19,018	3.7.2
Income from lottery organisations	13,496	15,200	15,997	3.7.3
Income from government subsidies	82,620	81,770	81,036	3.7.4
Income from affiliated non-profit organisations	39,161	29,930	49,144	3.7.5
Income from other non-profit organisations	2,150	0	2,700	3.7.6
Income raised	177,051	181,246	191,597	
Income from delivery of products / services	4,044	4,608	3,819	3.7.7
Other income	68	0	5	3.7.8
Income from fundraising activities	181,164	185,854	195,421	
EXPENDITURE				
Food, Land and Climate	38,002	38,093	40,518	
Governance and Financial Flows	49,522	50,302	52,856	
Conflict and Fragility	11,971	11,888	12,648	
Gender and Youth	14,850	14,592	16,248	
Emergency	52,394	53,182	58,326	
Public Engagement	7,392	7,022	8,204	
Expenditure on goal 'structural poverty' alleviation	174,129	175,078	188,799	
Direct fundraising	4,774	6,301	6,929	
Third-party campaigns	349	501	461	
Securing government grants	1,620	1,649	1,706	
Costs of generating income	6,743	8,451	9,096	
Management and administration costs	2,126	2,085	2,234	
Expenditure from fundraising activities	182,998	185,614	200,129	3.7.9
Balance of financial income and expenses	11	796	(1,097)	3.7.10
NET RESULT	(1,823)	1,036	(5,804)	
APPROPRIATION OF NET RESULT				
Added / charged to: contingency reserve	(1,179)	(1,412)	955	
Added / charged to: project reserve	1,440	(1,192)	(7,977)	
Added / charged to: other earmarked reserves	(14)	4,559	(778)	
Added / charged to: funds	(2,071)	(919)	1,996	
NET RESULT	(1,823)	1,036	(5,804)	

3.3 CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of Euros	FY 2018-19	FY 2017-18
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating result	(1,823)	(5,804)
Adjustments for:		
Amortization and depreciation	943	1,267
Changes to allowance for bad debts	1,400	240
Stock dividend/movements in value of participating interests	(40)	(691)
Movements in provisions	(423)	(801)
	1,881	16
Changes in working capital:		
Inventories	(13)	21
Receivables from governments	(7,045)	(7,236)
Receivables	1,612	(11,575)
Liabilities	1,322	(683)
Project liabilities	17,501	13,728
	13,378	(5,744)
Cash generated from operations:	13,436	(11,533)
Interest received	(16)	127
Net cash generated from operating activities	13,420	(11,405)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(571)	(718)
Acquisition of investment property	0	0
Committed loans	(9,702)	(15,795)
Disposal of property, plant and equipment (PPE)	0	161
Disposal of investment property	0	0
Repayment on loans	7,578	12,001
Write-off of loans	0	72
Net cash used in investing activities	(2,695)	(4,279)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	67	190
Net cash used in financing activities	67	190
NET CASH FLOW	10,791	(15,494)
Exchange gains / (losses) on cash and cash equivalents	(1,455)	3,056
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	9,336	(12,439)
Cash and cash equivalents at the end of the financial year	81,212	71,876
Cash and cash equivalents at the beginning of the financial year	71,876	84,315
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	9,336	(12,439)

3.4 ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

3.4.1 General

Oxfam Novib’s activities focus on realizing a just world without poverty through direct poverty reduction by reinforcing the capacity of plural and democratic organizations to pursue fairer power relations, lobbying and advocacy and increasing the knowledge and innovation management.

Oxfam Novib’s postal address is P.O. Box 30919, 2500 GX The Hague.

Oxfam Novib is a member of the Oxfam network and a worldwide development organization that mobilizes the power of people to fight poverty. Around the globe, we work to find practical, innovative ways for people to lift themselves out of poverty and thrive.

The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising organizations (RJ 650) published by the Dutch Accounting Standards Board. This guideline requires costs to be allocated to the achievement of the organization’s goals (food, land and climate; governance and financial flows; conflict and fragility; gender and youth; emergency; public engagement); costs of generating income, further disaggregated into costs of direct fundraising, expenditure on joint campaigns, expenditure on third-party campaigns and costs of securing government grants; and management and administration costs.

In 2016 there was an amendment to the RJ650 applicable to reporting periods starting on or after January 1, 2017. This change has been applied to these financial statements.

All items listed in the financial statements take into account the currencies of the economic environments in which Oxfam Novib operates (the functional currencies).

The financial statements are stated in euros, being both the functional and the presentation currency of Oxfam Novib. These financial statements cover the period from April 1, 2018 through March 31, 2019.

3.4.2 Consolidation

The Oxfam Sweden foundation is a foundation registered under the name ‘Insamlingsstiftelsen Oxfam Sverige’. Oxfam Sweden has its headquarters in Stockholm. The foundation is dedicated to raising awareness about people who live in poverty and suffer from injustice. The foundation involves citizens by bringing them together and mobilizing them through campaigns and fundraising for projects and programs run by Oxfam.

The Board of Directors of Oxfam Sweden is the organization’s highest decision-making body and consists of six members:

- Chair: P. Mulder
- Board member: C. Daun Wennborg
- Board member: J. den Hertog
- Board member: S. Choi
- Board member: M. Palm-Jensen
- Board member: S. Arkelsten

Oxfam Novib has no equity interest in Oxfam Sweden. The consolidation is done on the basis of Oxfam Novib’s significant influence over Oxfam Sweden. Oxfam Sweden is fully included in Oxfam Novib’s consolidated financial statements.

3.4.3 Tangible fixed assets

Tangible fixed assets are carried at historical cost less accumulative depreciation through their estimated useful life. Depreciation in the first year of an asset’s life is calculated on a time-weighted basis. No provision is made for the future costs of large-

scale maintenance on buildings. Any maintenance costs are taken to the statement of income and expenditure.

Tangible fixed assets are depreciated as follows:

- buildings: depending on the type (*)
- furniture, fixtures, and equipment: 6-10 equal annual installments
- plant and equipment: depending on the type (*)
- vehicles: 3-5 equal annual installments
- Information systems: 7 equal annual installments

3.4.4 Financial fixed assets

The asset items under this heading are valued as follows:

- participating interest in Triple Jump: at net asset value;
- ASN-Novib Fund: at net asset value;
- participating interest in TCX: at net asset value;
- participating interest in Impact Investments: at net asset value;
- loans, deposits for guarantees, Innovation Fund: at amortized cost (translated into euros at the rates of exchange ruling at the balance sheet date, if denominated in a foreign currency).

The foreign exchange risk on microfinance loans granted in developing countries is hedged by means of forward exchange contracts, except where there is no market for forward exchange contracts in the local currency. In accordance with Guideline 290 of the Dutch Accounting Standards, the forward exchange contracts are stated at fair value.

3.4.5 Inventories

Inventories are measured at historical cost less a provision for obsolescence. The provision for obsolescence is determined on the basis of anticipated sales. Historical cost comprises all costs directly incurred on the items in question, such as printing costs,

royalties, translation costs, author fees, and copyrights.

3.4.6 Receivables

Upon first recognition, receivables are stated at fair value of the contribution that is delivered. Trade receivables are subsequently measured at their amortized cost. A provision for bad and doubtful debts is deducted from the carrying amount of the receivables.

Receivables denominated in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. The receivables for projects approved by governments and other external organizations are stated at face value, i.e. the project liabilities in respect of partner organizations less the funds already received for the projects in question.

3.4.7 Cash and cash equivalents

Cash and cash equivalents are stated at face value. Cash and cash equivalents denominated in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. Any exchange differences are taken to the statement of income and expenditure.

3.4.8 Provisions

Provisions are recognized for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is likely to require an outflow of resources the extent of which can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations at the balance sheet date. Unless otherwise indicated, provisions are stated at the face value of the expenditure expected to be required to settle the obligations.

3.4.9 Other assets and liabilities

Upon first recognition liabilities are stated at fair value and are subsequently measured at their amortized cost. Other assets and liabilities are stated at face value. Other assets and liabilities denominated in foreign currencies are

translated into euros at the rates of exchange ruling at the balance sheet date.

3.4.10 Related parties

Oxfam Sweden is consolidated in the Oxfam Novib financial statements. All transactions with Oxfam Sweden are at arm’s length.

3.5 ACCOUNTING POLICIES FOR THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

With due consideration to the accounting policies for the valuation of assets and liabilities outlined above, net income is defined as the difference between (i) income from direct fundraising, the share in revenues from joint campaigns and third-party campaigns, government subsidies, income from affiliated non-profit organizations, income from other non-profit organizations, and other income, and (ii) expenditure in the context of the goal of ‘structural poverty alleviation’ (inclusive of imputed costs), the costs of generating income, and the management and administration costs. Income and expenditure are attributed to the year to which they relate, and expenditure is recorded at historical cost unless indicated otherwise.

3.5.1 Income from private individuals

Income from private individuals is recognized in the year to which the item of income relates. Non-recurring items of income are recognized in the year in which they are received. Gains arising from inheritances, legacies, bequests, etc. are recognized in the year in which the amount involved can be measured reliably. Since 2009, this has been carried out by a specialized external agency.

3.5.2 Income from companies

Income from companies consists of non-recurring income such as donations as well as grants from the US foundations, international and national foundations. Non-recurring items of income are recognized in the year in which they are received. Grants from foundations are

recognized on the basis of approved project funds.

3.5.3 Income from lottery organizations

The regular contribution from the Dutch Postcode Lottery is recognized in the year to which the income in question relates. Proceeds from the ‘Extra Drawing’ and the ‘Dream Fund’ are recognized in the year in which the funds are pledged.

3.5.4 Income from government subsidies

Government subsidies are recognized as income on the basis of approved project funds. The proportion of the central overhead costs relating to these government subsidies is allocated to the year in question on an actual cost basis.

3.5.5 Income from affiliated non-profit organizations

This category of income includes the grants Oxfam Novib receives from other Oxfam affiliates. These grants are mainly derived from their government back donors, but not exclusively. Contributions from other members of the Oxfam confederation and other external organizations are assigned to the year in question, on the basis of project funds approved in collaboration with those organizations.

3.5.6 Income from other non-profit organizations

This category of income includes restricted grants received from SHO (Samenwerkende Hulp Organisaties, a coalition of Dutch humanitarian aid organizations) and from Aidsfonds. Funding received from SHO for the implementation of emergency relief programs is recognized in the year in which it is received. Contributions received from Aidsfonds are recognized in the year to which the contribution relates.

3.5.7 Income from delivery of products and services and other income

The income included within this category is mainly from the publishing house and Voice program fund. In 2016-17 a

(*) = Based on the NL-SfB code. In 1977 a Dutch SfB Committee was set up which developed a classification catalog for the Dutch building industry, known as NL-SfB. The catalog details, inter alia, the replacement cycle of building components. This period is used as the depreciation period.

public service contract was awarded to Oxfam Novib jointly with Hivos for the implementation of the Voice fund. This fund aims to strengthen the lobbying and advocacy capacity of the civil society organizations and representatives of the most marginalized and discriminated people, to empower these groups and have their voices heard and respected. The income from Voice is recognized according to the stage of completion of the projects at the end of the reporting period.

The publishing house publishes books, calendars, and other print products. Income for the publishing house relates to the sale of products. Revenue is therefore recognized at the point where control, risks, and benefits are transferred to the buyer.

3.5.8 Expenditure on structural poverty alleviation

Expenditure on the goal of structural poverty alleviation is broken down into the following six thematic areas:

- Food, land and climate;
- Governance and financial flows;
- Conflict and fragility;
- Gender and youth;
- Emergency;
- Public Engagement.

The implementation costs are allocated to these categories, as well as to 'costs of direct fundraising.' This allocation is made in accordance with the consistency principle and on the basis of fixed, internally defined allocation keys. These allocation keys are based on the hours worked by staff and the use of resources and services.

The expenditure on public information and marketing also represents the costs of information and communication, including the implementation costs allocated thereto and the costs of the publishing house.

3.5.9 Costs of generating income

The costs of generating income include the costs incurred from the activities of

direct fundraising and of running third party campaigns, and the needed to secure government grants. The costs of direct fundraising include the direct and indirect costs of recruiting and maintaining relationships, measured at historical cost. The indirect costs are the allocated implementation costs.

3.5.10 Management and administration costs

The management and administration costs are calculated in accordance with the guideline published by Goede Doelen Nederland, the trade association of charities (the former VFI guideline). They include the costs of the Board of Directors, the Board of Supervisors, the financial accounting function, the general secretariats and the controllers, and all costs indirectly allocated thereto, to the extent that these cannot be allocated directly to the goals and generation of income. The way in which Oxfam Novib implements the Goede Doelen Nederland guideline is set out in the table on the next page.

ALLOCATION OF MANAGEMENT AND ADMINISTRATION COSTS IN ACCORDANCE WITH THE 'GOEDE DOELEN NEDERLAND' GUIDELINE

COST CATEGORY	MANAGEMENT AND ADMINISTRATION ('GOEDE DOELEN NEDERLAND')	NOTES GIVEN BY 'GOEDE DOELEN NEDERLAND'	MANAGEMENT AND ADMINISTRATION (AS IMPLEMENTED BY OXFAM NOVIB)
Board of Supervisors Board	100%		100%: Board of Supervisors, annual report, auditors' fees
Board of Directors	100%	Except in case of work directly aimed at goals and/or fundraising; then pro rata	50% cost center Board of Directors
General secretariat	100%	Except in case of work directly aimed at goals and/or fundraising; then pro rata	100% cost center Secretariat Board of Directors
Finance, planning, and control	100%	Except in case of work directly aimed at goals and/or fundraising (e.g. project accounting); then pro rata	20% cost center Quality, Finance and Control
Legal costs	partially	To be allocated as far as possible to the matter in question; general legal costs to be allocated to management and administration or pro rata	Legal staff member is allocated to cost center Secretariat Board of Directors: 100% management and administration
ICT	pro rata	To number of staff members or work spaces; specific applications excepted	4% ICT desk and general ICT costs
Housing/support	pro rata	To number of staff members or square meters	4% support costs (internal service), cost of housing, information & service
Human resources	pro rata	To number of staff members	4% HR desk costs and central staff budgets
Staff costs and costs of outside staff	partially	To be allocated as far as possible to the activity to which the (outside) staff member is assigned	100% is allocated to the activity to which the staff member or outside staff member is assigned
Communication	partially	To be allocated as far as possible to the activity to which the activity relates	4% communication desk costs
Private donors and membership accounting	no	To be allocated as far as possible to the activity for which it is used (mostly fundraising and/or public information)	Not charged to management and administration
Project accounting	no	To be allocated in full to projects in question	Not charged to management and administration

3.5.11 Foreign currencies translation

Amounts in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the time of the transaction. Exchange differences are taken to the statement of income and expenditure.

3.5.12 Pension cost

Effective January 1, 2017, Oxfam Novib changed the pension plan agreed upon with the Works Council and Unions. The new pension plan is a Defined Contribution Scheme ending on the current contract date of December 31, 2019.

Outline of the pension plan:

With the contribution that is paid, each member buys their old-age pension and if applicable a partner pension on their retirement date.

Additionally, the employer pays for the following insurances:

- Partner pension during employment;
- Orphans' pension;
- Premium Waiver in case of disability.

Oxfam Novib pays the premiums each month. The active members of the pension plan pay pension contributions in the form of a percentage of their pensionable salaries. All previous pension plans are now non-contributory.

3.6 NOTES TO THE CONSOLIDATED BALANCE SHEET

3.6.1 TANGIBLE FIXED ASSETS

	BUILDINGS	FURNITURE, FIXTURES, PLANT AND EQUIPMENT	INFORMATION SYSTEMS	VEHICLES	TOTAL
<i>Amounts in thousands of Euros</i>					
Acquisition cost at March 31, 2018	10,515	3,483	13,407	494	27,899
Depreciation through March 31, 2018	(5,061)	(2,603)	(12,237)	(432)	(20,333)
Balance at March 31, 2018	5,455	880	1,170	61	7,566
Movements					
Capital expenditure	23	81	467	0	571
Depreciation	(263)	(147)	(473)	(61)	(944)
Disposals					
Divestments	0	0	0	0	0
Depreciation	0	0	1	0	1
Balance at March 31, 2019	5,215	814	1,165	0	7,195
Acquisition cost at March 31, 2019	10,538	3,565	13,874	494	28,471
Depreciation through March 31, 2019	(5,323)	(2,750)	(12,709)	(494)	(21,276)

All tangible fixed assets are assets that are needed for the organization's operations.

The investments in information systems relate to hardware and software costs incurred, including several improvements to the information sharing within the organization. The investments in furniture, fixtures, plant and equipment relate to repairs and upgrades within

the headquarters. The overall capital expenditure in this financial year was lower than the previous year and significant below plan, as a consequence of putting most investments on hold after the Haiti misconduct case.

Depreciation is lower than previous years because significant amounts of old assets are already fully depreciated.

In May 2018 a valuation review of the headquarters building was performed. This review concluded that the market value is €7.5 million, which is €2.0 million higher than the carrying amount included above.

3.6.2 FINANCIAL FIXED ASSETS

	LOANS TO OTHER OXFAMS	PARTICIPATING INTEREST TRIPLE JUMP	PARTICIPATING INTEREST IMPACT INVESTMENTS	TCX	OIKOCREDIT	ASN-NOVIB FUND	TRIPLE JUMP INNOVATION FUND	LOANS	FORWARD EXCHANGE CONTRACTS (POSITIVE)	TOTAL
Amounts in thousands of Euros										
Nominal value at March 31, 2018	284	1,734	634	2,567	320	1,115	6,490	42,783	1,768	57,695
Provision at March 31, 2018	0	0	0	0	0	0	0	1,797	0	1,797
Balance at March 31, 2018	284	1,734	634	2,567	320	1,115	6,490	40,986	1,768	55,899
Positive movements:										
Movements in value of participating interests	0	186	18	(194)	3	26	0	0	0	40
Exchange rate differences	0	0	0	253	0	0	640	1,782		2,675
Changes in value of forward exchange contracts	0	0	0	0	0	0	0	0	(1,220)	(1,220)
Committed loans	0	0	0	0	0	0	0	9,702	0	9,702
	0	186	18	59	3	26	640	11,484	(1,220)	11,197
Negative movements:										
Repayments on loans	67	0	0	0	0	0	0	7,578	0	7,645
	67	0	0	0	0	0	0	7,578	0	7,645
Nominal value at March 31, 2019	217	1,920	653	2,626	323	1,141	7,130	46,689	548	61,247
Provision at March 31, 2019	0	0	0	0	0	0	0	3,197	0	3,197
Balance at March 31, 2019	217	1,920	653	2,626	323	1,141	7,130	43,491	548	58,050
Oxfam Novib's share in share capital		23%	41%							

All financial fixed assets are mission-related assets

Financial fixed assets

In 1996 Oxfam Novib took a participating interest in the equity of Oikocredit (Ecumenical Development Cooperative Society UA, EDCS), having its registered office in Amersfoort.

In collaboration with ASN Bank, having its registered office in The Hague, the ASN-Novib Fund was established. This fund was opened to the public on January 1, 2000. The manager of the ASN-Novib Fund is Triple Jump. Triple Jump B.V. is an Amsterdam-based company which was incorporated by ASN Bank, NOTS Foundation, Stichting Doen and Oxfam Novib to provide support to more new microfinance institutions and to allow them to develop into professional financial institutions within a short timeframe.

The management of Oxfam Novib's loan portfolio was also transferred to Triple Jump effective March 1, 2007. Currently Oxfam Novib holds a 23 percent interest in Triple Jump's equity.

In December 2007, Oxfam Novib took an equity interest in the TCX Currency Exchange Fund. TCX is based in Amsterdam and is an initiative of FMO (Entrepreneurial Development Bank). It is a guarantee fund which aims to minimize the foreign exchange risks associated with loans provided in local currencies.

In 2013, the Triple Jump Innovation Fund foundation was launched. The goal of the Triple Jump Innovation Fund foundation is to promote and support innovation in developing countries. Oxfam Novib focuses in particular on start-up MFIs (microfinance institutions) with good growth potential.

The foreign exchange risk on loans granted (for microfinance in developing countries) is hedged by means of forward exchange contracts, which always match the duration and amount of the long-term microfinance contract in order to avoid currency risk for our beneficiaries. However, in some cases there is no market for foreign exchange contracts in the local currencies and hedging is not possible in those cases.

In accordance with Guideline 290 of the Dutch Accounting Standards, the forward exchange contracts have been stated at fair value since 2008. The fair value of the forward exchange contracts at the end of the financial year 2018-19 was negative €0.9 million. The contracts with a negative value of €0.5 million are included under 'Financial fixed assets', and the contracts with a negative value of €1.4 million are included under 'Long-term debts' in section 3.6.8 'Debts'.

Specification of provision for bad loans

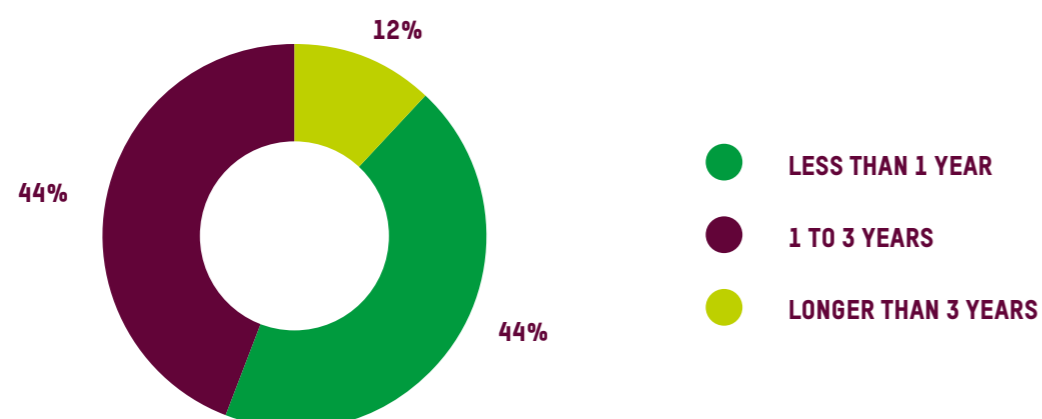
On the basis of an estimation of the risk of non-repayment of the current loan portfolio, an addition of €1.8 million and a release of €0.1 million for bad and doubtful debts have been added to the statement of income and expenditure. The bad loan provision increase is meant to cover, among others, the increasing risk on the Nicaragua exposure due to the current economic and political situation in the country. An amount of €0.3 million has been written off. The total provision amounted to €3.2 million at the end of the financial year 2018-19.

SPECIFICATION OF PROVISION FOR BAD LOANS

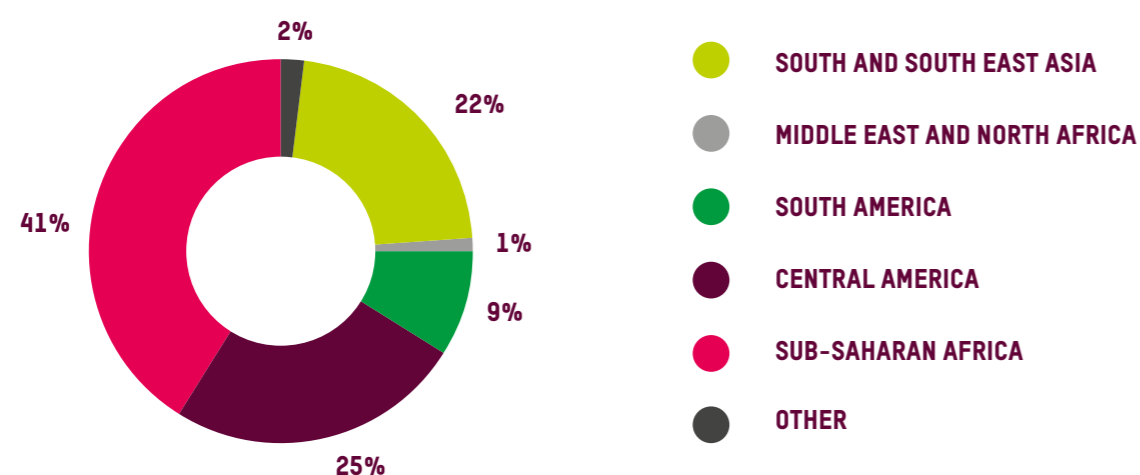
Amounts in thousands of Euros

	PROVISION FOR BAD LOANS
Balance at March 31, 2018	1,797
Plus: addition from net income	1,765
Less: write-off of loans	275
Less: release to net income	90
Balance at March 31, 2019	3,197

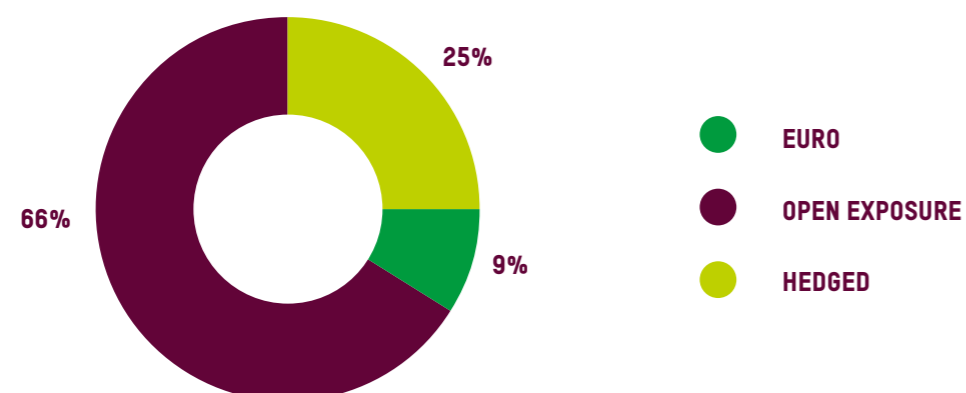
Life of outstanding loans



Loan Portfolio by Region



Loan Distribution by Currency



3.6.3 INVENTORIES

Amounts in thousands of Euros	FY 2018-19	FY 2017-18
Inventories publishing house	48	30
Less: provision for obsolescence	16	11
Total	32	19
Movements in provision for obsolescence		
Balance at March 31, 2018	11	26
Plus: addition from net income	28	34
Less: charged to the provision	23	49
Balance at March 31, 2019	16	11

3.6.4 RECEIVABLES, RECEIVABLES FROM GOVERNMENTS AND PROJECT FUNDS OVERVIEW

Amounts in thousands of Euros	FY 2018-19	FY 2017-18
Receivables from governments	24,758	17,714
Other debtors	999	3,837
Debtors - Other Oxfam	2,233	0
Project funds Oxfam and other external organizations	26,683	26,636
Debtor Dutch National Postcode Lottery	3,375	3,375
Central overhead costs institutional funds	6,013	5,506
Fundraising proceeds receivable	1,488	1,428
Interest receivable	(7)	(23)
Prepaid pension	(18)	(18)
Other prepaid costs	255	124
Amounts to be received by field offices	2,700	4,032
Other prepayments and receivables	(213)	208
Less: provision for bad and doubtful debts	(43)	(45)
Receivables	43,464	45,059

Receivables from contributions pledged by participants in a Partner Plan by regular donors and government donors are shown under both receivables and receivables from governments included above and are stated less a provision for bad debts.

Non-governmental receivables are short-term in nature.

PROJECT FUNDS OVERVIEW

	MARCH 31, 2018				CHANGES IN 2018-19					MARCH 31, 2019			
	PROJECT OBLIGATIONS	RECEIVABLES/ PREPAYMENTS DONORS	COMMITMENT SPACE	TOTAL	APPROVED	RECEIVED FUNDS	PROJECT TRANSFERS	FX AND INTEREST	BANK COST	PROJECT OBLIGATIONS	RECEIVABLES/ PREPAYMENTS DONORS	COMMITMENT SPACE	TOTAL
Amounts in thousands of Euros													
DGIS Strategic Partnership	14,655	6,180	0	8,474	28,036	25,450	23,131	0	0	19,560	8,766	0	10,794
Dutch government	8,207	5,420	0	2,787	9,412	13,733	9,940	0	0	7,679	1,100	0	6,580
European Union	6,673	3,394	(0)	3,279	19,358	14,348	12,651	0	0	13,380	8,404	(0)	4,976
Bilateral donors	5,740	2,719	46	3,067	18,307	14,537	14,117	0	0	9,929	6,489	46	3,487
Governments funds	35,275	17,714	46	17,608	75,113	68,068	59,840	0	0	50,548	24,758	46	25,836
Oxfams	15,919	17,164	0	(1,245)	32,343	30,850	28,281	29	0	19,981	18,657	29	1,353
United Nations	171	(316)	0	487	3,812	3,245	3,096	0	0	887	251	0	636
World Bank	0	(8)	0	8	0	0	0	0	0	0	(8)	0	8
US Foundations	0	(119)	0	119	30	12	30	0	0	0	(101)	0	101
International Foundations	5,899	4,004	0	1,895	2,530	3,715	5,286	0	0	3,143	2,818	0	324
National Foundations	12,053	6,575	0	5,478	12,166	13,494	12,099	0	0	12,120	5,248	0	6,872
External funds	34,041	27,301	0	6,741	50,880	51,316	48,791	29	0	36,131	26,865	29	9,295
AIDS FUND	0	0	380	380	308	0	303	0	0	5	0	72	77
SHO CAMPAIGNS FUND	46	0	(0)	46	2,000	2,000	2,046	0	0	(0)	0	(0)	(0)
NPL FUND	78	0	2,842	2,920	2,096	0	1,071	(4)	0	1,103	0	743	1,846
Third Party Campaigns	124	0	3,222	3,346	4,404	2,000	3,419	(4)	0	1,109	0	814	1,923
Oxfam Novib Projects	3,920	0	13,436	17,356	8,542	10,815	9,387	(849)	12	3,076	0	14,876	17,952
Own funds	3,920	0	13,436	17,356	8,542	10,815	9,387	(849)	12	3,076	0	14,876	17,952
TOTAL	73,361	45,014	16,704	45,050	138,939	132,199	121,437	(824)	12	90,863	51,623	15,765	55,005

The table above discloses the changes occurred in 2018-19 related to the project funds. The project funds end balances constitute part of the consolidated balance sheet as at March 31, 2019:

- the total project obligations is €90.9 million, which is reported as total

project liabilities in the consolidated balance sheet;

- the receivables/prepayments donors (from governments funds) is €24.8 million, which is reported as total receivables from governments in the consolidated balance sheet;

- the total commitment space is €15.8 million, which is reported partly as funds in section 3.6.6.2 'Funds' and €14.9 million as earmarked reserve for Oxfam Novib projects in section 3.6.6.1 'Reserves'.

3.6.5 CASH AND CASH EQUIVALENTS

	MARCH 31, 2019	MARCH 31, 2018
Amounts in thousands of Euros		
Savings accounts	25,162	37,045
Cash and current accounts	56,050	34,831
TOTAL	81,212	71,876

A total amount of €81.2 million in cash and cash equivalents is readily available. Out of this amount, €56.1 million consists of earmarked funds for projects and for microfinance operations; and €25.2 million remains in savings accounts.

3.6.6 NOTES TO THE RESERVES AND FUNDS

In accordance with the Dutch Accounting Standard for Fundraising organizations (RJ 650), Oxfam Novib's equity is divided into reserves and funds:

- within the reserves, a distinction is made between the contingency reserve and the earmarked reserves;
- funds are resources that are tied to particular purposes by third parties.

3.6.6.1 RESERVES

CONTINGENCY RESERVE

Amounts in thousands of Euros		CONTINGENCY RESERVE
Balance at March 31, 2018		16,033
Added		0
Withdrawn		1,179
Net movements		(1,179)
Balance at March 31, 2019		14,854

The contingency reserve exists to ensure that the organization is able to meet its obligations in the future. Its level is determined by the risks the organization runs of any drop in income. This reserve is intended to guarantee the continuity of the organization. For further information regarding the contingency reserve refer to 1.2.4. Policies.

The size of the contingency reserve was €16.0 million at the start of the year and €14.9 million at the end of the year. The level of the contingency reserve remained within the desirable range of €13 million to €20 million (refer to 3.1 'Consolidated balance sheet as at March 31 after appropriation of net result'). Although the level of the contingency reserve did not

drop below the desirable minimum in the financial year 2018-19, a further decline is expected in the following years as a result of the unrestricted income drop after the Haiti misconduct case. In the multiannual budget 2019-24, the Board of Directors continued to apply similar level of budget cuts as previous year, including a reduction in operational costs and investments in the countries where Oxfam Novib contributes as a Partner Affiliate. However, these measures do not fully compensate the effect of the expected income drop, and therefore additional mitigation through the use of contingency reserve is expected to be required. On the other hand, Oxfam Novib plans to increase the level of investments in direct fundraising. Consequently, we expect to

increase the donor base and be able to start rebuilding the contingency reserve within the following years.

The contingency reserve has remained within the maximum size (1.5 times the work organization's annual cost), as stated in the Association of Fundraising organizations 'Reserves of Charities' code (VFI). In Oxfam Novib's case that would amount to €116.2 million (refer to section 3.7.9 'Expenditure allocation').

EARMARKED RESERVES

	OXFAM NOVIB PROJECTS	LOANS / GUARANTEES	MANAGEMENT/ ADMINISTRATION COSTS	TOTAL
<i>Amounts in thousands of Euros</i>				
Balance at March 31, 2018	13,436	23,156	5,941	42,533
Added	9,982	10,381	5,437	25,800
Withdrawn	8,542	9,702	6,128	24,372
Net movements	1,440	679	(691)	1,427
Balance at March 31, 2019	14,876	23,835	5,250	43,960

The earmarked reserves are designated for purposes that have been approved by the Board of Directors and the Board of Supervisors. The total earmarked reserves increased by €1.4 million in 2018-19. For further information regarding the earmarked reserves refer to 1.2.4. 'Policies'.

EARMARKED RESERVE FOR OXFAM NOVIB PROJECTS

	OXFAM NOVIB PROJECTS
<i>Amounts in thousands of Euros</i>	
Balance at March 31, 2018	13,436
Added: funds received	10,843
Interest less exchange differences	(861)
	9,982
Withdrawn: approved funds	8,542
	8,542
Balance at March 31, 2019	14,876

The earmarked reserve for Oxfam Novib projects consists of the part of the unrestricted net assets comprising the funds set aside in any year from the income from direct fundraising, from the

Dutch Postcode Lottery, and from the net income of the publishing house for grants to partner organizations. Approved grants to be disbursed from these funds to partner organizations are recognized in

the statement of income and expenditure and charged to this earmarked reserve. The total reserve for Oxfam Novib project increased by €1.5 million in 2018-19.

EARMARKED RESERVE FOR LOANS AND GUARANTEES

	LOANS AND INVESTMENTS	PARTICIPATING INTERESTS	TOTAL
<i>Amounts in thousands of Euros</i>			
Balance at March 31, 2018	10,296	12,860	23,156
Added:			
Repayments on loans and guarantees	7,578	0	7,578
Appropriation of net result from lending activities	1,870	0	1,870
(Stock) dividends and capital gains on part. interests	0	933	933
	9,448	933	10,381
Withdrawn:			
Loans and guarantees provided	9,702	0	9,702
	9,702	0	9,702
Balance at March 31, 2019	10,042	13,793	23,835

The earmarked reserve for loans and guarantees comprises two elements. The first element consists of all funds intended for the provision of loans and investments in the Triple Jump Innovation Fund. When a loan is repaid, a corresponding amount is added to the earmarked reserve for loans and guarantees and withdrawn from the earmarked fund for loans to partner

organizations. Conversely, when a loan is disbursed, the corresponding amount is withdrawn from the earmarked reserve for loans and guarantees and added to the earmarked fund for loans to partner organizations. The second element of this reserve consists of the value of the participating interests held in TCX, ASN-Novib Fund, Oikocredit, Triple Jump and Impact Investments, which

have been financed from Oxfam Novib's own resources. These participating interests are held in order to enable the organization to carry out its lending activities as effectively as possible.

For more information about these participating interests, refer to 3.6.2 'Financial fixed assets'.

EARMARKED RESERVE FOR MANAGEMENT AND ADMINISTRATION COSTS

Amounts in thousands of Euros	AIDS FONDS	SHO CAMPAIGNS	GOVERNMENT	OTHER DONORS	TOTAL
Balance at March 31, 2018	23	100	1,588	4,230	5,941
Added: approved management and administration costs	0	150	2,802	2,485	5,437
Withdrawn: realized management and administration costs	23	125	3,058	2,922	6,128
Balance at March 31, 2019	0	125	1,332	3,793	5,250

The 'earmarked reserve for management and administration costs' is used to finance the management of projects in developing countries. The level of this earmarked reserve is determined with due regard for internal guidelines designed to guarantee the continuity of the project cycle. This reserve decreased by €0.7 million in 2018-19, due to the receipt of less Indirect Cost Recovery (ICR) income from grants than anticipated.

3.6.6.2 FUNDS

Amounts in thousands of Euros	AIDS FONDS	SHO CAMPAIGNS FUND	NPL FUND	PERSONALIZED FUNDS	LOANS FUND	SIDA FUND	TOTAL
Balance at March 31, 2018	379	0	2,842	1,781	42,106	46	47,156
Added	0	2,150	0	84	9,702	0	11,936
Withdrawn	308	2,150	2,100	244	9,205	0	14,007
Balance at March 31, 2019	71	0	743	1,621	42,603	46	45,085

AIDS FONDS

The organization formerly called STOP AIDS NOW!, a partnership of Aids Fonds, Hivos, ICCO, Cordaid Memisa, and Oxfam Novib, became Aidsfonds effective December 1, 2016. The €0.3 million withdrawal was spent on projects during the financial year.

SHO Campaigns Fund

SHO (Samenwerkende Hulp Organisaties), also known as Giro 555, is a coalition of Dutch humanitarian aid organizations that join forces to raise funds to provide aid to victims when major humanitarian disasters occur. In addition, SHO informs the Dutch public and creates awareness about the situation. In September 2018, a devastating earthquake and tsunami struck the Sulawesi province of Indonesia, resulting in many casualties and destruction which affected more than 2 million people. The partners of SHO organized an action day on October 11 that not only focused on the crisis, but also collected more than €15 million donations for humanitarian help. Oxfam Novib participated as one of the largest Dutch NGOs in SHO, providing capacity for the support and administration as well as awarding funds. Based on the annual allocation key, a total amount of €2.1 million was allocated to Oxfam Novib for the Sulawesi action. The funding has been used to improve access to clean water, sanitation and hygiene, as well as to rebuild livelihoods. Section 3.9 'SHO' provides more detailed information on the income and expenditure in 2018-19 and previous years.

NPL Special Projects Fund

The 'NPL special projects' fund comprises the funds received from extra drawings of the Dutch Postcode Lottery. An amount of €2.1 million was spent in 2018-19.

Personalized Fund

The 'Personalized Fund' consists of the assets of individual personalized funds managed separately within Oxfam Novib. The income generated from these assets is recognized on a cash basis as 'income from direct fundraising' and is available for spending or added back to the fund. At year-end the Personalized Fund's assets, which are managed by Oxfam Novib, consisted of the following:

PERSONALIZED FUND

Amounts in thousands of Euros	PERSONALIZED FUNDS
Hans Geveling Derde Wereld Fonds	1,032
Herman Schuurman Fonds	134
Douma-Hamers Onderwijs Fonds	78
Verboom-Pieterse Fonds	62
Hogerop Fonds	10
Voorhoeve Fonds	2
Fair Keys First Fund	116
Hilda Buma Fonds	6
Kihle fonds	82
Martin Vliegenthart Fonds	99
Balance at March 31, 2019	1,621

Loans Fund

For more information about the loans fund refer to Oxfam Novib's loan portfolio in section 3.6.2 'Financial fixed assets'.

SIDA Fund

This fund consist of the positive foreign exchange rate differences generated on the received funds from SIDA projects, where the contract states that the exchange rate gains should be added to a fund.

3.6.7 PROVISIONS

	HYPOTAX	PROJECT COSTS	REORGANIZATION	SENIOR STAFF	TOTAL
Amounts in thousands of Euros					
Balance at March 31, 2018	1,254	776	327	386	2,743
Withdrawn	622	573	118	168	1,481
	622	573	118	168	1,481
Reclassification	(390)	0	(209)	0	(599)
Changes charged to statement of income and expenditure	958	700	0	0	1,658
	568	700	(209)	0	1,059
Balance at March 31, 2019	1,200	903	0	218	2,321

All provisions are, given as a whole, current in nature.

Hypo tax

Staff members who work abroad and who are non-Dutch residents or of non-Dutch origin are subject to 'hypo tax'. An amount is withheld from their gross monthly salaries which is equal to the wage tax that Oxfam Novib would be required to withhold if the staff member in question were resident in the Netherlands for tax purposes. Oxfam Novib adds the hypo tax withheld to a provision and uses the funds in question to pay any wage tax or equivalent tax due in respect of the staff members working abroad.

During 2018-19, the hypo tax provision remained at €1.2 million. An amount of €0.6 million was utilized to cover wage taxes for staff members working abroad, an amount of €0.4 million was released to the contingency reserve and €1.0 million was added to the provision in this financial year.

Project costs

A provision was made for realized project costs where there is a risk of agreed funds being uncollectible from donors. An additional provision of €0.7 million was added this year after €0.6 was utilized.

Reorganization

During the financial year 2014-15 a reorganization was announced by the Board of Directors. The end of the government financing period as at year-end 2015-16 made a reorganization unavoidable. A social plan was drafted and approved by the trade union and the Board of Directors. The financial consequences of the reorganization in general and the social plan specifically were budgeted for. A provision of €5.2 million was recognized in 2014-15. Of this amount, €3.9 million was charged to MFS II funds.

At the beginning of the financial year 2018-19 the provision balance amounted to €0.3 million and during the year an amount of €0.1 million was withdrawn to cover the social plan related costs. The remaining €0.2 million provision was released to contingency reserve because no more liabilities are expected in connection with this reorganization.

Senior Staff

An earmarked reserve was created in 2002 to cover the extra costs related to the policy on staff >55 years. Employees who were aged 55 and older in 2001 were able to gradually shift into retirement while retaining their salaries. This group was extended to include employees aged 53 or 54 in 2001 who opted to participate in this scheme. While this policy is no longer applicable, at the end of March 2019, Oxfam Novib still has obligations for an amount of €0.2million towards the employees who joined this retirement plan. The withdrawal in 2018-19 was €0.2million. This provision will be kept for a period of four years to cover the existing liabilities.

3.6.8 DEBTS

	FY 2018-19	FY 2017-18
Amounts in thousands of Euros		
Long-term debts		
Forward exchange contracts (Negative)	1,436	648
	1,436	648
Current debts		
Accounts payable	7,955	7,047
Taxes	818	784
Fundraising contributions received in advance	2,729	3,072
Other accruals and payables	4,691	4,757
	16,193	15,660
TOTAL	17,629	16,307

The €1.4 million contracts with negative values are reported as long-term debts. For more information about the forward exchange contracts to hedge the foreign exchange risk on loans granted to microfinance organizations refer to 3.6.2 'Financial fixed assets', where the forward exchange contracts with positive value are explained.

3.6.9 PROJECT LIABILITIES

Project liabilities outstanding at March 31, 2019 amount to €90.9 million (March 31, 2018: €73.4 million). About 65 percent of these liabilities are current in nature and are payable by April 1, 2020. The other 35 percent are long-term project liabilities, i.e. due after more than one

year. There are no project liabilities with a maturing longer than five years. For further details of these project liabilities refer to table 3.6.4 'Project funds overview'.

3.6.10 ASSETS AND LIABILITIES NOT INCLUDED IN THE BALANCE SHEET

Amounts in thousands of Euros	REMAINING PERIOD OF THE CONTRACT		
	<1 YEAR	1-5 YEARS	>5 YEARS
Office rental contracts for country offices	375	312	0

Oxfam Novib's building serves as collateral for the forward exchange contracts concluded to hedge the foreign exchange risk on loans granted to microfinance institutions.

Oxfam Novib has lease commitments relating to printers and the telephone exchange at its office in The Hague for an amount of €113 thousand next year and for an amount of €267 thousand until 2022.

The total value of contracts signed by donors in 2018-19 amounted to €122 million, which shows a decline compared to the €160 million signed in 2017-18 due to the 'Haiti' aftermath.

The other off-balance-sheet commitments are rental contracts for country offices, as presented in the table above.

3.7 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

3.7.1 INCOME FROM PRIVATE INDIVIDUALS

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
Legacies	2,286	1,259	1,321
Donations and gifts	20,005	19,443	22,382
TOTAL	22,291	20,702	23,703

The fierce competition in the fundraising market continued in 2018-19. The income from legacies was €1.0 million higher than budgeted and one-off gifts were €0.6 million higher than budgeted but more than €2 million lower than the previous year. The negative trend compared with last year was caused by the high donor attrition in the aftermath of the Haiti misconduct case which could not be balanced by new acquisitions. The drop in the number of regular givers is explained by the reduction in the

fundraising activities in the first half of the year and by the challenging market situation in the second half of the year. This will most likely have a negative impact on fundraising income in the next financial year as a smaller donor base will deliver less structural income.

In 2018-19, 308 thousand people and companies supported Oxfam Novib financially (331 thousand in 2017-18). This number comprises 194 thousand regular donors and 114 thousand

one-off donors. The major withdrawal was observed in the number of regular donors. Initial results from donor research conducted in December showed a lift in donor satisfaction and trust in our organization. Therefore we are confident that we will continue engaging new donors to support our programs in the coming years.

3.7.2 INCOME FROM COMPANIES

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
United States foundations	30	0	46
International foundations	2,574	12,732	7,367
Dutch non-governmental donor organizations	12,723	17,778	9,183
Public Fundraising income from companies	2,007	3,134	2,422
TOTAL	17,333	33,644	19,018

In 2018-19 income from companies was €16.3 million below the budgeted amount. The major deviation is observed in the international foundations and Dutch non-governmental donor organizations. This is due to the fact that

the project approval timing differed from what was budgeted for, as well as the lower than expected number of contracts signed. This caused a drop in the Indirect Cost Recovery (ICR) income, creating a budget gap in this financial year.

However, it is worth noting that the total income from companies was only €1.7 million below the previous year's figure, which is a good performance considering the difficult environment.

3.7.3 INCOME FROM LOTTERY ORGANISATIONS

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
National Postcode Lottery - Extra Drawing	(4)	1,700	2,497
National Postcode Lottery	13,500	13,500	13,500
TOTAL	13,496	15,200	15,997

The income from lottery organizations was €1.7 million below the budgeted amount. This was due to the budgeted €1.7 million Extra Drawing income from the National Postcode Lottery (NPL) for the 'Money Trail' project which was not granted for in this financial year.

National Postcode Lottery
During the 'Goed Geld Gala' in February 2019, Oxfam Novib received €13.5 million. Based on the existing agreements, Oxfam Novib understands that €13.5 million will be received during the 'Goed Geld Gala' in February 2020. Therefore, 25 percent of

the €13.5 million has been added to the receivables.

3.7.4 INCOME FROM GOVERNMENT SUBSIDIES

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
DGIS - Strategic Partnership	16,702	15,568	15,296
Bilateral donors - SIDA	19,008	19,052	18,557
European Union	20,057	18,554	20,517
Dutch government	22,849	24,091	22,299
United Nations	4,003	4,506	4,368
TOTAL	82,620	81,770	81,036

A significant amount of the income from government subsidies has a contractual period of 3 to 5 years. Thus, the income is considered structural. Each of these multi-year contracts have separate contractual conditions, as result of negotiations based on donor-specific and program-specific requirements. Large long-term contracts have yearly audited reports and the financial settlement takes place at the end of the program, following a final report to the donor and a project audit. The deliverables in the contracts and the corresponding programs objectives are in line with Oxfam Novib Thematic Goals.

DGIS - Strategic Partnership
Grant income from the Dutch Government Strategic Partnership for Lobby and

Advocacy - 'Dialogue and Dissent' - amounted to €16.7 million in 2018-19 (2017-18: €15.3 million), which is €1.1 million higher than budgeted. This is mainly related to the project approval timing being different from what was budgeted.

Bilateral donors - SIDA
Grant income from non-Dutch governments, including the Swedish International Development Cooperation Agency (SIDA), was €19.0 million in 2018-19, which is in line with the budgeted amount and €0.4 million more than in 2017-18 (€18.6 million).

European Union
Grant income from the European Union was €20.1 million in 2018-19, which

is €1.5 million more than budgeted and €0.5 million less than in 2017-18 (€20.5 million). Major European donors are the European Civil Protection and Humanitarian Aid Operations and EuronAid, an operational network of NGOs active in the field of Food Aid, Food Security and Emergency Relief.

Dutch government
Grant income other than the above Strategic Partnership from Dutch government bodies amounted to €22.8 million in 2018-19 (2017-18: €22.3 million), which is €1.2 million below budget, mainly due to the lower ICR income than initially planned for. The income for 2018-19 includes €13.0 million linked to the Voice fund.

3.7.5 INCOME FROM AFFILIATED NON-PROFIT ORGANIZATIONS

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
Oxfam South Korea	43	79	82
Oxfam Sweden	3,284	3,720	3,338
Other Oxfams	35,834	26,130	45,724
TOTAL	39,161	29,930	49,144

Oxfam Sweden

On behalf of the entire Oxfam confederation, Oxfam Novib assumed the responsibility for setting up a fundraising office in Sweden. The income was €0.4 million lower than budgeted, with fewer donors than expected due to the Haiti misconduct case.

Other Oxfams

Grant income from other confederation members was €35.9 million in 2018-19, which is €9.7 million higher than budgeted, and €9.8 million lower than in 2017-18 (€45.7 million). The income shown here is the amount received from other affiliates of the Oxfam

confederation for the implementation of projects by Oxfam Novib and partners.

3.7.6 INCOME FROM OTHER NON-PROFIT ORGANISATIONS

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
Samenwerkende Hulporganisaties	2,150	0	2,700
TOTAL	2,150	0	2,700

Samenwerkende Hulporganisaties (SHO)

As a matter of policy, Oxfam Novib does not budget any income from emergency relief programs. One major response took place during 2018-19 to deliver

humanitarian support to the people affected by the strong earthquake and tsunami that struck Indonesia's island of Sulawesi in September 2018. The Sulawesi action accounted for a total

income of €2.1 million in 2018-19. Refer to section 3.6.6.2 for further notes on SHO campaigns.

3.7.7 INCOME FROM DELIVERY OF PRODUCTS / SERVICES

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
Publishing House	1,655	1,359	1,786
VOICE	2,389	3,249	2,033
TOTAL	4,044	4,608	3,819

Income from delivery of products and services was €0.6 million below budget. This was mainly due to the lower than budgeted income received from the Voice fund, which is specifically for administration, capacity strengthening and linking and learning purposes.

Publishing House

The publishing house publishes books, calendars, and other print products. Its income was €0.3 million above budget. The public information relates to development cooperation in general and Oxfam Novib's mission in particular. The publishing house expenditure is included under 'Publicity and communication' in section 3.7.9 'Expenditure allocation'.

VOICE

In 2016-17 a public service contract was awarded to Oxfam Novib jointly with Hivos for the implementation of the Voice fund. This fund aims to strengthen the lobbying and advocacy capacity of the civil society organizations and representatives of the most marginalized and discriminated people, in order to empower these groups and have their voices heard and respected.

3.7.8 OTHER INCOME

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
Other income	68	0	5
TOTAL	68	0	5

Other income includes income not contained within the categories above.

3.7.9 EXPENDITURE ALLOCATION

	GOAL OF STRUCTURAL POVERTY ALLEVIATION						COSTS OF GENERATING INCOME			MANAGEMENT & ADMINISTRATION	TOTAL		
	FOOD, LAND AND CLIMATE	GOVERNANCE AND FINANCIAL FLOWS	CONFLICT AND FRAGILITY	GENDER AND YOUTH	HUMANITARIAN/ EMERGENCY	PUBLIC ENGAGEMENT	DIRECT FUNDRAISING	THIRDPARTY CAMPAIGNS	GOVERNMENT GRANTS		FY 2018-19	BUDGET 2018-19	FY 2017-18
Amounts in thousands of Euros													
1. Grants and contributions	22,372	28,509	6,948	8,318	30,173	0	0	0	0	0	96,320	97,837	93,808
2. Fees and other payments	1,071	1,296	265	453	1,651	0	0	0	0	0	4,735	5,114	4,835
3. Publicity, communication, other	(251)	1,040	(7)	(57)	(523)	4,302	3,382	230	26	177	8,319	13,211	11,857
4. Staff costs	8,002	10,214	2,727	3,398	11,025	2,359	1,196	95	1,148	1,478	41,642	34,107	46,099
5. Housing costs	113	134	35	62	184	62	18	3	34	27	672	847	719
6. Office and general expenses	6,537	8,140	1,955	2,592	9,627	591	155	18	365	410	30,389	33,315	41,411
7. Depreciation	158	188	48	84	257	78	23	3	46	34	922	1,182	1,400
TOTAL	38,002	49,522	11,971	14,850	52,394	7,392	4,774	349	1,620	2,126	182,998	185,614	200,129
Publicity and communication (except if allocated to goals):							3,382	230	26	177	3,815		
Other internal operating costs	14,810	18,676	4,765	6,136	21,094	3,089	1,392	119	1,594	1,949	73,625		
Total internal operating costs											77,439		

Maximum size of contingency reserve is 1.5 times the annual internal operating costs:

116,159

Notes to the expenditure allocation

Oxfam Novib uses several cost allocation keys:

- keys for the allocation of the costs incurred by the central and management departments and the Board of Directors to management and administration costs. More information can be found in section 3.5 'Accounting policies for the consolidated statement of income and expenditure';
- keys used within the Public Engagement unit for the allocation of costs to goals of structural poverty alleviation, direct fundraising, third-party campaigns (Dutch Postcode Lottery), and management & administration;
- keys for the allocation of the costs

of the primary process to activities that further the organization's goals and to the generation of income from institutional sources of funding;

- keys for the allocation of the costs of the generation of income from external sources of funding to government grants, joint campaigns, and third-party campaigns;
- keys for the allocation of the costs of shared resources (ICT, housing, miscellaneous staff costs, support departments, etc.) to the different expenditure categories on the basis of full-time equivalents;
- keys for the allocation of the costs of grants (project approvals) to the goals of structural poverty alleviation on the basis of the outcome indicators. The costs of approved projects related to the thematic areas are also included.

Notes to the figures

1. Grants and contributions

This expenditure reflects the amounts that have been approved for disbursement to partner organizations. These grants are disbursed on a cash basis. Conversely, income and expenditure are recognized on the basis of partner organizations' projects and programs that have been approved by Oxfam Novib. Under the Dutch Accounting Standard for Fundraising Organizations (RJ 650), income and expenditure must be recognized on the basis of approvals rather than on a cash basis.

The €96.3 million at the year end of 2018-19 shows that the organization had a good performance in project implementation because despite falling

€1.5 million short of the target of €97.8 million on expenditure allocated to grants and contributions, the organization has exceeded the result reported in the financial year 2017-18 by €2.5 million.

2. Fees and other payments

Fees and other payments mainly exist of a core contribution to Oxfam International. The contribution was higher than last year's by €1.8 million.

3. Publicity, communication and other campaigning costs

This category comprises the campaigning costs incurred on projects, as well as the costs associated with recruitment, public information & marketing, the provision of information to the corporate sector, and third-party campaigns. The expenditure was €1.0 million below the budgeted

amount, mainly due to lower public engagement costs.

4. Staff costs

In 2018-19 staff costs were €7.5 million higher than budgeted. The main causes can be summarized as follows:

- some staff costs allocated to projects (both externally funded projects and projects funded by Oxfam Novib itself) were above the amount budgeted mainly due to the higher than planned program costs funded by Oxfam affiliates with a higher staff cost ratio than the average programs. Additionally, in some projects, a shift from 'Other costs' to 'Staff costs' can be observed as a result of budget changes in the project activities;
- other over-expenditures in staff costs were related to the Integrity and

Safeguarding activities, the need for extra interim capacity in the Human Resource Unit and the higher sick leave cost than initially budgeted for.

Employees in The Hague

The total number of staff members working at The Hague was 325 as at March 31, 2019 (April 1, 2018: 321).

Employees at country offices

The number of field staff decreased from 1,059 on March 31, 2018 to 894 on March 31, 2019. The number of expats working abroad was 42 as at March 31, 2019, which decreases the number of employees working in the countries to 852. The main reason for the decline in the number of employees at country offices is the closure of Maiduguri office in Nigeria during the last quarter of 2018.

The composition of staff costs is as follows:

STAFF COSTS

Amounts in thousands of Euros	FY 2018-19
Salaries The Hague	19,270
Salaries local contracts and ex-pats	16,444
Social security contributions	2,572
Pension costs	1,954
Temporary workers	390
Commuting costs	498
Other costs (incl. participations)	513
TOTAL	41,642

Pensions

The pensions of Oxfam Novib's staff are insured with Zwitserleven. After consulting the unions and the Works Council, a new pension plan was proposed and agreed upon. In this new pension plan, pension accrual is based on the defined contribution scheme. The signed contract runs until December 31, 2019.

5. Housing costs

The housing costs in 2018-19 were €0.1 million lower than budgeted, and slightly lower than the housing costs for 2017-18.

6. Office and general expenses

According to the definition this category includes both part of the operational expenses (such as travel, training, insurance costs, hosting services, system maintenance, licenses and other ICT related costs, and third party services) as well as program-related costs other than grants and contributions or staff costs. For Oxfam Novib, around 83% of the costs in this category related to program in the financial year 2018-19.

The office and general expenses were €2.9 million below budget. This type

of costs are the expenses allocated to projects such as advisory services from external experts and other third-party services used in program implementation, such as materials and facilities provided during humanitarian response (water points, latrines and bathing cubicles, hygiene kits, fresh food, and safe drinking water).

Auditors' fees

The following auditors' fees were charged to the statement of income and expenditure in the financial year:

AUDITORS' FEES

Amounts in thousands of Euros	AUDIT OF THE FINANCIAL STATEMENTS	OTHER AUDIT SERVICES	TAX CONSULTANCY SERVICES	OTHER SERVICES	TOTAL
Mazars NV	182	245	0	17	443
SGS	0	0	0	4	4
KPMG	0	25	0	0	25
TOTAL	182	270	0	21	472

The auditor's fees specified in the table relate to services provided to Oxfam Novib by audit firms and external auditors as defined in section 1(1) of the Netherlands Audit Firms Supervision Act (Wta) (as well as by accounting firms in the Netherlands and abroad, including their tax and consultancy departments) which were charged directly to Oxfam Novib. In 2018-19 €182 thousand was paid to Mazars in fees for the audit of the financial statements. An additional €245 thousand relates to project compliance audits in accordance with donor agreements, which are included in the program costs.

7. Depreciation

Depreciation costs in 2018-19 were €0.3 million lower than the budget, and €0.5 million lower than those in 2017-18 due to the large number of old assets fully depreciated.

KEY PERCENTAGES

Amounts in thousands of Euros	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	BUDGET 2018-19	FY 2018-19
Management and administration	3,388	2,452	2,099	2,539	2,234	2,085	2,126
as a % of total expenditure (own criterion max. 2%)	1,5%	1,3%	1,2%	1,4%	1,1%	1,1%	1,2%
Expenditure on goals	188,990	168,289	144,116	171,707	188,799	175,078	174,129
as a % of total expenditure	93,9%	94,0%	92,6%	93,9%	94,3%	94,3%	95,2%

The key figure 'Management and administration costs' was 1.2 percent of the total expenditure. This is below the the 2 percent maximum set by the Board of Directors of Oxfam Novib. The management costs allocated to management and administration are compliant with the Erkenningsregeling (seal of approval for fundraising organizations in the Netherlands), and thus in accordance with the guidelines of the CBF as well as those of *Goede Doelen Nederland*. The

Erkenningsregeling has replaced the separate guidelines. Refer to section 3.5.10 'Allocation of management and administration costs in accordance with the *Goede Doelen Nederland* guideline.'

The key figure 'Expenditure on goals' is stated as a percentage of total expenditure. 'Expenditure on goals' accounts for 95.2 percent of total expenditure, which is above the budgeted 94.3 percent.

3.7.9.1 Direct fundraising costs

The direct fundraising costs amounted to €4.8 million in 2018-19, which is below the budgeted amount by €1.5 million and also below last year's level. The decrease is linked to delays in face-to-face fundraising campaigns.

3.7.9.2 Salary and emoluments paid to directors

Oxfam Novib adheres to the Advisory Scheme for the Remuneration of Directors of Charity Organizations of 'Goede Doelen Nederland' (the Association of Fundraising Organizations) and the SBF Code of Good Governance. The 'Remuneration Policy for the Board of Directors' is based on the criteria of this Scheme and Code as they relate to remuneration, job grading, and maximum salary for directors.

The Advisory Scheme sets criteria for determining the level of skill, effort, and responsibility required for executive positions and sets maximum annual income standards. The Board of Supervisors has assessed the positions of the Board of Directors based on those criteria.

Oxfam Novib has a multi-member Board of Directors, consisting of one chair and two members. The Basis Score Directiefuncties (BSD) score for 2018 adds up to an organization score of 540 BSD points. The position of the Chair (Executive Director) was rated at 470 points, which corresponds to a maximum annual income for 2018 of €129,559 based on full-time employment. The positions of the other members of the

Board of Directors were rated at 432 points, which corresponds to a maximum annual income for 2018 of €114,247 based on full-time employment. Although the guidelines for the Basis Score Directiefuncties were updated effective January 1, 2018, the maximum annual income for board members in these categories has not changed.

'Goede Doelen Nederland' has published the BSD guideline against which directors' actual annual incomes are assessed. The table below shows the remunerations paid to directors in the period from January 1, 2018 to December 31, 2018.

3.7.9.2 SALARY AND EMOLUMENTS PAID TO DIRECTORS

Amounts in Euros

Name	F. KARIMI	P. MULDER	A. GALAVAZI	T. MEIJERS	M. SERVAES
Function	FORMER EXECUTIVE DIRECTOR	DIRECTOR FINANCE AND OPERATIONS	FORMER DIRECTOR OPERATIONS	DIRECTOR PROGRAMS AND CAMPAIGNS	EXECUTIVE DIRECTOR
Employment					
Contract Type	permanent	permanent	permanent	permanent	permanent
Hours	36	36	36	36	36
FTE percentage	100	100	100	100	100
Period	1/1/18-30/09/18	01/09/18-31/12/18	1/1/18-31/08/18	1/1/18-31/12/18	1/10/18-31/12/18
Remuneration					
Gross Salary	86,373	27,952	65,280	85,049	27,318
Holiday Allowance	13,076	0	10,348	6,386	0
Fixed Year End Bonus	0	828	0	1,378	0
Payment of Unused Vacation Days	10,441	0	7,312	0	0
Total income as BSD guideline	109,890	28,780	82,940	92,813	27,318
Income	109,890	28,780	82,940	92,813	27,318
Social Security costs (Employer's Contribution)	7,369	3,275	6,550	9,825	2,456
Pension Premium (Employer's Contribution)	18,655	3,730	18,580	22,878	4,993
Other Deferred Remuneration	1,951	1,398	1,560	4,600	585
Compensation for Termination of the Contract	0	0	0	0	0
TOTAL	137,864	37,183	109,630	130,117	35,352

On September 30, 2018, Ms. Karimi stepped down as Executive Director and, in October 1, 2018, Mr. Servaes was appointed as the new Executive Director. Ms. Karimi remained in the organization until 31st December 2018 to ensure a proper transition. The income from October 1, 2018 to December 31, 2018 was €31,094.

No loans or guarantees have been provided and no advance payments have been made to the members of the Board of Directors.

Members of the Board of Supervisors do not receive any remuneration or fees and were all appointed for the entire financial year. A total of €7 thousand was paid out in expense reimbursements in 2018-19.

The directors of Oxfam Sweden receive no remuneration, fees or expense reimbursements.

3.7.9.2.1 Executives' Pay Financed from Public Funds (Disclosure) Act

In 2018-19 Oxfam Novib fell outside the purview of the Executives' Pay Financed from Public Funds (Disclosure) Act, *Wet normering bezoldiging topfunctionarissen publieke en semi publieke sector* (WNT). Nevertheless, the taxable annual salaries of its officers are disclosed above. None of the directors or other officers of Oxfam Novib, nor those employed on consultancy basis, received a taxable annual salary in excess of the maximum amount of €189 thousand in 2018 as regulated by the WNT.

3.7.10 BALANCE OF FINANCIAL INCOME AND EXPENSES

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
Interest income	3,354	3,121	3,499
Interest expenses	(75)	0	(74)
Bank costs	2	0	(6)
Dividend	80	0	111
Realized and unrealized foreign exchange results	(682)	0	(3,455)
Other financial income	293	0	358
Costs of investment	(2,961)	(2,325)	(1,531)
TOTAL	11	796	(1,097)

The balance of financial income and expenses for the financial year 2018-19 is €11 thousand, which is €0.8 million lower than the budgeted amount and €1.1 million higher than the previous year. This is mainly due to realized and unrealized foreign exchange results, which meant a €0.7 million loss compared the budgeted amount. The foreign exchange result in the financial year 2018-19 was negative €0.7 million, of which €0.3 million is unrealized (mainly related to accounts receivable from donors), €0.8 million is realized and related to program costs, and partially offset by the €0.4 million positive result in the Oxfam Novib microfinance portfolio.

On the other hand, the cost of investment was €3.0 million, which is €0.7 million higher than the budgeted amount and €1.5 million higher than the previous year. This is mainly due to higher than expected provisions for bad loans in the Oxfam Novib loan portfolio. The interest income was €3.4 million, which is €0.3 million higher than the budgeted amount and €0.1 million lower than the previous year. This is mainly due to higher than expected income from Oxfam Novib's microfinance portfolio. Other financial income includes the result on Oxfam Novib's participating interests of €0.3 million, which was not budgeted for, and was €0.1 million lower than the previous year.

Other items under the balance of financial income and expenses (interest expenses, bank costs and dividend) were €7 thousand positive, which was not budgeted for, and €24 thousand lower than the previous year.

The following table presents the figures in the format specified by 'Goede Doelen Nederland' in its Financial Management Guideline. The figures are based on the profit figures of the entities in which the aforementioned participating interests are held. Net income from cash and cash equivalents represents the interest received on current account deposits and on the organization's own funds.

SUMMARY ON THE BASIS OF THE 'GOEDE DOELEN NEDERLAND' FINANCIAL MANAGEMENT GUIDELINE

Return on savings and investments

Amounts in thousands of Euros	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Mission-related investments					
Bond yields	67	242	305	298	284
Dividends	68	79	79	111	80
Realized price gains	1,720	69	600	691	41
Unrealized price gains	(642)	(538)	587	(1,322)	892
Gross investment return	1,213	(148)	1,571	(222)	1,297
Investment costs	0	0	0	0	0
Net investment return	1,213	(148)	1,571	(222)	1,297

Investment performance

Average invested capital	9,943	11,721	13,490	12,859	13,792
Return on investments (%)	12,2%	(1,3%)	11,6%	(1,7%)	9,4%

Net income from cash and cash equivalents

Interest on current account and organization's own funds on savings accounts and deposits	12	(55)	39	(72)	(75)
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3.8 SEPARATE FINANCIAL STATEMENTS OXFAM NOVIB

3.8.1 SEPARATE BALANCE SHEET OXFAM NOVIB AS AT MARCH 31 AFTER APPROPRIATION OF NET RESULT

Amounts in thousands of Euros	FY 2018-19	FY 2017-18
ASSETS		
Tangible fixed assets	7,195	7,564
Financial fixed assets	58,050	55,899
Inventories	32	19
Receivables from governments		
Long-term	8,665	6,200
Current	16,093	11,514
	24,758	17,714
Receivables	43,241	47,397
Cash and cash equivalents	80,819	68,765
TOTAL	214,095	197,357
LIABILITIES		
Reserves and funds		
Reserves		
Contingency reserve	14,737	16,115
Earmarked reserves	43,819	42,196
	58,556	58,311
Funds	45,085	47,156
	103,640	105,466
Provisions	2,321	2,743
Debts		
Long-term	1,436	648
Current	15,835	15,139
Prepayments from donor organizations	0	0
	17,271	15,787
Project liabilities		
Long-term	31,802	25,676
Current	59,061	47,685
	90,863	73,361
TOTAL	214,095	197,357

3.8.2 SEPARATE STATEMENT OF INCOME AND EXPENDITURE OF OXFAM NOVIB

Amounts in thousands of Euros	FY 2018-19	BUDGET 2018-19	FY 2017-18
INCOME			
Income from private individuals	22,291	20,702	23,703
Income from companies	16,883	29,924	18,344
Income from lottery organisations	13,496	15,200	15,997
Income from government subsidies	82,620	81,770	81,036
Income from affiliated non-profit organisations	39,161	29,930	49,144
Income from other non-profit organisations	2,150	0	2,700
Income raised	176,601	177,525	190,924
Income from delivery of products / services	4,044	4,608	3,819
Other income	68	0	5
Income from fundraising activities	180,713	182,133	194,748
EXPENDITURE			
Food, Land and Climate	38,002	38,093	40,518
Governance and Financial Flows	49,522	50,302	52,856
Conflict and Fragility	11,971	11,888	12,648
Gender and Youth	14,850	14,592	16,248
Emergency	52,394	53,182	58,326
Public Engagement	7,298	6,293	7,992
Expenditure on goal 'structural poverty alleviation'	174,036	174,349	188,587
Direct fundraising	4,552	4,568	6,425
Third-party campaigns	349	501	461
Securing government grants	1,620	1,649	1,706
Costs of generating income	6,520	6,718	8,592
Management and administration costs	2,108	1,950	2,195
Expenditure from fundraising activities	182,665	183,016	199,374
Balance of financial income and expenses	11	796	(1,097)
NET RESULT	(1,940)	(87)	(5,723)
APPROPRIATION OF NET RESULT			
Added / charged to: contingency reserve	(1,295)	(2,175)	1,036
Added / charged to: project reserve	1,440	(1,192)	(7,977)
Added / charged to: other earmarked reserves	(14)	4,559	(778)
Added / charged to: funds	(2,071)	(919)	1,996
NET RESULT	(1,940)	273	(5,723)

3.8.3 ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES IN THE SEPARATE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Organizations (RJ 650) as published by the Dutch Accounting Standards Board.

The separate financial statements exclude the consolidated figures from Sweden. There is no difference between the accounting policies for the consolidated and the separate financial statements. Reference is therefore made to the notes to the consolidated financial statements unless otherwise specified below. Additional notes to policies regarding the consolidation have been included in 3.4.2.

3.8.4 NOTES TO FINANCIAL STATEMENT ITEMS AFFECTED BY THE CONSOLIDATION OF OXFAM SWEDEN

There is a difference between the consolidated result and equity and the corresponding figures as presented in the separate financial statements. Although it holds no equity interest, Oxfam Novib does have significant control over Oxfam Sweden. For this reason, Oxfam Sweden's result and equity are included in the consolidated financial statements of Oxfam Novib but not in the separate ones.

Oxfam Sweden shows a net positive result of €117 thousand and a positive equity

balance of €0.3 million. This causes the following differences:

- the negative net result in the separate financial statements is €1.9 million versus €1.8 million in the consolidated financial statements;
- total reserves add up to €58.5 million versus €58.8 million in the consolidated financial statements.

The receivables are €0.3 million less and cash and cash equivalents are €0.4 million less than in the consolidated financial statements. Debts are €0.3 million less than in the consolidated financial statements. Reserves are €0.3 million lower than in the consolidated financial statements. The movements in the reserves are disclosed in the tables below.

The separate statement of income and expenditure shows the following differences compared with the consolidated income statement:

- Total income is €0.5 million less than stated in the consolidated statement of income and expenditure, resulting from direct fundraising in Oxfam Sweden;
- Total expenditure is €0.3 million less than stated in the consolidated statement of income and expenditure. Out of this amount, the expenditure on the goal of 'structural poverty alleviation' was €0.1 million and the expenditure on direct fundraising costs for generating income was €0.2 million.

EARMARKED RESERVES

	OXFAM NOVIB PROJECTS	LOANS & GUARANTEES	MANAGEMENT & ADMINISTRATION COSTS	TOTAL EARMARKED RESERVES
<i>Amounts in thousands of Euros</i>				
Balance at March 31, 2018	13,099	23,156	5,941	42,196
Added	9,982	10,381	5,437	25,800
Withdrawn	8,347	9,702	6,128	24,177
Net movements	1,635	679	(691)	1,623
Balance at March 31, 2019	14,734	23,835	5,250	43,819

CONTINGENCY RESERVE

	CONTINGENCY RESERVE
<i>Amounts in thousands of Euros</i>	
Balance at March 31, 2018	16,115
Added	
Withdrawn	1,378
Net movements	(1,378)
Balance at March 31, 2019	14,737

3.9 SHO

The table below discloses the income and expenditure of the Sulawesi Action. Refer to section 3.6.6.2 'SHO campaigns' for further details.

3.9.1 SULAWESI ACTION

	FISCAL YEAR		UP TO FISCAL YEAR (INCLUSIVE)	
	EMERGENCY	REHABILITATION	EMERGENCY	REHABILITATION
Amounts in thousands of Euros				
		TOTAL		TOTAL
INCOME				
Public donations (SHO funds)		2,150		2,150
Interest		-		-
Total income		2,150		2,150
Cost of preparation and coordination (ICR)				
ICR		150		150
Total available for aid activities		2,000		2,000
EXPENDITURE				
Commitments, contractual obligations (D)				
- Expenditure through implementing organizations (field)	2,000	2,000	2,000	2,000
- Expenditure through international umbrella organization				
- Aid provided directly by the organization				
Total available for commitments	0	0	0	0
OVERVIEW OF THE ORGANIZATION'S CASH TRANSFERS				
Transfers				
- Expenditure through implementing organizations (field)	2,000	2,000	2,000	2,000
- Expenditure through international umbrella organization				
- Aid provided directly by the organization				
OVERVIEW OF THE ORGANIZATION'S EXPENDITURE IN THE FIELD				
- Expenditure through implementing organizations (field)	1,002	1,002	1,002	1,002
- Expenditure through international umbrella organization				
- Aid provided directly by the organization				

3.10 EVENTS AFTER THE BALANCE SHEET DATE

There have been no material post-balance-sheet events which would require adjustment to Oxfam Novib's financial statements for the financial year 2018-19.

The Hague, July 8, 2019

Board of Directors

Michiel Servaes, Executive Director
Pauline Mulder, Director Finance and Operations
Ton Meijers, Director of Programs and Campaigns

The Hague, July 8, 2019

Board of Supervisors

Peter Verbaas, Chair, Member of Remuneration Committee
Joyeeta Gupta, Member of Programs and Campaigns Committee
Laurien Koster, Chair of Remuneration Committee
Christel de Lange, Member of the Financial Committee
Kris Douma, Chair of the Financial Committee
Inge Hutter, Member of Remuneration Committee
Martijn Dadema, Member of Programs and Campaigns Committee

4. OTHER INFORMATION



4.1 RESULT APPROPRIATION ACCORDING TO THE BYLAWS

According to the bylaws (Article 23.3), the appropriation of the net result should be carried out in line with the regulations in the 'Goede Doelen Nederland' guideline 'reserves goede doelen' (reserves of charities). According to Article 10.2, the Board of Directors adopts the Annual Accounts and according to Article 19.2, the Board of Supervisors approves them.

4.2 INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors and Board of Directors of Stichting Oxfam Novib

Report on the audit of the financial statements for the year ended 31 March 2019 included in the annual accounts

Our opinion

We have audited the financial statements for the year ended 31 March 2019 of Stichting Oxfam Novib, based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Oxfam Novib as at 31 March 2019, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the consolidated and separate balance sheet as at 31 March 2019;
2. the consolidated and separate statement of income and expenditure for the year then ended;
3. the consolidated cash flow statement for the year then ended; and
4. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Oxfam Novib in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report thereon, the annual accounts contains other information that consists of:

- the Directors' Report;
- the Board of Supervisors' Report;
- other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the Directors' Report in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors and the board of supervisors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board. Furthermore, the Board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the organization's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

The board of Directors should disclose events and circumstances that may cast significant doubt on the organization's ability to continue as a going concern in the financial statements.

The Board of Supervisors is responsible for supervising the process of financial reporting by the foundation.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Board of Supervisors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Board of Supervisors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amsterdam, July 11, 2019

MAZARS N.V.

Original has been signed by: drs. R.C.H.M. Horsmans RA RV





COLOPHON

Oxfam Novib
PO Box 30919
2500 GX The Hague

T +31 (0)70 342 16 21
info@oxfamnovib.nl
www.oxfamnovib.nl

Concept & Design
Studio Sazza

Cover Photo
Petterik Wiggers